



NRB
INDUSTRIAL

**7th Annual Report
2017-18**

MOVING THE WHEELS OF INDUSTRY

Founders of NRB Industrial Bearings Ltd.



Mr. Trilochan Singh Sahney
Chairman

Mr. Devesh Singh Sahney
Managing Director

VISION

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

MISSION

To create constant value for our customers and supply chain partners enabling long term growth while maximizing shareholder value.

7th ANNUAL REPORT**2017-2018**

Board Of Directors	:	Mr. Trilochan Singh Sahney - Chairman (Non-Executive) Mr. Devesh Singh Sahney - Managing Director Mrs. Harshbeena Sahney Zaveri - Director (Non-Executive) Mr. Manish Choksi - Independent Director Mr. Gaurav Motwane - Independent Director Mr. Ashish Chugani - Independent Director
Key Managerial Personnels	:	Mr. Devesh Singh Sahney - Managing Director Mr. Ratnakar G. Mehendale - Chief Financial Officer Mrs. Ratika Gandhi - Company Secretary and Compliance Officer
Bankers	:	Standard Chartered Bank Bank of Maharashtra
Statutory Auditor	:	Deloitte Haskins and Sells
Internal Auditor	:	Sharp and Tannan (Goa)
Solicitor	:	Khaitan and Co.
Registered Office	:	2nd floor, Dhannur building, 15, Sir P.M. Road, Fort, Mumbai – 400 001, Maharashtra, India Tel. : 022-22704206 Fax.: 022-22704207
Factory Premises	:	B-18, Five Star, M.I.D.C Area, D-Zone, Shendra, Aurangabad – 431 154 Maharashtra, India Tel. : (0240) 2629100 Fax.: 022-22704207
Registrar and 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	:	www.nrbindustrialbearings.com
CIN	:	L29253MH2011PLC213963
GST No.	:	27AADCN5657L1ZY
Email Address	:	investorcare@nibl.in

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LETTER TO THE SHAREHOLDERS

Dear Shareholder,

Every year brings its share of events that take us by surprise and shake up the global economy, Year 2017-18 was no different.

Let me give you a canvas of Global and Indian economy update. In 2016, we experienced a turbulence in Global economy, however in 2017 we observed momentum of the economy. Global economic activity is picking up with a long-awaited cyclical recovery in investment and manufacturing, World trade has risen from 3.1% in 2016 to 3.5% in 2017, it is forecasted to further grow to 3.6 % in 2018.

In India , the bearing industry is on a positive growth trend. This rise is the result of the bearings market in India being very dynamic and competitive, with an emphasis on the importance of innovation and new technology, labour and infrastructural developments. The manufacturing Industry in India is touted to grow exponentially and is essential in the Indian economy as it aids in creating employment opportunities, improving income, boosting development and growth.

Elevation in heavy, general, automotive and other industries has encouraged the growth of the bearings sector in India. We foresee, that the emphasis on rural and agricultural development, continued investment in infrastructure, implementation of Goods and Service Tax and waning negative impact of demonetisation will lead to growth in demand of Bearings and other Industrial products in FY 2018-19.

The Union budget 2018 proved to be pro-development and presents a great opportunity to catapult the manufacturing sector into a high growth trajectory. It also highlights the Indian government's strong focus towards boosting the economy and push towards infrastructure development and connectivity.

Your Company continues to increase its market share in all Business Segments, which strengthens our position in the industrial market. In 2017-18, we have grown by 4 % compared to the previous year. We have focused on increasing the number of customer and market reach in all three verticals i.e. OEM, Distribution and Exports.

“Customer First” is the motto of our organisation and it is imbedded into all our strategic initiatives. We pride ourselves in offering customized bearing solutions.

To increase customer satisfaction we have focused on product range expansion during the year, adding 80 plus new products for both generic and segment/application specific.

We would also like to share that company has been certified with International certification on Environment, Health and Safety Management - OSHAS: ISO18001, ISO14001 and International Quality Certification- ISO 9001:2015.

As part of our regional growth strategy, we successfully participated in several Engineering Exhibitions in regions like Raipur, Indore, Ahmedabad and Ludhiana as well as International Exhibitions. This helps to create brand awareness in these regions along with penetration in growing segments like Metal, Machine Tools, Agriculture, Industrial electrical and Textile.

Now your Company is focusing on Digital marketing as one of its tools for brand awareness and creating visibility.

As an organization, we are working towards our goal to be the leader in Friction Management in every market we serve. We still have many milestones to achieve, but we never lose sight of our vision. For me, this means one thing in particular that we have an array of opportunities to increase the value of our Company by adapting to market changes and requirement of our Customers, Employees and Business partners and for you, our shareholders.

Thank you for your belief in NRB Industrial Bearings Limited and for being a Shareholder.

Warm Regards,

Devesh Singh Sahney
Managing Director
DIN : 00003956

AGM NOTICE

To,

The Members

NRB Industrial Bearings Limited

Notice is hereby given that the Seventh Annual General Meeting of the members of NRB Industrial Bearings Limited will be held on Thursday, 02nd August, 2018 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, 2018, 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, 2018, together with the Report of the Auditors thereon.

2. To appoint a Director in place of Mr. Devesh Singh Sahney (DIN No: 00003956) who retires by rotation at this Annual General meeting and being eligible, has offered himself for re-appointment.

3. Appointment of 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, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification (s) or re-enactment (s) thereof, for the time being in force) approval of the Shareholders be and is hereby accorded to appoint Deloitte Haskins and Sells, Chartered Accountants, (Registration Number: 117365W) as Statutory Auditors of the Company for a term of 5 (five) consecutive years from the conclusion of this Annual General Meeting until the conclusion of Twelfth Annual General Meeting, on such remuneration plus out-of-pocket expenses as may be mutually agreed upon between the Board of Directors and the Auditors."

BY THE ORDER OF THE BOARD OF DIRECTORS,

**Ratika Gandhi,
Company Secretary and Compliance Officer
(ACS: 29732)
Mumbai, May 29, 2018**

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, Share holders 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 Seventh Annual General Meeting and Annual Report 2017-18** 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 **27th July, 2018–2nd August, 2018** (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
Email:investorcare@nibl.in

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

(iii).Voting through electronic means:

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on **30th July, 2018 from 9.00 a.m. and ends on 01st August, 2018, 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 **26th July, 2018** 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 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 and 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 and Compliance officer
(ACS: 29732)**

Mumbai, May 29, 2018

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

DIRECTOR'S 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, 2018. 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	2017-18	2016-17
Total Revenue for the Year	4612.81	4396.20
Profit/(Loss) before Depreciation, Exceptional Items and Taxes	(1153.38)	(1074.24)
Depreciation and Amortization Expenses	892.28	891.87
Profit/(Loss) before Exceptional Item	(2045.66)	(1966.11)
Exceptional Item	-	-
Profit/(Loss) before Tax	(2045.66)	(1966.11)
Tax expenses	NIL	NIL
Other Comprehensive Income	11.92	(13.30)
Total Comprehensive Income	(2057.58)	(1952.81)
Other Equity	287.62	169.81
EPS		
- Basic	(8.44)	(8.11)
- Diluted	(8.44)	(8.11)

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, 2017 to March 31, 2018 (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. Disclosure of orders passed by Regulators or Courts or Tribunal:

No significant and material orders have been passed by any Regulators or Courts or Tribunals which can have an impact on the going concern status and the Company's operations in future

g. 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 Rs. 4469.27 lakhs for the financial year ended March 31, 2018 as against Rs. 4279.49 lakhs in the previous year. Company registered the growth of 4 % over previous year.

Domestic Industrial market is showing positive growth in terms of demand for engineering products. The first half of 2017-18 was subdued, however; demand in industrial market started improving in second half of the financial year resulting in growth.

Export market continues to grow, Export turnover of your Company for the financial year was Rs. 1216.67 lakhs as against previous year Rs. 986.97 lakhs resulting in growth of 23%.

Operational Overview:

The global economy in 2017 was moderate. However, the year 2018-19 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.

First half of 2017-18 was affected due to demonetization effect and GST introduction which was stabilized in second half of the year, this led to increase in demand for Industrial products. Industrial manufacturers in India are looking at digitalizing their vertical and horizontal value chain from product development and purchasing to manufacturing, logistics and services.

Apart from investing in new product development, Industrial market is moving to Product and Service offerings. While the focus continues on penetrating the domestic market, Indian manufacturers are also looking forward to reach global market by Sales growth and identifying new geographies.

Your company has world class manufacturing facility with fully equipped Research and Development Center for new product development in order to meet the competitive industrial market requirements.

As per government policy, more focus on localized critical product under "Make in India", your Company has enlarged the product range in variety of bearings to expand the range and fulfill the requirement of industrial customers.

Service to customers is a critical component for overall business growth in both OEM and Distribution business. Industrial OEM segment is very competitive with on time delivery requirements. Expectations from the supplier is to carry inventory and supply Just in Time (JIT). We are aligning our internal processes to meet customers expectations.

The focused segments in OEM business are Textile, Machine tool, Material handling, Industrial Electrical, Industrial Gear Box and Jute segment. Your company has taken steps forward with key account management approach and segment wise strategies to improve market share in all above key OEM segments.

We are expanding the distribution network, in order to reach each potential industrial markets. Your company has initiated the Sub-distribution model to ensure the availability of products to all the potential customers on time.

During the year, we have focused on segments such as Agriculture, Jute, Textile, Metal, Cement, Mining and Paper and Pulp to explore new avenues of business.

Your Company organized its 5th Dealer Symposium in April 2018, with event theme "**Accelerating Growth**". The Symposium helps strengthening the partnership and create synergy between the Company and Distribution partners. High performing distributors were recognised and felicitated in Dealer Symposium.

This year your company is specifically focusing on "Brand building". Expanding the product range with developing the new products based on customer demand, enlarge scope of serving the customers to their satisfaction and introducing "E-commerce business model".

Your company has participated in exhibitions both at a domestic and international level.

Your Company has implemented Customer Relationship Management (CRM) for managing customer's interactions. We have successfully implemented GST during the period under review.

c) Quality Assurance:

Your company is certified with ISO 9001:2015, ISO 14001:2015, OHSAS 18001:2007 (EHS). This international certification has enhanced the level of customer confidence. Our focus is on minimizing environmental impacts and provide safe and healthy working environment. In order to prevent injury and occupational health hazard, the company provides training to employees, contractual personnel, vendors and service providers for effective implementation of EHS requirement.

Your Company focused on strengthening the internal processes for minimizing rejections and improving customer satisfactions by implementing failure prevention control.

As part of the Environmental management System, commitment to conserve resources, we have converted all street lights to LED lighting system resulting in power saving.

d) 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.

e) Share Capital:

Members have approved in 6th Annual general meeting held on August 3, 2017 for issuance of 2,00,00,000 6% Redeemable, Cumulative, Non-convertible Preference shares of Rs.10/- each aggregating to Rs.20,00,00,000/- (Rupees Twenty crores only) for term of 5 years to Mr. Trilochan Singh Sahney under private placement.

Considering the existing financial position of the company, Company has accepted the proposal received from preference shareholder for variation in terms and conditions of issued Preference shares of the company.

Further the revised terms and conditions for entire issued 4,00,00,000 Preference shares were as mentioned below:

1. Rate of dividend shall be 2%
2. Tenure/ redemption period of Preference issue will be 10 years.

Hence, the existing paid up share capital of your Company as on 31st March, 2018 is Rs. 44,84,61,300/- divided into 2,42,30,650 Equity Shares of Rs. 2/- each and 4,00,00,000 Preference Shares of Rs. 10/- each.

3. Directors and Key Managerial Personnel:

- i. Pursuant to provision of section 149 of Companies Act, 2013 (the Act), Mr. Manish Choksi, (DIN No.: 00026496), Mr. Gaurav Motwane (DIN No.: 00746165) and Mr. Ashish Chugani (DIN No.:00009654) 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(6) of the Companies Act, 2013 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 of Companies Act, 2013 read with applicable Rules, Mr. Devesh Singh Sahney (DIN:00003956), retires by rotation at the ensuing 7th Annual General Meeting and being eligible, offers himself 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 Companies Act 2013, the Key managerial personnel of the Company are :
 - 1) Mr. Devesh Singh Sahney, Managing Director,
 - 2) Mr. Ratnakar Mehendale, Chief Financial Officer and
 - 3) Mrs. Ratika Gandhi, Company Secretary and Compliance Officer.

There has been no change in the key managerial personnel during the year.

4. 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.

5. Evaluation of the Board's Performance:

As per requirement of Section 134(P) 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.

The Board carried out annual performance evaluation of the Board of Directors, its Committees and Individual Director. The performance of the Board was shared with Board members and suggestions were evaluated in detail. Further the reports on performance evaluation of the Individual Directors were reviewed by the Chairman of the Board.

Independent directors have meet separately on 29th March, 2018.

6. 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 and 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.

7. 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)(A)(B)(C) of the Companies (Accounts) Rules, 2014 is furnished in '**Annexure I**' and is attached to this Report.

8. 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.

9. 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.

10. 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 2017-18 as per Section 186 of Companies Act, 2013 is stated in the Notes to Account which forms part of this Annual Report.

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

a. Related Party Transactions (RPT):

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 Indian Accounting Standards.

The Company has adopted 'Related party transactions policy' and the same has been displayed on the Company's website: www.nrbindustrialbearings.com.

12 Subsidiaries /Joint Ventures/Associate Companies:

- i. 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.
- ii. Pursuant to section 134 of Companies Act 2013 Read with Rule 8 (5)(iv) during the period of review there were no companies which have become or ceased to be its subsidiaries, joint ventures or associate companies.
- iii. 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 the Indian Accounting Standards (Ind AS) prescribed under Section 133 of Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, Accounting for Investments in Associates in Consolidated

Financial Statements and Financial Reporting of Interests in Joint Ventures, respectively, hence company has provide Standalone and Consolidated financials for FY 2017-18.

NRB Industrial Bearings Limited holds 35% equity participation in NRB – IBC Bearings Private Limited (NIBC) 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.

- iv. As of March 31, 2018 the consolidated results include the working of the associate company. Despite the challenging environment in the Indian economy post GST, NIBC achieved overall sales growth of 56.6% from increased sales volumes from Rs. 744.27 lakhs (previous year) to Rs. 1165.53 lakhs (current year). Domestic turnover has increased by 42% and export turnover has increased by 73% in this current year against previous year.
- v. NIBC has maiden its cash profit of Rs. 37.49 lakhs in this year. NIBC expects to further capitalize on growth opportunities during the current year and enhance profitability with emphasis on improving quality and productivity.

13. 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.

14. 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 and Independent directors for various committees.

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

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

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

The Board met 5 (Five) times, 2 (two) circular resolutions were past and 1 (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.

16. Cost Compliance Report

Cost audit is not applicable to your company but, Companies (Cost Accounting Records) Rules, 2011 dated. 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.

17. 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.

18. 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

19. 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

i) In financial year 2017-18, Company has allotted 2% Redeemable, Cumulative, Non-convertible Preference shares to Mr. Trilochan Singh Sahney under private placement for 2,00,00,000 (Two Crore) preference shares each having nominal value of Rs. 10/- (Ten Only) amounting to Rs. 20,00,00,000/- (Rupees Twenty crores only).

ii) Further the terms and conditions for existing 4,00,00,000 (Four Crore) Preference shares were revised as mentioned below:

1. Rate of dividend shall be 2%
2. Tenure/ redemption period of Preference issue will be 10 years.

Board has accepted the proposal by reviewing current financial situation of the Company.

20. Auditors :

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 M/s. Deloitte, Haskins and Sells, Chartered Accountants with an ICAI Firm Registration No. ICAI 117365W have audited the Financial Statements of the Company for the period April 1, 2017 to March 31, 2018. 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.

Accordingly, the tenure of statutory auditors expires on this ensuing 7th Annual general meeting, hence with pursuant to Section 139, 142 and other applicable sections read with Rule 3, 4,5 and 6 of Companies (Audit and Auditors) Rules 2014, Company hereby proposes to re-appoint Deloitte Haskins and Sells, (ICAI Firm Registration No. 117365W), Chartered Accountants for their next term of 5 consecutive years, subject to approval of their appointment in the ensuing Seventh Annual General Meeting.

M/s. Deloitte, Haskins and Sells have expressed their willingness to continue as the Statutory Auditors of

the Company in letter dated May 29, 2018 and 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 financial year 2018-19.

21. Fraud Reporting:

Pursuant to section 134(3) (ca) and section 143 (12) of Companies act 2013 read along with all other applicable sections of the and rules read together, during the year under review, no instances of fraud were reported by the Statutory Auditors of the Company.

22. Statutory and Material Orders by Regulatory authorities/Courts or Tribunals:

Pursuant to Rule 8 (5)(vii) of Company (Accounts) Rules, 2014 and other applicable section of companies Act, 2013 there were no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

23. 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 had appointed AJS and Associates proprietor Mr. Ajit Sharma, Practicing Company Secretary to undertake the Secretarial Audit for the financial year 2017-18 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.

24. 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**.

25. 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 MGT-9, is furnished on company's website:<http://www.nrbindustrialbearings.com/shareholder.php> .

Note: The above is been provided with effect of official notification in Gazette of India by Ministry of Law and Justice Reference no.: New Delhi, Wednesday, the 3rd January, 2018/Pausha 13, 1939 (Saka).

26. 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 and 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.

27. 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.

28. 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	Nomination and Remuneration policy

29. 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.

30. Directors Responsibility Statement

Your Directors wish to inform Members that the Audited Accounts containing Financial Statements for the Financial Year 2017-18 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) and Section 134(5) of the Companies Act, 2013, your Directors further confirm as under:

- i) 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 2017-18.

31. 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 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 shareholders 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
DIN: 00003873

D.S.Sahney
Managing Director
DIN: 00003956

Place: Mumbai
Date: May 29, 2018

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, 2018:

- a) **Conservation Of Energy:** Energy Conservation measures taken in each process.
- b) **Additional Investments and proposals, if any, being implemented for reduction of consumption of energy:** NIL
- c) **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
- d) **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:**

Sr. No.	Purchased	Current Year (2017-18)	Previous Year (2016-17)
1	Units, (In KWh)	38,41,725	35,17,728
2	Total amount (In Rs. lakhs)	331	266
3	Rate/unit, (Rs. per KWh)	8.61	7.57
4	Own Generation, (In KWh)	20,148	20,288
Through Diesel Generator			
5	Unit, (In KWh)	20,148	20,288
6	Diesel Oil consumed (In litres)	4,870	5,670
7	Generation (KWh per litres)	4.14	3.58
Through Steam turbine/generator			
8	Propane gas consumption (In tons)	14.97	15.03
9	Tons of steel heat treated per ton of propane gas consumed	19.79	14.98
10	Propane gas per ton cost.(In Rs.)	44,715	32,289
Consumption per unit production			
		Standard (Current Year)	Standard (Previous Year)
11	Production Value of Bearings (In Rs. Lakh)	3,316	2,702
12	Electricity (purchased and own generation), KWh consumed per Rs. Lakh. Value of Bearings produced	0.0118	0.0131
13	HT Furnace production (In Ton)	296.31	225.115

Form A: Power and Fuel Consumption :

1. Electricity

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

During the year, the Company has focused more on technology development for different types of products for different application of existing range as well new product like TRB. 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 and Development department:

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

- 1 80 no's of new product developed.
2. Development of special product for paper printing machine
3. Development of cylindrical rollers for pealing machine used in wood machineries.
4. Development of LL series of Spherical roller bearing.
5. Development of special WIR for steel sheet manufacturing industry
6. Developed universally paired ACBB for gear box application.

b) Benefits derived as a result of the above RandD:

1. Developed 80 products to enhance business in the area of existing as well new application for existing as well as new customer base.
2. Improved product quality and performance.

c) Future Plan of action:

1. New range of Spherical roller bearing to develop for enhancing the range as well as performance for wide range of application.
2. Widen the ACBB range for export as well as domestic requirement
3. Develop combine bearing to increase product range
4. Enhancing in-house product testing facility
5. New types of product introduced widen the product variety
6. Development of semi auto RC checking machine
7. Application of Needle roller bearing for new application

d) Expenditure on RandD:

1. Capital : FY: 2017-18 : NIL
PY: 2016-17 : NIL
2. Recurring : FY: 2017-18 : Rs. 136.66 lakhs
PY: 2016-17 : Rs. 113.38 lakhs
3. Total : FY: 2017-18 : Rs. 136.66 lakhs
PY: 2016-17 : Rs. 113.38 lakhs
4. Total RandD as a percentage of Total turnover
FY 2017-18 – 2.87 %,
PY 2016-17 – 2.78 %

e) Technology, absorption, adaption and innovation:

- i) **Efforts, in brief, made towards technology absorption, adaption and innovation:**
 1. We made effort to absorb the new technology
 2. Effort made to absorb technology in the area of TRB design and development
 3. Technology adoption to design and develop LL series of SRB.
- ii) **Benefits derived as a result of the above efforts eg. Product improvement, cost reduction,**

product development, import substitution, etc:

1. Implemented the technology absorbed in development of special WIR, Thrust bearings and LL series of SRB.
2. New design thrust bearing cages developed that improved the bearing performance.

iii) Foreign Exchange earnings and outgo :

Total Foreign Exchange earnings :

FY 2017-18 Rs.1273.66 lakhs , PY Rs.: 1011.79 lakhs

Total Foreign Exchange outgo :

FY 2017-18 Rs.144.52 lakhs, PY Rs.: 131.40 lakhs

For and on behalf of Board of Directors,

T. S. Sahney
Chairman
DIN : 00003873

D.S.Sahney
Managing Director
DIN : 00003956

Place: Mumbai

Date: May 29, 2018

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 2017-18.

- (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)	Associate Company	NRB-IBC Bearings Private Limited
(b)	Key Management Personnel (KMP)	Devesh S. Sahney, Managing Director
(c)	Relative of Key Management Personnel	Trilochan S. Sahney, Chairman 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 SNL Bearings Limited

(b) Nature of contracts/arrangements/transactions: Ongoing business transactions which forms part of financial statements in Notes to accounts, Note no.: 37

(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. 29th May, 2017
- ii. 3rd August, 2017
- iii. 9th November, 2017
- iv. 10th February, 2018

(f) Amount paid as advances, if any: Not applicable.

For and on behalf of Board of Directors,

T. S.Sahney
Chairman
DIN : 00003873

D.S.Sahney
Managing Director
DIN : 00003956

Place: Mumbai

Date: May 29, 2018

ANNEXURE 'III'

Form No. 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, 2018, 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	31.03.2018
2. Date on which the Associate/ JV was Associated or acquired	30.12.2013
3. Shares of Associate/Joint Ventures held by the company on the year end, Number of shares held	42,00,000
Amount of Investment in Associates/Joint Venture @ face value of Rs. 10/- each share	Rs. 4,20,00,000/-
Extend of Holding%	35%
4. Description of how there is significant influence	35% shareholding 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.
5. Reason why the associate/joint venture is not consolidated	N.A
6. Net worth attributable to shareholding as per latest audited Balance Sheet as on March 31, 2018.	158.40
7. Profit/Loss for the year	(122.23)
i. Considered in Consolidation	NIL
ii. Not Considered in Consolidation	(122.23)

- 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
DIN : 00003873

D.S.Sahney
Managing Director
DIN : 00003956

Place: Mumbai
Date: May 29, 2018

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 Rs 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 authorized, 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 Auditor)
- 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 its 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'**MR - 3****SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED ON 31st MARCH 2018**

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

To,
The Members,
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 **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, 2018, 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, 2018, 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 (not applicable to the Company during the Audit Period);

(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(not applicable to the Company during the Audit period);
- 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 Listing Agreements, entered into by the Company with Bombay Stock Exchange Limited and new SEBI (Listing Obligation and Disclosure Requirement) 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. mentioned above subject to the following observations:

- 1. Omnibus approval from Audit Committee has been obtained for Related party Transactions done during the year and details about Related Party transactions are also mentioned in the Resolutions.**

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took Place during the year under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed 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 which is annexed as Annexure II and form an integral part of this report.

For AJS and ASSOCIATES

Date : - 29th May, 2018

Place: - Mumbai

(A.J. SHARMA)

Proprietor

M. No.: 32696

COP No.: 12028

Annexure - I

List of documents verified:

1. Memorandum and Articles of Association of the Company.
2. Annual Report for the financial year ended 31st March, 2018.
3. Minutes of the meetings of the Board of Directors, Audit Committee, Nomination and 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 and 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 / SEBI (Listing Obligation and Disclosure Requirement) 2015 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, Factory Laws, etc. the Company used to take the quarterly Compliance report from the respective HOD's of the designated teams to look after the Compliance of the said laws, which used to be placed in the Board meeting and after going through it the Directors approves it and after going through those report and on randomly checking / verifying the documents/ records, and as per explanation from concern team of their respective department, I found that the same was timely complied.

Except the filing of return of PF, the Company had received notice from the concerned department asking to appear before them to reply to them why they have defaulted in filing the return on time for some of the period under scrutiny.

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 and ASSOCIATES

Date : - 29th May, 2018

Place: - Mumbai

(A.J. SHARMA)

Proprietor

M. No.: 32696

COP No.: 12028

Annexure II

To,

**The Members,
NRB INDUSTRIAL BEARINGS LIMITED**

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

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provided a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Book of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulation, standards is the responsibility of management. My examination was limited to the verification of procedures on the test basis.
6. The Secretarial audit report 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.

Date : - 29th May, 2018

Place: - Mumbai

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

ANNEXURE VI

A) 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 Rule5(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 - 44 : 1
(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 - 12% Mr. R.G. Mehendale, CFO - Nil Ms. Ratika Gandhi, Company Secretary - 33%
(iii)	The percentage increase in the median remuneration of employees in the financial year;	: 2.81%
(iv)	The number of permanent employees on the rolls of company;	: 272 employees as on 31.03.2018
(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): 11% Average Salary Increase for non KMPs : 9.79%
(vi)	Affirmation that the remuneration is as per the remuneration policy of the company	: Remuneration paid during the year ended March 31, 2018 is as per the Remuneration Policy of the Company.

B) 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: Not Applicable.

C) Details / names of Top ten employees in terms of remuneration drawn and the name of employee as per Section 134 Read with Rule 5(2) (i)(ii)(iii) of Companies (Appointment and Remuneration)Rules, 2014: Not Applicable.

For and on behalf of Board of Directors,

T. S.Sahney
Chairman
DIN : 00003873

D.S.Sahney
Managing Director
DIN : 00003956

Place: Mumbai
Date: May 29, 2018

ANNEXURE VII

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) and 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.

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.

E) 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.

F) 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.

G) 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.

H) TERMS AND TENURE OF APPOINTMENT:

- 1. Managing Director/Whole-time Director/Manager (Managerial Person): -
 - a. 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.
 - 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:
 - a. The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management at regular interval (yearly).
- 4. Removal:

- a. 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 and 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 Rs. 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.

I) SECRETARY:

The Company secretary shall act as Secretary of the Committee.

J) 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 2017 - 18

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, 2018 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 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, 2018 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

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,

R. G. Mehendale
CFO

D. S. Sahney
Managing Director
DIN : 00003956

Place: Mumbai
Date: May 29, 2018

PRACTICING COMPANY SECRETARIES CERTIFICATE TO THE MEMBERS OF NRB INDUSTRIAL BEARINGS LIMITED ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE FOR THE YEAR ENDED 31ST MARCH, 2018.

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

1. We have examined the compliance of conditions of corporate governance by NRB INDUSTRIAL BEARINGS LTD ('the Company') for the year ended 31st March 2018, as per Listing Agreement executed by the Company with the Bombay Stock Exchange Limited ('BSE') and the National Stock Exchange of India Limited ('NSE') for the period from 1st April 2017 to 31st March, 2018 as prescribed in regulations 17 to 27, 46 (2) (b) to (i) and para C , D and E of Schedule V of Chapter IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR").
2. We state that the compliance of conditions of Corporate Governance is the responsibility of the management and our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of conditions of Corporate Governance.
3. It is neither an audit nor an expression of opinion on the financial statements of the Company. In our opinion, and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the LODR.
4. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.
5. This certificate is issued solely for the purposes of complying with the aforesaid Regulations and may not be suitable for any other purpose.

For AJS and ASSOCIATES

Date : - 29th May, 2018

Place: - Mumbai

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

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

I. Outlook / Business Overview

The global bearings market size was estimated at \$78,779 million in 2014. It is estimated to be valued at \$140,792 million in 2022, registering a CAGR of 7.5% during the forecast period as per research agencies.

The global bearings market is driven by increase in the demand for bearings both industrial and automotive, as the implementation of bearings helps reduce impediment caused by friction.

Bearings helps improve the efficiency of the machines, smother the movement of the bearings less number of machine break downs and reduce down times. The global market has a positive trend in terms of new technologies in bearing industry. Companies need to be flexible for capital investments in current competitive market.

Valued added bearing solutions are gaining the attention of bearings industry. Specific bearing solutions like Insulated bearings, Hybrid bearings are demanded in many industrial applications like electric motors to protect the machine from electric current leakages.

Solid Oil bearings is another value-added bearing which resolves the re-lubrication issue in applications where machine requirement is maintenance free bearings. Current trend of industrial customers is a complete solution rather than standard catalogue bearings for improvement in machine performance and operational efficiency.

Your company has plan to introduce Solid Oil bearings and Insulated bearings to industrial market to create new business opportunities and be the solution provider to customers.

The Indian bearing market is estimated at Rs 95 billion and it constitutes less than 5% of global bearing demand. In terms of consumption, about 60% requirement is catered through domestic production while remaining is met through imports. In order to capitalize on India's low cost labor advantage, global MNCs have also started using Indian unit as their global souring partners.

During FY2009-FY2012, domestic bearings manufacturers witnessed revenue growth of 17.4% in the backdrop of strong investment activities as well as robust growth in automotive sector. Subsequent slowdown in economic activities and moderation in automotive growth resulted in CAGR growth of just 4.3% during FY2012-FY2017 period.

Your Company strives to provide value added solutions to its customers as it competes with major brands without compromising on the quality and focusses to deliver and meet the market demands.

Your Company is optimistic of healthy growth in 2018-19

II. Financial Condition

1. Changes in Share Capital:

During the FY 2015-16 Company had increased its authorized capital from Rs. 5,00,00,000 to Rs. 55,00,00,000 passed by a Special Resolution of 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.

The Company vide passing a resolution through 6th Annual General meeting on 03rd August, 2017 has issued 2,00,00,000 2% Redeemable Non-Convertible Preference Shares on Private Placement basis to Mr. Trilochan Singh Sahney, Non-Executive Chairman of the Company.

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

Company has revised the terms and conditions for 4,00,00,000 Preference shares as mentioned below:

1. Rate of dividend shall be 2%
2. Tenure/ redemption period of Preference issue will be 10 years.

The Authorized Share Capital of the Company is Rs. 55,00,00,000/- (Rupees Fifty Five Crore only) divided into Rs. 5,00,00,000/- (Rupees Five Crore only) of 2,50,00,000 Equity Shares of Rs. 2/- each and Rs. 50,00,00,000/- (Rupees Fifty Crore only) of 5,00,00,000 Preference Share of Rs. 10/- each.

The issued, subscribed and paid up capital stood at Rs. 44.84 Crore as on 31st March, 2018.

2. Reserves and Surplus

The balance of Capital Reserve as at 31st March, 2018 amounted to Rs. 5700.16 lakhs Retained Earnings of the Company for the financial year ended March 31, 2018 stood at negative Rs. 8216.52 lakhs and deemed capital contribution is Rs. 2803.98 lakhs

Share holders Fund is at Rs. 772.23 lakhs Increased from Rs.654.42 lakhs y-o-y basis.

3. Fixed Assets

During the year, we capitalized Rs. 80.14 lakhs to our gross block comprising Rs. 5.96 lakhs for Leasehold Improvements, Rs. 7.84 lakhs for Furniture and Fixture, Rs. 6.48 lakhs for Computer, Rs. 46.96 lakhs for Plant and Machinery, Rs.10.73 lakhs for Vehicles and Rs. 2.17 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 Rs. 1148.95 lakhs as on at March 31, 2018 compared to Rs. 1049.45 lakhs as lakhs March 31, 2017. Debtors are at 24.91% of revenues for the year ended March 31, 2018, compared to 25.74 % as on March 31, 2017

6. Cash and cash equivalents

The following tables give the details of Cash and cash equivalents :

Particulars	As at March 31, 2018	As at March 31, 2017
A. Cash and cash equivalents		
(a) Cash on hand	0.53	1.02
(b) Balances with banks in current accounts	67.04	9.92
Total	67.57	10.94
B. Other bank balances		
Balances with banks in earmarked deposit account (held as security against the guarantees)	15.45	15.45
Total	15.45	15.45

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, 2018	31st March, 2017
Capital advance	4.85	23.66
Security deposits	46.62	46.42
Total	51.47	70.08

Capital advances represent amount paid in advance on capital expenditure

Non-current Investments

The Company has invested 42,00,000 equity shares of Rs. 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, 2018

8. Liabilities

Long term Liabilities

(Rs. In Lakhs)

Particulars	31st March, 2018	31st March, 2017
Secured Term Loan	1484.09	658.27
Other Loan	3231.98	1558.06
Total	4716.07	2216.33

Term Loan from Bank

Secured:

- (a) Rs. 139.71 lakhs (March 31, 2017 Rs. 417.04 lakhs and March 31, 2016 Rs. 710.82 lakhs) secured by exclusive first charge over immovable property, plant and equipment (buildings), leasehold land of the Company and its movable plant and machinery, furniture and fixtures and other movables at its factory at Shendra (near Aurangabad). The term loan is repayable in remaining 2 equal quarterly instalments by September 2018 and carries floating interest rate of LIBOR + 350 bps. The present rate of interest is 4.98%.
- (b) As at March 31, 2016 Rs. 1918.92 lakhs was secured by security stated in (a) above. The term loan was fully repaid in November 2016.
- (c) Rs. 1491.41 lakhs (March 31, 2017 Rs. Nil and March 31, 2016 Rs. Nil) secured by subservient charge on current assets and movable property, plant and equipment and pledge of 2,083,250 shares of NRB Bearings Limited held by a director of the Company. The working capital term loan is repayable in total 17 quarterly installments comprising of 5 Quarterly installment of Euro 0.38 lakhs each starting from 27 Feb, 2019 till 2nd March 2020 and 12 Quarterly installment of Euro 1.42 lakhs each starting from 1 June, 2020 till 28 February 2023 and carries interest rate of EURIBOR 6M + 3.05% which has been converted in to a fixed rate loan carrying interest rate of a 6.3 % p.a. through Interest rate Swap.
- (d) Rs. Nil (March 31, 2017 Rs. 988.39 lakhs and March 31, 2016 Rs. Nil) secured by subservient charge on current assets and movable Property, plant and equipment 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 was repayable in two equal installments of Rs. 500 lakhseach on 30 June, 2017 and on 30 December, 2017 and carried interest rate of one year MCLR + 70 bps. The term loan was fully repaid in September 2017.
- (e) Rs. Nil (March 31, 2017 Rs. 1077.57 lakhs and March 31, 2016 Rs. Nil) secured by subservient charge on current assets and movable Property, plant and

equipment 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 was 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 carried interest rate of one year MCLR + 85 bps. The term loan was fully repaid in October 2017.

Term loan from others

Rs. 23.12 lakhs (March 31, 2017 Rs. 23.70 lakhs and March 31, 2016 Rs. 30.88 lakhs) secured by hypothecation of vehicles. Out of these, the term loan of Rs. 1.35 lakhs (March 31, 2017 Rs. 3.83 lakhs and March 31, 2016 Rs. 6.06 lakhs) carrying interest rate of 10.71 % is repayable in remaining 6 equal monthly instalments by September, 2018, the term loan of Rs. 14.25 lakhs (March 31, 2017 Rs. 19.87 lakhs and March 31, 2016 Rs. 24.82 lakhs) carrying interest rate of 12.75 % is repayable in remaining 24 equal monthly instalments by April, 2020 and the term loan of Rs. 7.52 lakhs (March 31, 2017 Rs. Nil and March 31, 2016 Rs. Nil) carrying interest rate of 8.82 % is repayable in remaining 49 equal monthly instalments by April, 2022.

Unsecured

Term loan from others

Rs. 1639.06 lakhs (March 31, 2017 Rs. Nil and March 31, 2016 Rs. Nil) secured by pledge of 2,458,597 shares of NRB Bearings Limited held by a Director and a Promoter of the Company. The term loan is repayable in eight equal quarterly installments of Rs. 206.25 lakhs starting from 6 December, 2019 and carries interest rate of 10.5 % p.a.

Loans from related parties:

100 lakhs each 6 % Redeemable Cumulative Non-Convertible Preference shares of Rs. 10 each fully paid up were issued to a Promotor shareholder in March 2016 and in April 2016 respectively with redemption at the end of 5 years from the date of issue. During the year, the terms of existing Redeemable Cumulative Non-Convertible Preference shares were changed w.e.f. February 15, 2018 the preference dividend rate is modified to 2 % and redemption term is changed to 10 years for above said preference shares.

200 lakhs 2 % Redeemable Cumulative Non-Convertible Preference shares of Rs. 10 each fully paid up were issued to a Promotor shareholder in February 2018 with redemption at the end of 10 years.

Short term Liabilities

(Rs. In Lakhs)

Particulars	31st March, 2018	31st March, 2017
Maturities of Long Term Debt	170.15	1848.43
Interest accrued but not due on borrowings	8.64	19.37
Current Liabilities	99.69	95.93
Total	278.48	1963.73

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, 2017 was Rs. 19.10 lakhs compared to Rs. 32.07 lakhs for the financial year ended 31st March, 2018.

Long term provisions for the previous financial year ended 31st March, 2017 was Rs. 34.32 lakhs compared to Rs. 48.20 lakhs for the financial year ended 31st March, 2018

10. Revenue from Operations

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

(Rs. In Lakhs)

Particulars	31st March, 2018	31st March, 2017
Revenue from Operations	4469.27	4279.49
Expenses	(6658.47)	(6362.31)
Other Expenses	(1464.70)	(1462.85)
Depreciation and amortization	(892.28)	(891.87)
Loss before Exceptional items and Tax	(2045.66)	(1966.11)
Exceptional Items	-	-
Loss Before Tax	(2045.66)	(1966.11)
Tax Expenses	-	-
Loss after Tax	(2045.66)	(1966.11)
Other Comprehensive Income	11.92	(13.30)
Total Comprehensive Income	(2057.58)	(1952.81)
Earnings Per Share	(8.44)	(8.11)

III. Environment, Health and Safety

Health and Safety of the employees is considered at priority and maintained at the benchmarks set for standard Industrial practices.

Your Company provides trainings to employees on the Safety measures and has Zero tolerance towards negligence provoking hazardous accidents. There are regular programmes conducted in order to literate employees at shop floor level and to have complete control on the systems.

There are mock fire drills conducted at head office and shop floor level so that employees are equipped to handle any kind of accidental situations. Proper safety management and Industrial hygiene processes are set, so that employees have safe work environment.

IV. Human Resources

Since its inception, Your Company has always viewed its employees as its greatest asset. Your Company endeavours to be an 'Employer of Choice' by fostering an environment of aspirational goal setting, continuous improvement, in addition to health and safety, and corporate responsibility.

To attain this your company also enrolled itself in 'Best place to work' in the year 2017-18.

Offering a harassment-free workplace to all:

Your Company aims to have a discrimination-free workplace. Guidance on harassment-free workplace adopted in Company's Code of Conduct and the Company's Human Resource, Sexual Harassment and Affirmative Action Policies.

Company also arranged a session on 8th of March i.e. International Women's day a session enlightening all the women employees of the company about company's Policies safeguarding women's rights.

Safety Governance Structure

The Management is responsible for training and supervising employees on safe procedures and health care, providing information on safety hazards and providing safety appliances.

Your Company has organized Safety Week at our Shendra plant and Head Office, wherein we provided fire safety training to our employees and conducted safety Mock drill.

Company conducted annual health check-up for all our employees.

Equal opportunity to all

NIBL recognizes and values the differences in employee 'backgrounds and skills' and promotes equal access to employment and supply opportunities without discrimination. Any alleged violation of the equal opportunity policies is investigated and, if found valid, acted upon.

Fun at work:

Company emphasizes and makes all possible efforts to create a positive working environment for its employees. As we believe a successful business relies on many things, but most important are our employees. They not only keep a company going, but they are also the face of the company and help to promote a company wherever they are.

Company arranges various employee engagement activities to bring them closer and making a great place to work.

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 a 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 evolves and follows 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, 2018 is tabulated as under:

Particulars	DIN	Category	No. of Directorship held in Indian Listed Companies (including NRB Industrial)	No. of Membership(s) / Chairmanship(s) in Board Committees`
Mr. Trilochan Singh Sahney	00003873	Chairman / Non-Executive	2	2
Mr. Devesh Singh Sahney	00003956	Managing Director	2	2 (1 as a Chairman)
Mrs. Harshbeena Sahney Zaveri	00003948	Non-Executive	3	7 (2 as a Chairman)
Mr. Manish Choksi	00026496	Independent	1	1 (1 as a Chairman)
Mr. Ashish Chugani	00009654	Independent	1	4
Mr. Gaurav Motwane^	00746165	Independent	1	1 (as a Chairman)

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

[^]Mr. Gaurav Motwane was 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, 2018, 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 and Procedures:

Number of Board Meeting and Attendance

During the financial year ended 31st March, 2018, Five (5) 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 29th May, 2017, 03rd August, 2017, 09th November, 2017, 10th February, 2018, and 29th March, 2018. Further Two (2) Circular resolutions passed during the review period, noting of which was taken in subsequent meeting.

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 03rd August, 2017
	27th May, 2017	03rd August, 2017	09th November, 2017	10th February, 2018	29th March, 2018	
Trilochan Singh Sahney	✓	✓	✓	✓	✓	✓
Harshbeena Sahney Zaveri	✓	✓	✓	✓	LOA	LOA
Devesh Singh Sahney	✓	✓	✓	✓	✓	✓
Manish Choksi	✓	✓	✓	✓	✓	✓
Ashish Chugani	✓	✓	✓	✓	✓	✓
^Gaurav Motwane	LOA	✓	✓	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, 2018.

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 2017-18.

III. Profile of Directors:

1. Mr. Trilochan Singh Sahney : Chairman

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:

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

2. Mr. 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 and Toubro (Bombay) in the Finance department, LandT 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. Mrs. Harshbeena Sahney Zaveri : Director

Mrs. 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 and Managing Director. She spearheaded NRB's foray into Research and Development, 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 Thaparand Bros (Coal Sales) Ltd, and past Board member of IL and FS Asset Management Company Limited.

Fortune Magazine ranked Mrs. 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.

Mrs. 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 Navi Radjou, 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. Mrs. 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.

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

4. Mr. Ashish Chugani : Independent Director

Mr. Chugani has more than 25 years of experience in private equity, real estate, investment banking and commercial banking. Previously, Managing Partner at Tata Capital Private Equity.

Currently, Partner and Head-Business Development at Centrum Alternatives LLP.

Prior to joining Centrum, He was Managing Partner at Tata Capital Private Equity investing in real estate transactions.

He has also been MD of India at Cambridge Place Investment Management LLC, a UK based investment management firm, 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 and real estate.
- Post investment portfolio monitoring, mentoring and support.
- Managing and implementing exits.
- Fund raising for various investment strategies.

5. Mr. Manish Choksi : Independent Director

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 and 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 the President - International, HR, IT and Chemicals at Asian Paints Limited. He is a member of the Executive Council of Asian Paints group and is on the Board of several operating companies of Asian Paints group. He has been a catalyst for the company's foray into services such as painting / décor / home improvement solutions as well as new initiatives.

6. Mr Gaurav Motwane : Independent Director

Mr. Motwane holds a Bachelor's Degree from The Wharton School, University of Pennsylvania, USA. He holds position of Managing Director in Mahindra Sona Limited (MSL) which 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
5. Compliance with listing and other legal requirements relating to financial statements
6. Disclosure of any related party transactions
7. Qualifications in the draft audit report
8. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
9. 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 utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
10. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
11. Approval or any subsequent modification of transactions of the company with related parties;
12. Scrutiny of inter-corporate loans and investments;
13. Valuation of undertakings or assets of the company, wherever it is necessary;
14. Evaluation of internal financial controls and risk management systems;
15. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
16. 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;
17. Discussion with internal auditors of any significant findings and follow up there on;
18. 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;
19. 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;
20. 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;
21. 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.

POWERS:

- (i) To investigate any activity within its terms of reference.
- (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. Devesh Sahney : Managing Director
- iii Mr. Ashish Chugani : Independent Director
- iv Mr. Gaurav Motwane : Independent Director

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

Particulars	Attendance at the Audit Committee			
	29 th May, 2017	03 rd August, 2017	09 th November, 2017	10 th February, 2018
Manish Choksi	✓	✓	✓	✓
Devesh Singh Sahney	✓	✓	✓	✓
Ashish Chugani	✓	✓	LOA	✓
Gaurav Motwane	LOA	✓	✓	✓

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 2017-18 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			
	29 th May, 2017	03 rd August, 2017	09 th November, 2017	10 th February, 2018
Manish Choksi	✓	✓	✓	✓
Ashish Chugani	✓	✓	✓	✓
Gaurav Motwane	LOA	✓	✓	LOA

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 and Remuneration Committee

As per Section 178 (1) of the Companies Act, 2013, every listed Company shall constitute a Nomination and 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 and 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 09th November, 2017 and 10th February, 2018.

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

The Nomination and Remuneration 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 Nomination and Remuneration 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.
- Nomination and Remuneration 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 2017 -18

Company has a Managing Director – Mr. Devesh Singh Sahney has been paid Rs. 87.16 lakhs as a Managerial Remuneration for the Financial Year ended 31st March, 2018.

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
31.03.2015	M. C. Ghia Hall, K. Dubash Marg, Mumbai 400 001	07.07.2015	11.00 A.M.
31.03.2016		19.07.2016	
31.03.2017		03.08.2017	

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 Rs. 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 Rs.50 Crore;
4. Issuance of Preference Shares on Private Placement basis to Mr. Trilochan Singh Sahney

Three Special Resolutions were passed by the Shareholders at the 6th Annual General Meeting held on 03rd August, 2017 of the Company for the following:

1. Approval for Remuneration of Mr. Devesh Singh Sahney, Managing Director for further period from 1.10.2016 to 30.09.2017
2. Re – appointment of Mr. Devesh Singh Sahney, Managing director for a further period five years from 1.10.2017 to 30.09.2022 and approval of managerial remuneration for the period of three years from 1.10.2017 to 30.09.2020.
3. Approval for Issue and offer of Redeemable, Cumulative, Non – convertible Preference Shares on Private Placement.

POSTAL BALLOT / E-VOTING

During the year 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
	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
	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:

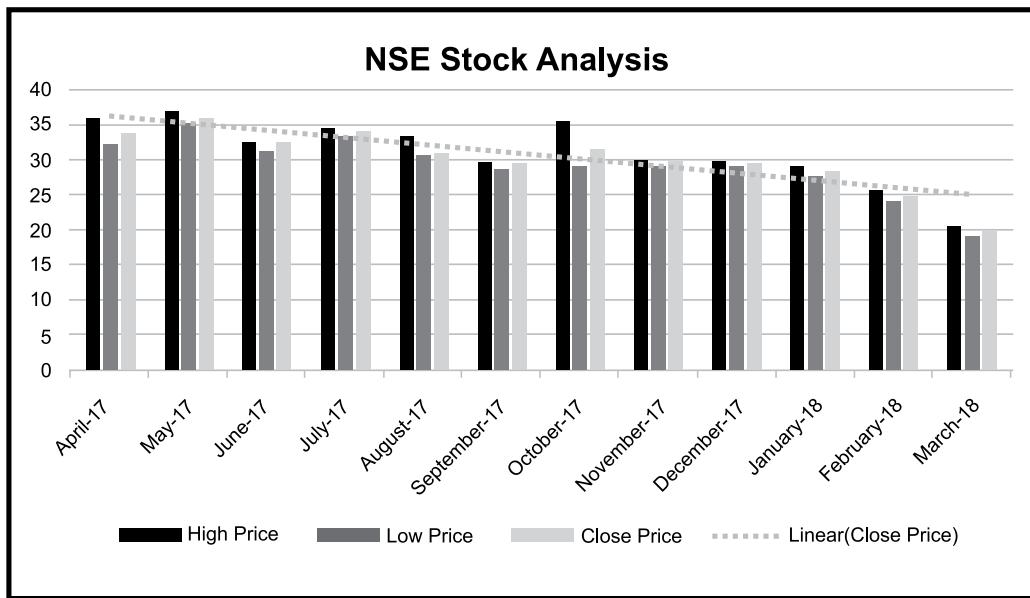
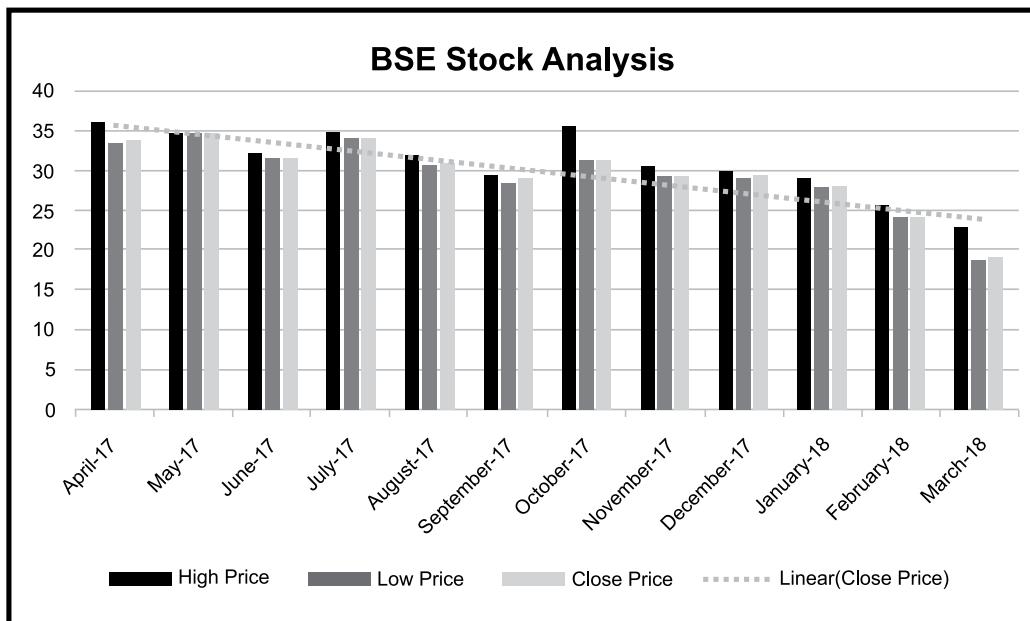
AGM	2nd August, 2018		
Financial Year	1st April, 2017 – 31st March, 2018		
Date of Book Closure	27-07-2018 TO 02-08-2018		
Listed on Stock Exchange	BSE and NSE	ISIN No.	INE04O01014
Scrip Code	535458 Scrip Id: NIBL		
Registrar Transfer Agent (RTA) Address	Universal Capital Securities Pvt. Ltd., 21, Shakil 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

BSE			
Date	High Price	Low Price	Close Price
March-18	23	18.75	19.15
February-18	25.7	24.3	24.3
January-18	29.15	28.05	28.05
December-17	29.8	29.05	29.55
November-17	30.5	29.2	29.2
October-17	35.6	31.3	31.4
September-17	29.5	28.5	29.1
August-17	32	30.75	31
July-17	35	34	34
June-17	32.3	31.55	31.6
May-17	34.75	34.75	34.75
April-17	36	33.5	33.9

NSE			
Date	High Price	Low Price	Close Price
March-18	20.5	19	19.85
February-18	25.7	24.05	24.7
January-18	29	27.65	28.2
December-17	29.7	28.95	29.4
November-17	29.95	29.1	29.8
October-17	35.55	29.1	31.35
September-17	29.5	28.5	29.35
August-17	33.4	30.7	30.8
July-17	34.5	33.25	34.05
June-17	32.4	31.15	32.4
May-17	36.85	35.3	35.85
April-17	36	32.15	33.7



Shares Transfer System:

99.48 % 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, 2018:

No. of Shares	No. of Shareholders	No. of Shares	Percentage of Total Shares
1 to 500	6671	819149	3.381
501 to 1000	415	341320	1.409
1001 to 2000	239	370231	1.528
2001 to 3000	93	240212	0.991
3001 to 4000	56	197163	0.841
4001 to 5000	44	208259	0.859
5001 to 10000	63	435356	1.797
10,001 and above	94	21618960	89.222
Total	7675	24230650	100

Category	No. of Shares Held	Percentage
Promoter and Promoters Group		
Individuals	7555603	31.18
Trust	9438910	38.95
Institutions		
Banks / Bodies Corporate / FPI	1950	0.01
Non-Institutions		
Individuals and others	7234187	29.86
Total	24230650	100

Address for Correspondence:

Mrs. Ratika Gandhi
(Company Secretary and Compliance Officer)
NRB Industrial Bearings Limited
15, Dhannur, Sir P. M. Road, Mumbai 400 001
Email ID - investorcare@nibl.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 2017-18, 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 2017-18 or as on 31st March, 2018 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 Ind AS Financial Statements

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

Management's Responsibility for the Ind AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 Ind AS 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 Ind AS 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 and the Order issued under section 143(11) of the Act.

We conducted our audit of the Ind AS 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 Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS 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 Ind AS 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 Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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 Ind AS and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2018, and its loss, total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

Emphasis of Matter

We draw attention to Note 38 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 including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
- d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Company as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 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, as amended, 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 has long-term contracts including derivative contracts for which there were no material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

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

Place: Mumbai
Date : 29 May, 2018

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, 2018)

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, 2018 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 "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 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, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Deloitte Haskins and Sells

Chartered Accountants

(Firm's Registration No.117365W)

Uday M. Neogi

Partner

(Membership No. 30235)

Place: Mumbai

Date: 29 May, 2018

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, 2018)

(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 all the items of property, plant and equipment were physically verified during the previous 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 building constructed on leasehold land, 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 Company has generally been regular in depositing other undisputed statutory dues, including Provident Fund, Employee's State Insurance, Income Tax, Excise Duty/Goods and Services Tax, 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/Goods and Services Tax, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2018 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/Goods and Services Tax, Value Added Tax and Goods and Services Tax as on March 31, 2018 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). Further, the term loans have been applied by the Company during the year for the purposes for which they were raised.

(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 (xi) 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 and Sells

Chartered Accountants

(Firm's Registration No. 117365W)

Uday M. Neogi

(Partner)

(Membership No. 30235)

Place: Mumbai

Date: 29 May, 2018

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

BALANCE SHEET AS ON MARCH 31, 2018

(Rs. in Lakhs)

A	Particulars	Notes	As at	As at	As at
			March 31, 2018	March 31, 2017	April 01, 2016
ASSETS					
1	Non-current assets				
	(a) Property, plant and equipment	6	9,707.87	10,509.46	11,346.31
	(b) Capital work-in-progress		169.63	14.50	-
	(c) Other Intangible assets	7	23.27	37.64	52.01
	(d) Financial assets				
	(i) Investments				
	(a) Investments in associates	8	420.00	420.00	420.00
	(ii) Other financial assets	9	64.48	-	-
	(d) Non- Current tax assets (Net)	14	14.65	9.21	2.59
	(e) Other non-current assets	10	776.61	803.40	799.79
	Total non - current assets		11,176.51	11,794.21	12,620.70
2	Current assets				
	(a) Inventories	11	1,842.43	1,981.06	2,298.10
	(b) Financial Assets				
	(i) Trade receivables	12	1,148.95	1,049.45	1,218.59
	(ii) Cash and cash equivalents	13A	67.57	10.94	22.69
	(iii) Bank balances other than (ii) above	13B	15.45	15.45	5.64
	(iv) Other financial assets	9	1.49	2.82	639.88
	(c) Current tax assets (Net)	14	33.18	23.12	10.37
	(d) Other current assets	10	421.86	451.49	739.67
	Total current assets		3,530.93	3,534.33	4,934.94
	Total assets (1+2)		14,707.44	15,328.54	17,555.64
B	EQUITY AND LIABILITIES				
1	Equity				
	(a) Equity Share capital	15	484.61	484.61	484.61
	(b) Other Equity	16	287.62	169.81	1,808.62
	Total equity		772.23	654.42	2,293.23
2	Liabilities				
	Non-current liabilities				
	(a) Financial Liabilities				
	(i) Borrowings	17A	4,716.07	2,216.33	1,135.76
	(ii) Other financial liabilities	19	160.76	-	-
	(b) Deferred tax liabilities (Net)	14A	-	-	-
	(c) Provisions	21	48.20	34.32	37.62
	Total non - current Liabilities		4,925.03	2,250.65	1,173.38
3	Current liabilities				
	(a) Financial Liabilities				
	(i) Borrowings	17B	7,348.47	9,095.19	10,014.75
	(ii) Trade payables				
	a) Total outstanding dues of Micro Enterprises and Small Enterprises		-	-	-
	b) Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	18	1,351.16	1,345.45	1,638.33
	(iii) Other financial liabilities	19	178.79	1,867.80	2,235.96
	(b) Other current liabilities	20	99.69	95.93	187.52
	(c) Provisions	21	32.07	19.10	12.47
	Total current liabilities		9,010.18	12,423.47	14,089.03
	Total liabilities (2+3)		13,935.21	14,674.12	15,262.41
	Total equity and liabilities (1+2+3)		14,707.44	15,328.54	17,555.64

See accompanying notes to the financial statements

In terms of our report attached.

For Deloitte Haskins & Sells
Chartered Accountants

Uday M. Neogi
Partner

Place : Mumbai
Date : 29 May, 2018

For and on behalf of the Board of Directors

T. S. Sahney
Chairman

D. S. Sahney
Managing Director

R. G. Mehendale
Chief Financial Officer

Place : Mumbai
Date : 29 May, 2018

Ratika Gandhi
Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018 (Rs. in Lakhs)

	Particulars	Notes	For the year ended March 31, 2018	For the year ended March 31, 2017
I	Revenue from operations	22	4,469.27	4,279.49
II	Other income	23	143.54	116.71
III	Total Income (I + II)		4,612.81	4,396.20
IV	Expenses			
	Cost of materials consumed	24	1,470.43	1,210.17
	Purchases of stock-in-trade	25	198.59	257.06
	Changes in inventories of finished goods and work-in-progress	26	152.75	177.17
	Excise duty on sale of goods		59.72	319.53
	Employee benefits expense	27	1,564.33	1,343.90
	Finance costs	28	855.67	699.76
	Depreciation and amortisation expense	29	892.28	891.87
	Other expenses	30	1,464.70	1,462.85
	Total expenses (IV)		6,658.47	6,362.31
V	Loss before tax (III - IV)		(2,045.66)	(1,966.11)
VI	Tax Expense			
(1)	Current tax		-	-
(2)	Deferred tax		-	-
	Total tax expense		-	-
VII	Loss for the year (V -VI)		(2,045.66)	(1,966.11)
	Other comprehensive income			
A	(i) Items that will not be reclassified to profit or loss			
	(a) Remeasurements of the defined benefit plans		11.92	(13.30)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
VIII	Total other comprehensive income (A (i-ii))		11.92	(13.30)
IX	Total comprehensive income for the year (VII+VIII)		(2,057.58)	(1,952.81)
X	Earnings per equity share	31		
(1)	Basic (in Rs.)		(8.44)	(8.11)
(2)	Diluted (in Rs.)		(8.44)	(8.11)

See accompanying notes to the financial statements

In terms of our report attached.

**For Deloitte Haskins & Sells
Chartered Accountants**

**Uday M. Neogi
Partner**

**Place : Mumbai
Date : 29 May, 2018**

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**

**Place : Mumbai
Date : 29 May, 2018**

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

(Rs. in Lakhs)

Particulars	For year ended March 31, 2018	For year ended March 31, 2017
Cash flows from operating activities		
Loss after tax	(2,045.66)	(1,966.11)
Adjustments for:		
Income tax (income)/expense recognised in statement of profit or loss	-	-
Finance costs	855.67	699.76
Allowance for doubtful debts	9.76	-
Allowance for doubtful debts written back	-	(8.77)
Depreciation and amortisation expense	892.28	891.87
Loss arising on Financial Liabilities / assets designated at FVTPL	160.76	168.37
Loss on sale of Property, Plant & equipment	1.08	0.30
Liability no longer payable / required written back	(14.53)	(25.55)
Interest Income	(17.39)	(5.59)
foreign exchange loss/(gain) unrealised	(0.81)	45.90
Operating profit before working capital changes	(158.84)	(199.82)
Movements in working capital:		
(Increase)/ decrease in trade receivables	(94.60)	163.36
(Increase)/decrease in inventories	138.63	317.04
(Increase)/decrease in other current assets	29.64	288.18
(Increase)/decrease in non current assets	7.97	6.98
(Increase)/decrease in other financial assets	-	147.77
Increase/(decrease) in trade payables	25.31	(275.76)
Increase/(decrease) in provisions	14.93	16.63
Increase/(decrease) in other liabilities	(5.63)	(59.99)
Cash generated from operations	(42.59)	404.41
Income taxes paid	(15.50)	(19.37)
Net cash (used in)/ generated by operating activities	(58.09)	385.04

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

(Rs. in Lakhs)

Particulars	For year ended March 31, 2018	For year ended March 31, 2017
Cash flows from investing activities		
Payments for property, plant and equipment	(207.80)	(72.44)
Proceeds from disposal of property, plant and equipment	2.74	0.35
Bank Balance not considered for cash and cash equivalents	(62.69)	(9.81)
Interest Income	16.93	3.17
Net cash (used in)/generated by investing activities	(250.82)	(78.73)
Cash flows from financing activities		
Issue of redeemable preference shares	2,000.00	1,000.00
Proceed from non current borrowings	3,150.00	2,100.00
Repayment of non current borrowings	(2,381.60)	(1,979.06)
Proceeds/(repayment) from/of current borrowings	(1,746.72)	(919.56)
Interest paid	(656.14)	(519.44)
Net cash used in financing activities	365.54	(318.06)
Net increase/ (decrease) in cash and cash equivalents	56.63	(11.75)
Cash and cash equivalents at the beginning of the year (refer note 13 A)	10.94	22.69
Cash and cash equivalents at the end of the year (refer note 13 A)	67.57	10.94

See accompanying notes to the financial statements

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

Uday M. Neogi
Partner

Place : Mumbai
Date : 29 May, 2018

For and on behalf of the Board of Directors

T. S. Sahney
Chairman

R. G. Mehendale
Chief Financial Officer

Place : Mumbai
Date : 29 May, 2018

D. S. Sahney
Managing Director

Ratika Gandhi
Company Secretary

Statement of changes in equity for the year ended March 31, 2018

A) Equity Share Capital

(Rs. in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Balance as at the beginning of the year	484.61	484.61
Changes in equity share capital during the year	-	-
Balance as at the end of the year	484.61	484.61

B) Other equity

(Rs. in Lakhs)

Particulars	Reserves and Surplus			Total
	Capital reserve	Deemed capital contribution	Retained earnings	
Balance at April 1, 2016	5,700.16	314.59	(4,206.13)	1,808.62
Loss for the year	-	-	(1,966.11)	(1,966.11)
Other Comprehensive Income, net of income tax	-	-	13.30	13.30
Total Comprehensive Income for the year	-	-	(1,952.81)	(1,952.81)
Recognition of equity component on issue of redeemable preference shares	-	314.00	-	314.00
Deferred tax liability on deemed capital contribution.		-	-	-
Balance at March 31, 2017	5,700.16	628.59	(6,158.94)	169.81
Loss for the year	-	-	(2,045.66)	(2,045.66)
Other Comprehensive Income, net of income tax	-	-	(11.92)	(11.92)
Total Comprehensive Income for the year	-	628.59	(2,057.58)	(2,057.58)
Extinguishment of equity component of redeemable preference share on exchange of redeemable preference share with substantially modified terms.		(256.81)		(256.81)
Recognition of equity component on exchange of redeemable preference share with substantially modified terms.		1099.38		1099.38
Recognition of equity component on issue of redeemable preference shares		1,332.82		1,332.82
Balance at March 31, 2018	5,700.16	2,803.98	(8,216.52)	287.62

See accompanying notes to the financial statements

In terms of our report attached.

**For Deloitte Haskins & Sells
Chartered Accountants**

**Uday M. Neogi
Partner**

**Place : Mumbai
Date : 29 May, 2018**

For and on behalf of the Board of Directors

**T. S. Sahney
Chairman**

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

**Place : Mumbai
Date : 29 May, 2018**

**D. S. Sahney
Managing Director**

**Ratika Gandhi
Company Secretary**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

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 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.

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

The address of its registered office is 2nd floor, Dhannur building, 15, Sir P.M. Road, Fort, Mumbai – 400 001, Maharashtra, India.

2. Significant accounting policies

a. Statement of compliance and Basis of preparation and presentation

Upto the year ended March 31, 2017, the Company prepared its financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. These are the Company's first Ind AS financial statements. The date of transition to Ind AS is April 1, 2016. Refer Note 4 for the details of first-time adoption exemptions / exceptions availed by the Company.

The financial statements of the Company comprising of Balance Sheet, Statement of profit or loss, Statement of changes in Equity and Cash Flow Statement together with the notes have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [the Companies (Indian Accounting Standards) Rules, 2015] as amended and other relevant provisions of the Act.

All values are rounded off to the nearest lakhs.

The financial statements are presented in Indian currency (INR) which is the Company's functional and presentation currency.

The financial statements were approved for issue by the board of directors on 29th May, 2018.

The financial statements have been prepared on an accrual basis under the historical cost convention except for certain financial instruments which have been measured at fair value at the end of each reporting period, as explained in the accounting policies below.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

For financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

All assets and liabilities are classified as current if it is expected to realise or settle within twelve months from the Balance Sheet date.

b. Property, plant and equipment

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 and less accumulated impairment, if any. Cost includes financing cost relating to borrowed funds attributable to the construction or acquisition of qualifying tangible assets upto the date the assets are ready for use.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of profit or loss when the asset is derecognized.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Depreciation on tangible property, plant and equipment is calculated on straight line basis based on the useful life in accordance with part C of schedule II of the Companies Act, 2013 other than the following assets class for which useful life 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.

Assets	Useful life in years
a) Plant and Machinery	20
b) Furniture and Fixtures	15
c) Electrical Installations	20
d) Computers	6
e) Vehicles	10

c. Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Amortisation is recognised on straight line basis over their estimated useful life of 6 years. The estimated useful lives and amortisation method are reviewed at the end of each reporting period, with the effects of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment loss.

d. Impairment of assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in Statement of profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in Statement of profit or loss.

e. Foreign currencies

In preparing the financial statements of the Company, transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions or at rates that closely approximate the rate at the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences on monetary items are recognised in the Statement of profit or loss in the period in which they arise.

f. Inventories

Inventories are valued at lower of cost (on weighted average basis) and the net realizable value. Cost comprises of all costs of purchase, conversion and other costs incurred in bringing the inventories to their present location and condition. Costs of conversion and other costs are determined on the basis of standard cost method adjusted for variances between standard costs and actual costs.

Net realizable value represents estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

g. Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of customer returns, trade allowance, rebates, Good and Service Tax , Value Added Tax and Service Tax.

Sale of goods

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Company; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Sale of services

Sale of services are recognised on rendering of such services.

Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established. Interest income is accounted on time proportionate basis.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**Rental income**

The Company's policy for recognition of revenue from operating leases is described in note 2 h. below.

h. Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Company as lessor

Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue.

The Company as lessee

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue.

i. Employee benefits**Retirement benefit costs and termination benefits:**

Payment to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Contributions to Provident and Family Pension Fund and Superannuation scheme, a defined contribution plan are made as required by the statute and expensed in the Statement of profit or loss.

For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement

recognised in the other comprehensive income is reflected immediately in retained earnings and is not reclassified to Statement of profit or loss. Past service cost is recognised in Statement of profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the defined benefit liability. Defined benefit costs are categorised as follows

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Company presents the first two components of defined benefit costs in the Statement of profit or loss in the line item "Employee benefits expense". Curtailment gains and losses are accounted for as past service cost.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for the termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognizes any related restructuring costs.

Short-term and other long-term employee benefits:

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange of related service.

Liabilities recognized in respect of other long-term employee benefits are measured at present value of the estimated future cash outflows expected to be made by the company in respect of services provided by employee upto the reporting date.

j. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are added to the cost of those assets, until such time as the assets are substantially

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

ready for their intended use or sale. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

k. Taxes on Income

Income Tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Statement of profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses could be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year:

Current and deferred tax are recognized in the Statement of Profit or Loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

I. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

m. Earnings Per Share

Basic earnings per share is computed by dividing the profit / (loss) after tax available for equity shareholders by the weighted average number of equity shares outstanding during the period.

n. Cash and cash equivalents:

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

o. Cash Flow Statement :

Cash flows are reported using the indirect method, whereby profit/ (loss) before 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.

p. Financial instruments

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments. Financial assets and

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of profit or loss.

Financial assets:

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Investments in associates

The Company accounts for its investments in associates at cost less accumulated impairment, if any.

Impairment of financial assets:

The Company applies the expected credit loss model for recognising impairment loss on financial assets. With respect to trade receivables the Company measures the loss allowance at an amount equal to lifetime expected credit losses.

Derecognition of financial assets:

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the Statement of profit or loss if such gain or loss would have otherwise been recognised in the Statement of profit or loss on disposal of that financial asset.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all its liabilities. Equity instrument issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instrument is recognised and deducted directly in equity. No gain or loss is recognised in the Statement of profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Compound financial instruments

The component parts of compounded financial instruments (non-convertible preference shares) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of financials liability and an equity instrument.

At the date of issue, the fair value of liability component is estimated using the prevailing market interest rate for similiar non-convertible instruments. This amount is recognised as a liability on an amortised cost basis using the effective interest method until extinguished at the instrument's maturity date.

Equity is determined by deducting the amount of the liability component from the fair value of the compound financial instrument as a whole. This is recognised and included in equity, and is not subsequently remeasured.

Transaction costs that relate to the issue of the instrument are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity.

Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the instrument using the effective interest method.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Financial Liabilities

All the financial liabilities are subsequently measured at amortised cost using the effective interest method or at fair value through profit or loss, depending on the classification of the financial liabilities.

Derecognition of financial liabilities:

The Company derecognises financial liabilities when, and only when, the Company's obligation are discharged, cancelled or have expired. An exchange between the lender of debt instrument with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the term of an existing liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Statement of profit or loss.

Derivative financial instruments:

The Company enters into derivative contracts to manage its exposure to foreign exchange rate risk and interest rate risk, including call spread currency option and interest rate swap.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the Statement of profit or loss immediately.

3 Use of estimates and judgments

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses etc. at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are included in the following notes:

Note No.2.b	Property, plant & equipment
Note No.2.c	Intangible assets acquired separately
Note No.2.i	Employee benefits

4 First-time adoption – mandatory exceptions, optional exemptions

Overall principle

The Company has prepared the opening balance sheet as per Ind AS as of April 1, 2016 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the certain exception and certain optional exemptions availed by the Company as detailed below.

A. Exceptions applied:

(i) Use of Estimates:

The Company's estimates in accordance with Ind AS at the date of transition are consistent with previous GAAP (after adjustments to reflect any difference in accounting policies) or as required under Ind AS but not under previous GAAP.

(ii) Derecognition of financial assets and financial liabilities

The Company has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after April 1, 2016 (the transition date).

(iii) Classification of debt instruments:

The Company has determined the classification of debt instruments in terms of whether they meet the amortised cost criteria or the FVTOCI criteria based on the facts and circumstances that existed as on the transition date.

(iv) Impairment of financial assets:

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind AS, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

B. Exemptions applied:**(i) Past business combinations:**

The Company has elected not to apply Ind AS 103 - Business Combinations retrospectively to past business combinations that occurred before the transition date.

(ii) Deemed cost for property, plant and equipment and intangible assets**a) Property, plant and equipment**

On transition to Ind AS, the Company has elected to consider fair value as deemed cost for plant and machinery recognised as at April 1, 2016. For other items of Property, Plant and Equipment, the Company has not elected the exemption of previous GAAP carrying value consequently, cost in respect of other items of Property, Plant and Equipment has been retrospectively remeasured in accordance with Ind AS.

b) Intangible assets

The Company has elected to continue with the carrying value of its intangible assets recognised as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

(iii) Deemed cost for investment in associates:

Under Ind AS, the Company has considered their previous GAAP carrying amount as their deemed cost.

5 Application of new and revised Ind ASs.**Ind AS 115 – Revenue from Contracts with Customers**

This standard establishes a single comprehensive model for accounting of revenue arising from contracts with customers. Ind AS 115 will supersede the current revenue recognition guidance under Ind AS 11 'Construction Contracts' and Ind AS 18 'Revenue'. The Company is currently assessing the impact of application of Ind AS 115 on Company's financial statements.

Amendment to Ind AS 21 – The Effect of Changes in Foreign Exchange Rates

This amendment clarifies translation of advance payments denominated in foreign currency into functional currency at the spot rate on the day of payment. The guidance aims to reduce diversity in practice. The changes will not have any material impact on the financial statements of the Company.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

NOTE 6 : Property, plant and equipment

(Rs. in Lakhs)

Description	Cost or deemed cost				Accumulated depreciation and impairment				Net Carrying amount	
	Balance As at 01.04.17	Additions	Deductions	Balance As at 31.03.18	Balance As at 01.04.17	For the year	On Deductions/Amortisation	Balance As at 31.03.18	As at 31.03.18	As at 01.04.16
Refer foot note 2										
Buildings										
Own Use	3,409.43	-	-	3,409.43	511.72	113.29	-	625.01	2,784.42	-
	(3,409.43)	(-)	(-)	(3,409.43)	(398.43)	(113.29)	(-)	(511.72)	(2,897.71)	3,011.00
Given under operating lease	307.11	-	-	307.11	41.68	10.26	-	51.94	255.17	-
	(307.11)	(-)	(-)	(307.11)	(31.42)	(10.26)	(-)	(41.68)	(265.43)	275.69
	3,716.54	-	-	3,716.54	553.40	123.55	-	676.95	3,039.59	-
	(3,716.54)	(-)	(-)	(3,716.54)	(429.85)	(123.55)	(-)	(553.40)	(3,163.14)	3,286.69
Leasehold Improvement	148.04	5.96	-	154.00	14.98	12.42	-	27.40	126.60	-
	(137.39)	(10.65)	(-)	(148.04)	(7.76)	(7.22)	(-)	(14.98)	(133.06)	129.63
Plant and Machinery										
Own Use	7,107.43	46.96	-	7,154.39	642.78	644.19	-	1,286.97	5,867.42	-
	(7,107.43)	(-)	(-)	(7,107.43)	(-)	(642.78)	(-)	(642.78)	(6,464.65)	7,107.43
Given under operating lease	90.41	-	-	90.41	6.71	6.71	-	13.42	76.99	-
	(90.41)	(-)	(-)	(90.41)	(-)	(6.71)	(-)	(6.71)	(83.70)	90.41
	7,197.84	46.96	-	7,244.80	649.49	650.90	-	1,300.39	5,944.41	-
	(7,197.84)	(-)	(-)	(7,197.84)	(-)	(649.49)	(-)	(649.49)	(6,548.35)	7,197.84
Furniture and fixtures										
Own Use	241.58	7.84	-	249.42	62.98	15.37	-	78.35	171.07	-
	(227.42)	(14.16)	(-)	(241.58)	(48.26)	(14.72)	(-)	(62.98)	(178.60)	179.16
Given under operating lease	2.50	-	-	2.50	0.72	0.16	-	0.88	1.62	-
	(2.50)	(-)	(-)	(2.50)	(0.56)	(0.16)	(-)	(0.72)	(1.78)	1.94
	244.08	7.84	-	251.92	63.70	15.53	-	79.23	172.69	-
	(229.92)	(14.16)	(-)	(244.08)	(48.82)	(14.88)	(-)	(63.70)	(180.38)	181.10
Computers										
Own Use	67.02	6.48	-	73.50	39.70	11.36	-	51.06	22.44	-
	(59.96)	(9.16)	(2.10)	(67.02)	(30.71)	(10.44)	(1.45)	(39.70)	(27.32)	29.25
Given under operating lease	0.44	-	-	0.44	0.31	0.07	-	0.38	0.06	-
	(0.44)	(-)	(-)	(0.44)	(0.24)	(0.07)	(-)	(0.31)	(0.13)	0.20
	67.46	6.48	-	73.94	40.01	11.43	-	51.44	22.50	-
	(60.40)	(9.16)	(2.10)	(67.46)	(30.95)	(10.51)	(1.45)	(40.01)	(27.45)	29.45
Office equipments										
Own Use	71.44	2.17	-	73.61	50.89	14.34	-	65.23	8.38	-
	(64.11)	(7.33)	(-)	(71.44)	(28.44)	(22.45)	(-)	(50.89)	(20.55)	35.67
Given under operating lease	0.35	-	-	0.35	0.27	0.07	-	0.34	0.01	-
	(0.35)	(-)	(-)	(0.35)	(0.18)	(0.09)	(-)	(0.27)	(0.08)	0.17
	71.79	2.17	-	73.96	51.16	14.41	-	65.57	8.39	-
	(64.46)	(7.33)	(-)	(71.79)	(28.62)	(22.54)	(-)	(51.16)	(20.63)	35.84
Electrical installations										
Own Use	558.31	-	-	558.31	186.51	41.43	-	227.94	330.37	-
	(558.31)	(-)	(-)	(558.31)	(145.08)	(41.43)	(-)	(186.51)	(371.80)	413.23
Given under operating lease	36.09	-	-	36.09	12.05	2.68	-	14.73	21.36	-
	(36.09)	(-)	(-)	(36.09)	(9.37)	(2.68)	(-)	(12.05)	(24.04)	26.72
	594.40	-	-	594.40	198.56	44.11	-	242.67	351.73	-
	(594.40)	(-)	(-)	(594.40)	(154.45)	(44.11)	(-)	(198.56)	(395.84)	439.95
Vehicles	54.71	10.73	6.88	58.56	14.10	5.56	3.06	16.60	41.96	-
	(54.71)	(-)	(-)	(54.71)	(8.90)	(5.20)	(-)	(14.10)	(40.61)	45.81
Sub Total (A)	12,094.86	80.14	6.88	12,168.12	1,585.40	877.91	3.06	2,460.25	9,707.87	-
Sub Total (B)	(12,055.66)	(41.30)	(2.10)	(12,094.86)	(709.35)	(877.50)	(1.45)	(1,585.40)	(10,509.46)	11,346.31

Notes: 1. Assets pledged as security Refer Note 17 on Borrowings.

2. Deemed cost Refer note 4(B)(ii) for measurement of Property, plant and equipment on first time adoption of Ind AS.

3. Previous year figures are indicated in brackets

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

NOTE 7 : Other Intangible Assets

(Rs. in Lakhs)

Particulars	Software
I. Deemed cost	
Balance as at 1 April, 2017	52.01
Additions	-
Disposals	-
Balance as at 31 March, 2018	52.01
Balance as at April 1, 2016 (Refer footnote below)	52.01
Additions	-
Disposals	-
Balance as at 31 March, 2017	52.01
II. Accumulated amortisation and impairment	
Balance as at 1 April, 2017	14.37
Amortisation expense	14.37
Eliminated on disposal of assets	-
Balance as at 31 March, 2018	28.74
Balance as at April 1, 2016 (Refer footnote below)	-
Amortisation expense	14.37
Eliminated on disposal of assets	-
Balance as at 31 March, 2017	14.37
III. Net Carrying amount (I-II)	
Balance as at 31 March, 2018	23.27
Balance as at 31 March, 2017	37.64
Balance as at 1 April, 2016	52.01

Note: Deemed cost

Refer note 4(B)(ii) for measurement of Other Intangible Assets on first time adoption of Ind AS.

NOTE 8 : Investments

(Rs.inLakhs)

Particular	As at March 31, 2018			As at March 31, 2017			As at April 01, 2016		
	No. of shares	Amounts		No. of shares	Amounts		No. of shares	Amounts	
		Current	Non Current		Current	Non Current		Current	Non Current
A. Investments carried at cost (Refer foot note below)									
Unquoted Investments (fully paid)									
(a) Investments in equity instruments of Associate									
Equity Shares of Rs. 10 each) in NRB -IBC Bearings Private Limited (NIBC)	4,200,000	-	420.00	4,200,000	-	420.00	4,200,000	-	420.00
Investments carried at cost	4,200,000	-	420.00	4,200,000	-	420.00	4,200,000	-	420.00
Total investments at cost	4,200,000	-	420.00	4,200,000	-	420.00	4,200,000	-	420.00
Aggregate amount of unquoted investments			420.00		-	420.00			420.00
Aggregate amount of impairment in value of investments		-	-		-	-			-

Note:

Refer note 4(B)(iii) for measurement of Investment in associate on first time adoption of Ind AS.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

NOTE 9 : Other financial assets

(Rs. in Lakhs)

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	Current	Non-current	Current	Non-current	Current	Non-current
(a) Derivative assets	-	-	-	-	442.10	-
(b) Interest accrued on fixed deposits	1.49	1.79	2.82	-	0.39	
(c) Fixed Deposits with a Bank and Financial Institution	-	62.69	-	-	-	-
(d) Receivable from related party	-	-	-	-	197.39	-
Total	1.49	64.48	2.82	-	639.88	-

NOTE 10 : Other assets

(Rs. in Lakhs)

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	Current	Non-current	Current	Non-current	Current	Non-current
Security Deposits	-	46.62	-	46.42	-	45.22
Capital advances	-	4.85	-	23.66	-	13.06
Excise Receivable	-	-	55.44	-	80.56	-
GST Refund Receivable	50.35	-	-	-	-	-
VAT receivable	20.58	-	52.80	-	108.16	-
Balances with government authorities (other than income taxes):						
CENVAT credit receivables	-	-	284.46	-	508.24	-
GST credit receivables	228.46	-	-	-	-	-
Others:						
(a) Export incentive	63.26	-	17.05	-	4.15	-
(b) Advances to employees	8.06	-	3.01	-	4.99	-
(c) Advances to suppliers	23.56	21.50	3.60	21.50	16.47	21.50
Less: Allowance for doubtful advances	-	(21.50)	-	(21.50)	-	(21.50)
Prepayments	27.59	725.14	35.13	733.32	17.10	741.51
Total	421.86	776.61	451.49	803.40	739.67	799.79

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

NOTE 11 : Inventories

(Rs. in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Inventories (lower of cost and net realisable value)			
(a) Raw materials	523.69	345.37	424.92
- Goods in Transit	-	-	424.92
(b) Work-in-progress	673.85	654.17	616.03
(c) Finished goods	551.04	914.25	1,196.10
- Goods in Transit	39.74	32.24	21.43
(d) Stores and spares	54.11	946.49	1,217.53
Total	1,842.43	1,981.06	2,298.10

Notes:

- 1 The cost of inventories recognised as an expense during the year was Rs. 1,892.55 lakhs (for the year ended March 31, 2017: Rs. 1,593.70 lakhs).
- 2 The cost of inventories recognised as an expense includes Rs. Nil (during 2016-2017: Rs.25 lakhs) in respect of write-downs of inventory to net realisable value, and has been reduced by Rs. 30.46 lakhs (during 2016-2017: Rs. 8.61 lakhs) in respect of the reversal of such write-downs.
- 3 The mode of valuation of inventories has been stated in note 2 (f).
- 4 Assets pledged as security
Refer Note 17 (A) and 17 (B) on Borrowings.

NOTE 12 : Trade receivables

(Rs. in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Trade receivables outstanding for a period exceeding six months from the date they are due for payment:			
(a) Unsecured, considered good	248.85	208.69	228.05
(b) Unsecured, considered doubtful	129.81	120.05	128.82
	378.66	328.74	356.87
Allowance for doubtful debts (expected credit loss allowance)	(129.81)	(120.05)	(128.82)
Other trade receivables:			
Unsecured, considered good	900.10	840.76	990.54
Total	1,148.95	1,049.45	1,218.59

Note: Trade receivables include debts due from:

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Private company in which directors are directors			
NRB-IBC Bearings Private Limited (NIBC) (Refer note 37)	80.15	10.64	187.78
	80.15	10.64	187.78

The credit period on sales of goods ranges from 30 to 75 days.

At 31 March 2018 and as at 31 March 2017, the Company had no customer that owed the Company more than 10% of total receivables outstanding and as at April 1 2016, one customer owed the company Rs. 187.78 lakhs and accounted for approximately 15.41 % of all the receivables outstanding.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Movement in the expected credit loss allowance

(Rs. in Lakhs)

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Balance as at beginning of the year	120.05	128.82
Movement in the expected credit loss allowance on trade receivables calculated at life time expected credit losses.	9.76	(8.77)
Balance at end of the year	129.81	120.05

NOTE 13 : Cash and Cash equivalents and Other bank balances

(Rs. in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
A. Cash and cash equivalents			
(a) Cash on hand	0.53	1.02	1.05
(b) Balances with banks in current accounts	67.04	9.92	21.64
Total	67.57	10.94	22.69
B. Other bank balances			
Balances with banks in earmarked deposit account (held as security against the guarantees)	15.45	15.45	5.64
Total	15.45	15.45	5.64

NOTE 14 : Current tax assets and liabilities

(Rs. in Lakhs)

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Current	Non- Current	Current	Non- Current	Current	Non- Current
Current tax assets						
Tax refund receivable	33.18	14.65	23.12	9.21	10.37	2.59
Total	33.18	14.65	23.12	9.21	10.37	2.59

NOTE 14A : Current Tax and Deferred Tax

(a) Income Tax recognised in profit or loss

(Rs. in Lakhs)

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Current Tax		
In respect of current year	-	-
In respect of previous years	-	-
	A	
Deferred Tax		
In respect of current year	-	-
In respect of previous years	-	-
	B	
Total Income tax expense recognised in the current year (A+B)	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(b) Income Tax recognised in Other comprehensive income

(Rs. in Lakhs)

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Deferred tax (credit) / charge on:		
Remeasurement of defined benefit obligation	-	-

**(c) Reconciliation of income tax expense and
the accounting profit multiplied by Company's domestic tax rate:**

(Rs. in Lakhs)

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Profit before tax from continuing operations	(2,045.66)	(1,966.11)
Current Tax		
Income Tax	-	-
Charge/(credit) in respect of previous years	-	-
Current Tax Total	-	-
Deferred Tax		
Effect of expenses that are allowable on payment basis	(1.79)	0.42
Depreciation	269.50	(9.18)
The amount on which deferred tax assets has not been created :	41.40	52.03
Unabsorbed Business Losses	(304.32)	(40.56)
Others	(4.78)	(2.71)
Income tax expense recognised In profit or loss from continuing operations	-	-

The tax rate used for the year 2017-18 is 25.75% (25% + education cess @ 2% + secondary and higher education cess @ 1%) and year 2016-17 is 30.9% (30% and education cess @ 3%) payable by corporate entities in India taxable profits under the Income Tax Act, 1961.

NOTE 14B : Current Tax and Deferred Tax

(d) Movement in Deferred tax balances

(Rs. in Lakhs)

Particulars	For the Year ended 31 March 2018			
	Opening Balance	Recognised in profit and Loss	Recognised in OCI	Closing Balance
Tax effect of items constituting deferred tax assets / (liabilities)				
Property, Plant and Equipment	(1411.66)	269.50	-	(1411.66)
Provision for doubtful debts and advances	43.74	(4.78)	-	38.96
Provision for employee benefits	14.37	3.23	3.07	20.67
Fair valuation of derivative contracts	-	41.40	-	41.40
Effect of expenses that are allowable on payment basis	16.13	(5.02)	-	11.11
Unabsorbed Business Losses	1,337.41	(304.32)	(3.07)	1,030.02
Net Tax Asset (Liabilities)	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(Rs. in Lakhs)

Particulars	For the Year ended 31 March 2017			
	Opening Balance	Recognised in profit and Loss	Recognised in OCI	Closing Balance
Tax effect of items constituting deferred tax assets / (liabilities)				
Property, Plant and Equipment	(1,402.48)	(9.18)	-	(1,411.66)
Provision for doubtful debts and advances	46.45	(2.71)	-	43.74
Provision for compensated Absenses	15.48	3.00	(4.11)	14.37
Fair valuation of derivative contracts	(52.03)	52.03	-	-
Effect of expenses that are allowable on payment basis	18.72	(2.58)	-	16.13
Unabsorbed Business Losses	1,373.86	(40.56)	4.11	1,337.41
Net Tax Asset (Liabilities)	-	-	-	-

(e) Amounts on which Deferred tax asset has not been created:

Deferred tax assets on carry forward unused tax losses have been recognised to the extent of deferred tax liabilities less deferred tax assets on other taxable temporary difference. It is expected that any reversals of the deferred tax liability would be offset against the reversal of the deferred tax asset.

The amount on which deferred tax asset has not been created:

As at March 31, 2018 (Rs. in Lakhs)

Nature of unrecognised deferred tax assets	No expiry	Expiring within one year	Expiring in Greater than one year, less than five years	Expiring in Greater than five years	TOTAL
Business Loss	-	-	-	3,558.69	3,558.69
Unabsorbed depreciation	5,742.04	-	-	-	5,742.04
Total	5,742.04	-	-	3,558.69	9,300.73

As at March 31, 2017 (Rs. in Lakhs)

Nature of unrecognised deferred tax assets	No expiry	Expiring within one year	Expiring in Greater than one year, less than five years	Expiring in Greater than five years	TOTAL
Business Loss	-	-	-	2,340.53	2,340.53
Unabsorbed depreciation	4,987.96	-	-	-	4,987.96
Total	4,987.96	-	-	2,340.53	7,328.49

As at March 31, 2016 (Rs. in Lakhs)

Nature of unrecognised deferred tax assets	No expiry	Expiring within one year	Expiring in Greater than one year, less than five years	Expiring in Greater than five years	TOTAL
Business Loss	-	-	-	1,363.97	1,363.97
Unabsorbed depreciation	4,126.36	-	-	-	4,126.36
Total	4,126.36	-	-	1,363.97	5,490.33

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

NOTE 15 : Equity Share Capital

(Rs.in Lakhs)

	As at 31/03/18	As at 31/03/17	As at 01/04/16
Equity share capital	484.61	484.61	484.61
	484.61	484.61	484.61

(Rs. in Lakhs)

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
Authorised:						
Equity shares of Rs. 2/- each	25,000,000	500.00	25,000,000	500.00	25,000,000	500.00
Issued, Subscribed and Fully Paid:						
Equity shares of Rs. 2/- each	24,230,650	484.61	24,230,650	484.61	24,230,650	484.61
Total	24,230,650	484.61	24,230,650	484.61	24,230,650	484.61

(i) (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.

(ii) Reconciliation of the number of shares outstanding at the beginning and at the end of the period.

Particulars	No. of shares	Share capital (Amount)
Balance at April 1, 2016	24,230,650	484.61
Movements	-	-
Balance at March 31, 2017	24,230,650	484.61
Movements	-	-
Balance at March 31, 2018	24,230,650	484.61

(iii) Details of shares held by each shareholder holding more than 5% shares

Name of shareholder	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No. of shares	Perc- centage	No. of shares	Perc- centage	No. of shares	Perc- centage
Equity shares:						
Trilochan Singh Sahney	2,929,101	12.09%	2,929,101	12.09%	2,929,101	12.09%
Trilochan Singh Sahney Trust 1 [held by a trustee (Trilochan Singh Sahney) in his individual name]	9,438,910	38.95%	9,438,910	38.95%	9,438,910	38.95%
ICICI Prudential Life Insurance Company Limited	1,326,786	5.48%	1,326,786	5.48%	1,326,786	5.48%

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(iv) 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 March 31, 2018	As at March 31, 2017
	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.	24,230,650	24,230,650

NOTE 16 : Other equity

(Rs. in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
(a) Capital reserve	5,700.16	5,700.16	5,700.16
(b) Deemed capital contribution	2,803.98	628.59	314.59
(c) Retained earnings	(8,216.52)	(6,158.94)	(4,206.13)
Total	287.62	169.81	1,808.62

(i) Movement in other equity:

(Rs. in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
(I) Capital Reserve (Refer Note 1)		
Opening balance	5,700.16	5,700.16
Movement	-	-
Closing balance	5,700.16	5,700.16
(II) Deemed capital contribution		
Opening balance	628.59	314.59
Extinguishment of equity component of redeemable preference shares on exchange of redeemable preference shares with substantially modified terms (Refer Note below)	(256.81)	-
Recognition of equity component on exchange of redeemable preference shares with substantially modified terms	1,099.38	-
Recognition of equity component on issue of redeemable preference shares	1,332.82	314.00
Closing balance	2,803.98	628.59
(III) Retained earnings		
Opening balance	(6,158.94)	(4,206.13)
Loss for the year	(2,045.66)	(1,966.11)
Other Comprehensive Income for the year		
- Remeasurement of net defined benefit obligation (net of taxes)	(11.92)	13.30
Closing balance	(8,216.52)	(6,158.94)

Note :

The change referred to in Note 17A (h) which resulted in substantial modification of the terms is considered as extinguishment of existing liability and recognition of new financial liability with modified terms. The loss on derecognition of Rs. 256.81 lakhs has been recognized in other equity as it arises from a transaction with a promoter shareholder.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(ii) Nature and purpose of each reserve within Other equity

Deemed capital contribution

This represents the difference between fair valuation and transaction price on initial recognition of preference shares issued to a Promoter Shareholder.

NOTE 17 : Borrowings

A. Non-Current Borrowings

(Rs. in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
I. Secured - at amortised cost			
Term loans:			
From bank	1,631.12	2,483.00	2,629.74
Less: Current maturities of long term debt (refer note 19)	(160.83)	(1,840.33)	(2,203.09)
	1,470.29	642.67	426.65
From others	23.12	23.70	30.88
Less: Current maturities of long term debt (refer note 19)	(9.32)	(8.10)	(7.18)
	13.80	15.60	23.70
II. Unsecured - at amortised cost			
Term loan:			
From others	1,639.06	-	-
Less: Current maturities of long term debt (refer note 19)	-	-	-
	1,639.06	-	-
Loans from related parties			
Preference Shares	1,592.92	1,558.06	685.41
Total	4,716.07	2,216.33	1,135.76

Footnotes:

Secured

Term loans from Bank

- (a) Rs. 139.71 lacs (March 31, 2017 Rs. 417.04 lacs and March 31, 2016 Rs. 710.82 lacs) secured by exclusive first charge over immovable Property, plant and equipment (buildings), leasehold land 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 2 equal quarterly instalments by September 2018 and carries floating interest rate of LIBOR + 350 bps. The present rate of interest is 4.98% .
- (b) As at March 31, 2016 Rs. 1918.92 lacs was secured by security stated in (a) above. The term loan was fully repaid in November 2016.
- (c) Rs. 1491.41 lacs (March 31, 2017 Rs. Nil and March 31, 2016 Rs. Nil) secured by subservient charge on current assets and movable Property, plant and equipment and pledge of 2,083,250 shares of NRB Bearings Limited held by a director of the Company . The working capital term loan is repayable in total 17 quarterly installments comprising of 5 Quarterly installment of Euro 0.38 lac each starting from 27 Feb , 2019 till 2nd March 2020 and 12 Quarterly installment of Euro 1.42 lacs each starting from 1 June , 2020 till 28 February 2023 and carries interest rate of EURIBOR 6M + 3.05 % which has been converted in to a fixed rate loan carrying interest rate of 6.3 % p.a through Interest rate Swap.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(d) Rs. Nil (March 31, 2017 Rs. 988.39 lacs and March 31, 2016 Rs. Nil) secured by subservient charge on current assets and movable Property, plant and equipment 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 was repayable in two equal installments of Rs. 500 lacs each on 30 June, 2017 and on 30 December, 2017 and carried interest rate of one year MCLR + 70 bps. The term loan is fully repaid in September 2017.

(e) Rs. Nil (March 31, 2017 Rs. 1077.57 lacs and March 31, 2016 Rs. Nil) secured by subservient charge on current assets and movable Property, plant and equipment 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 was repayable in monthly installments of Rs. 10 lacs from April 2017 to June 2017 , of Rs. 15 lacs from July 2017 to September 2017, of Rs. 86 lacs October 2017 to August 2018 and of Rs. 79 lacs in September 2018 and carried interest rate of one year MCLR + 85 bps. The term loan is fully repaid in October 2017.

Term loan from Others

(f) Rs. 23.12 lacs (March 31, 2017 Rs. 23.70 lacs and March 31, 2016 Rs. 30.88 lacs) secured by hypothecation of vehicles. Out of these , the term loan of Rs. 1.35 lacs (March 31, 2017 Rs. 3.83 lacs and March 31, 2016 Rs. 6.06 lacs) carrying interest rate of 10.71 % is repayable in remaining 6 equal monthly instalments by September, 2018, the term loan of Rs. 14.25 lacs (March 31, 2017 Rs. 19.87 lacs and March 31, 2016 Rs. 24.82 lacs) carrying interest rate of 12.75 % is repayable in remaining 24 equal monthly instalments by April, 2020 and the term loan of Rs. 7.52 lacs (March 31, 2017 Rs. Nil and March 31, 2016 Rs. Nil) carrying interest rate of 8.82 % is repayable in remaining 49 equal monthly instalments by April, 2022.

Unsecured

Term loans from others

(g) Rs. 1639.06 lacs (March 31, 2017 Rs. Nil and March 31, 2016 Rs. Nil) secured by pledge of 2,458,597 shares of NRB Bearings Limited held by a director and a promoter of the Company. The term loan is repayable in eight equal quarterly installments of Rs. 206.25 lacs starting from 6 Dec , 2019 and carries interest rate of 10.5 % p.a.

Loans from related parties

(h) 100 lacs each 6 % Redeemable Cumulative Non -Convertible Preference shares of Rs. 10 each fully paid up were issued to a Promotor shareholder in March 2016 and in April 2016 respectively with redemption at the end of 5 years from the date of issue. During the year, the terms of existing Redeemable Cumulative Non -Convertible Preference shares were changed w.e.f. February 15, 2018 the preference dividend rate is modified to 2 % and redemption term is changed to 10 years for above said preference shares. 200 lacs 2 % Redeemable Cumulative Non -Convertible Preference shares of Rs. 10 each fully paid up were issued to a Promotor shareholder in February 2018 with redemption at the end of 10 years.

(i) Preference Share Capital

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
Authorised:						
Redeemable cumulative non-convertible preference shares of Rs. 10/- each	50,000,000	5,000.00	50,000,000	5,000.00	50,000,000	5,000.00
Total	50,000,000	5,000	50,000,000	5,000	50,000,000	5,000
Issued, Subscribed and Fully Paid:						
Redeemable cumulative non-convertible preference shares of Rs. 10/- each	40,000,000	4,000.00	20,000,000	2,000.00	10,000,000	1,000.00
Total	40,000,000	4,000	20,000,000	2,000	10,000,000	1,000

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(ii) Reconciliation of the number of shares outstanding at the beginning and at the end of the period.

Particulars	No. of shares	Share capital (Amount)
Balance at April 1, 2016	10,000,000	1,000.00
Issue of shares	10,000,000	1,000.00
Balance at March 31, 2017	20,000,000	2,000.00
Issue of shares	20,000,000	2,000.00
Balance at March 31, 2018	40,000,000	4,000.00

(iii) Details of shares held by each shareholder holding more than 5% shares

Name of shareholders	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No. of shares	Percentage	No. of shares	Percentage	No. of shares	Percentage
Preference shares:						
Trilochan Singh Sahney	40,000,000	100.00%	20,000,000	100.00%	10,000,000	100.00%

B. Current Borrowings

(Rs. in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
I. Secured - at amortised cost			
(a) Loans repayable on demand			
From banks	1,637.35	1,897.72	1,510.85
(b) Other loans			
From bank	-	-	419.82
II. Unsecured - at amortised cost			
(a) Loans from related party			
Inter corporate deposits	-	-	250.00
(b) Loans repayable on demand			
Interest free loan from Directors	5,711.12	7,197.47	7,834.08
Total	7,348.47	9,095.19	10,014.75

Footnotes:

(i) Loans repayable on demand from banks

- Rs. 1637.35 lacs (March 31, 2017 Rs. 1,897.72 lacs and March 31, 2016 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 Property, plant and equipment (buildings), leasehold land 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.
- As at March 31, 2016 Rs. 1,010.93 lacs secured by first exclusive charge on all present and future stock and book debts of the Company.
- As at March 31, 2016 Rs. 499.92 lacs secured by first pari pasu charge on all present and future stock and book debts of the Company.

(ii) Other loans from banks

As at March 31, 2016 Rs. 419.82 lacs was secured by security stated in footnote (i) (b) above.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

NOTE 18 : Trade Payables

(Rs.in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
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	1,351.16	1,345.45	1,638.33
Total	1,351.16	1,345.45	1,638.33

Notes:

1. The company does not have any dues outstanding to Micro and Small Enterprises as mentioned in the Micro, Small and Medium Enterprises Development Act 2006. This is determined on the basis of information available with the Company. This has been relied upon by the auditors.
2. The credit period ranges from 45 days to 90 days .

NOTE 19 : Other financial liabilities

(Rs. in Lakhs)

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Current	Non- Current	Current	Non- Current	Current	Non- Current
Other Financial Liabilities measured at amortised cost						
(a) Current maturities of long-term debt	170.15	-	1,848.43	-	2,210.27	-
(b) Interest accrued	8.64	-	19.37	-	25.69	-
Other Financial Liabilities measured at Fair Value						
(a) Interest Rate Swap	-	160.76	-	-	-	-
Total	178.79	160.76	1,867.80		2,235.96	

NOTE 20 : Other current liabilities

(Rs. in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
(a) Advances received from customers	43.01	29.61	43.54
(b) Security Deposits	3.50	2.50	2.50
(c) Payables for capital supplies	11.30	1.91	26.44
(d) Others			
Statutory remittances (Super annuation, Withholding tax, Service Tax, VAT etc.)	41.88	61.91	115.04
Total	99.69	95.93	187.52

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

NOTE 21 : Provisions

(Rs. in Lakhs)

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Current	Non- Current	Current	Non- Current	Current	Non- Current
Provision for employee benefits						
1) Compensated absences	15.80	48.20	12.19	34.32	10.25	37.62
2) Gratuity	16.27	-	6.91	-	2.22	-
Total	32.07	48.20	19.10	34.32	12.47	37.62

(i) As at 31 March 2018, the increase in carrying amount of the provision for compensated absences result from further leave accumulation during the FY 2017-18 . As at 31 March 2017, the decrease in the carrying amount of the provision for compensated absences results from benefits being paid during the year ended March 31, 2017.

(ii) Refer note 35 for Employee Benefits related disclosures.

NOTE 22 : Revenue from Operations

(Rs. in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Sale of products (including excise duty of Rs. 59.72 lacs (previous year Rs. 319.53 lacs) (Refer foot note below)	4,180.77	4,163.92
Rendering of services		
(a) Agency Commission	22.17	24.82
(b) Job work charges	150.79	6.30
(c) Service Charges	24.00	15.00
Other operating revenues		
(d) Sale of scrap	20.16	13.32
(e) Export incentives	61.04	49.84
(f) Royalty Income	10.34	6.29
Total	4,469.27	4,279.49

Note :

Excise duty on sale of products was included under Revenue from operations and disclosed separately under expenses upto all reporting periods ending June 30, 2017. Post implementation of Goods and Service Tax (GST) w.e.f. July 01, 2017, Revenue from operations is reported net of GST, as unlike Excise duty, GST is not a part of Revenue.

NOTE 23 : Other Income

(Rs. in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Interest income on financial assets at amortised cost		
(a) Interest income on bank deposits	4.23	0.67
(b) Other Interest income	13.16	4.92
Other non-operating income		
Rent income	76.80	76.80
Other gains and losses		
(a) Allowance for doubtful debts written back	-	8.77
(b) Liability no longer payable required written back	14.53	25.55
(c) Foreign exchange fluctuation (gain) / loss	34.82	-
Total	143.54	116.71

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

NOTE 24 : Cost of material consumed

(Rs. in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Opening stock	345.37	424.92
Add: Purchases	1,648.75	1,130.62
Less: Closing stock	(523.69)	(345.37)
Total	1,470.43	1,210.17

NOTE 25 : Purchases of stock in trade

(Rs. in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Purchases of stock in trade	198.59	257.06

NOTE 26 : Changes in inventories of finished goods, work-in-progress and stock-in-trade

(Rs. in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Opening stock		
- Work in progress	654.17	616.03
- Finished goods	946.49	1,217.54
Closing stock		
- Work in progress	(673.85)	(654.17)
- Finished goods	(590.78)	(946.49)
Excise Duty	(183.28)	(55.74)
Net increase/(Decrease)	152.75	177.17

NOTE 27 : Employee Benefits Expense

(Rs. in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Salaries and wages	1,384.98	1,184.33
Contribution to provident and other funds (Refer note 35)	114.08	103.53
Staff welfare expenses	65.27	56.04
Total	1,564.33	1,343.90

NOTE 28 : Finance Costs

(Rs. in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
(a) Interest costs :-		
- Interest on borrowings from banks	496.24	448.68
- Interest on Preference shares	210.27	186.63
- Other interest expense	10.22	9.46
(b) Net loss on foreign currency transactions (considered as finance cost)	25.01	7.84
(c) Other borrowing cost	113.93	47.15
Total	855.67	699.76

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

NOTE 29 : Depreciation and amortisation expense

(Rs. in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Depreciation of property, plant and equipment	877.91	877.50
Amortisation of intangible assets	14.37	14.37
Total depreciation and amortisation expense	892.28	891.87

NOTE 30 : Other Expenses

(Rs. in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Consumption of Stores and spares parts	269.37	206.36
Power & Fuel oil	245.25	263.28
Rent	14.49	13.95
Repairs and maintenance:		
- Buildings	10.50	0.54
- Plant & machinery	14.60	0.42
- Others	30.54	41.98
Insurance	10.91	10.31
Rates and taxes	25.53	21.83
Travelling and Conveyance expense	99.91	105.86
Printing and stationary	13.00	17.78
Freight and Forwarding	135.38	92.82
Business Promotion	26.92	42.68
Legal and other professional expenses	62.34	82.36
Auditors remuneration (See Footnote below)	30.25	29.06
Allowance for doubtful debts	9.76	-
Foreign exchange (gain) / loss	-	30.03
Loss arising on financial liabilities / assets designated at FVTPL	160.76	204.05
Security and houskeeping Charges	90.29	68.38
IT related expenses	55.66	70.33
Bank charges	7.31	10.08
Loss on sale of property, plant and equipments	1.08	0.30
Turnover discount	42.01	43.75
Miscellaneous expenses	108.84	106.70
Total	1,464.70	1,462.85

Footnote:

Details of Auditors' remuneration:

(excluding service tax / GST)

As auditors (for audit, review of unaudited quarterly results and audit of consolidated financial statement)	24.25	23.50
Taxation matters	6.00	5.50
out-of-pocket expenses	-	0.06
Total	30.25	29.06

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

NOTE 31 : Earning Per Share

Basic and Diluted Earning Per Share (EPS) is calculated as under:

Particulars		Year ended March 31, 2018	Year ended March 31, 2017
Basic & Diluted			
Loss after tax attributable to equity shares (Rs. in lakhs)	(A)	(2,045.66)	(1,966.11)
Weighted average number of Shares	(B)	24,230,650	24,230,650
Basic & Diluted EPS (in Rs.)	(A) / (B)	(8.44)	(8.11)
Nominal value of equity share (in Rs.)		2.00	2.00

Note:

There is no dilution to the basic EPS as there are no outstanding potentially dilutive equity shares.

NOTE 32 : Leases

1. Lease Expense:

- (a) The company has taken land, office and residential premises on operating lease. Lease rental charged to the Statement of Profit and Loss for the year ended 31 March, 2018 Rs.14.49 Lakhs (Previous year Rs.13.95 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 contains renewal clause. The agreement is expired on 8 February, 2018 and is extended till 31 March, 2018 with same terms and conditions.

NOTE 33 : Contingent liabilities not provided for:

(Rs. in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Bank guarantees			
- To Maharashtra Pollution Control Board	15.00	15.00	5.00
- To President of India through Commissioner of Customs	0.45	0.45	0.45
Total	15.45	15.45	5.45

NOTE 34 : Commitments

(Rs. in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
1. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	3.66	31.19	16.59
2. Other commitment - Premium payable for remaining period of Call Spread Option Contract	-	-	50.93

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

NOTE 35 : Employee Benefits

Brief description of the Plans:

1) Defined contribution plans :

a) 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

b) 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 has recognized, in the Statement of profit and loss for the year, an amount of Rs. 87.70 lakhs (March 31, 2017 Rs. 78.64 lakhs) as expenses under defined contribution plans.

(Rs. in Lakhs)

Benefit (Contribution to)	For the year ended 31 March 2018	For the year ended 31 March 2017
i) Employer's Contribution to Provident Fund	37.74	36.20
ii) Employer's Contribution to Family Pension Fund	23.11	21.95
iii) Employer's Contribution to Superannuation Fund	26.85	20.49
Total	87.70	78.64

2) Defined Benefit Plans : (Gratuity Funded)

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.

Nature of benefits:

The gratuity benefits payable to the employees are based on the employee's service and last drawn salary at the time of leaving. The employees do not contribute towards this plan and the full cost of providing these benefits are met by the Company.

Regulatory framework:

There are no minimum funding requirements for a gratuity plan in India. The trustees of the gratuity fund have a fiduciary responsibility to act according to the provisions of the trust deed and rules. Since the fund is income tax approved, the Company and the trustees have to ensure that they are at all times fully compliant with the relevant provisions of the income tax and rules. Besides this if the Company is covered by the Payment of Gratuity Act, 1972 then the Company is bound to pay the statutory minimum gratuity as prescribed under this Act.

Governance of plan:

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Inherent risk

The plan is of a final salary defined benefit in nature which is sponsored by the Company and hence it underwrites all the risks pertaining to the plan. In particular, there is a risk for the Company that any adverse salary growth or demographic experience or inadequate returns on underlying plan assets can result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature the plan is not subject to any longevity risks.

The most recent actuarial valuation of the present value of the defined benefit obligation was carried out at March 31, 2018 by an independent actuary. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

A. Principal actuarial assumptions used:

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Discount Rate	7.56% p.a.	7.12% p.a.
Expected return on plan assets	7.56% p.a.	7.12% p.a.
Salary escalation rate	7.00% p.a.	6.00% p.a.
Attrition rate	8.00 % p.a	8.00 % p.a
Mortality Rate During Employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

B. Expenses recognised in Statement of Profit and Loss

(Rs. in Lakhs)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Current Service Cost	16.95	17.83
Interest on net defined benefit liability/ (asset)	0.49	0.16
Expected Return on Plan Assets	-	-
Total Expenses / (Income) recognised in the Statement of Profit And Loss*	17.44	17.99

* The current service cost and the net interest expenses for the year are included in the 'Employee benefits expenses' Note: 27 in the statement of profit & loss

C. Expenses Recognized in the Other Comprehensive Income (OCI)

(Rs. in Lakhs)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Actual return on plan assets in excess of the expected return	1.05	(5.74)
Actuarial (Gain)/Loss on account of :		
- Financial Assumptions	5.63	(14.25)
- Experience Adjustments	5.24	6.69
Net (Income)/Expense For the Period Recognized in OCI	11.92	(13.30)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

D. Net Asset/(Liability) recognised in the Balance Sheet

(Rs. in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
Present Value of Defined Benefit Obligation as at the end of the year	157.67	128.99	111.44
Fair Value of plan assets	141.40	122.08	109.22
Net asset/(liability) recognised in the Balance Sheet	(16.27)	(6.91)	(2.22)

Recognised under	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
Long term provision (Refer note 21)	-	-	-
Short term provision (Refer note 21)	(16.27)	(6.91)	(2.22)
Total	(16.27)	(6.91)	(2.22)

E. Movements in the present value of defined benefit obligation are as follows:

(Rs. in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Present value of defined benefit obligation at the beginning of the year	128.99	111.44
Expenses Recognised in Profit and Loss Account:		
Current Service Cost	16.95	17.83
Interest cost	9.18	8.42
Recognised in Other Comprehensive Income		
Remeasurement (gains)/losses		
- Financial Assumptions	5.63	(14.25)
- Experience Adjustments	5.24	6.69
Benefit payments	(8.32)	(1.14)
Present value of defined benefit obligation at the end of the year	157.67	128.99

F. Movements in the fair value of the plan assets are as follows:

(Rs. in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Fair value of the plan assets at the beginning of the year	122.08	109.22
Contribution made	20.00	0.00
Income Recognised in Profit and Loss Account:		
Interest income	8.69	8.26
Recognised in Other Comprehensive Income		
Remeasurement gains/(losses)	(1.05)	5.74
- Actual Return on plan assets in excess of the expected return		-
Benefits paid	(8.32)	(1.14)
Fair value of the plan assets at the end of the year	141.40	122.08

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

G. The major categories of plan assets are as follows:

(Rs. in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Insurer managed funds (100%)	141.40	122.08

H. Sensitivity Analysis

Gratuity is a lump sum plan and the cost of providing these benefits is typically less sensitive to small changes in demographic assumptions. The key actuarial assumptions to which the benefit obligation results are particularly sensitive to are discount rate and future salary escalation rate. The following table summarizes the impact on the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 100 basis points.

These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analyses.

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

(Rs. in Lakhs)

Principal assumptions	Year	Changes in	Impact on defined benefit obligation	
			Increase in assumption	Decrease in assumption
Discount rate	2018	1%	(9.61)	10.97
	2017	1%	(7.78)	8.84
	2016	1%	(7.46)	8.54
Salary escalation rate	2018	1%	10.92	(9.74)
	2017	1%	8.85	(7.93)
	2016	1%	8.42	(7.49)

The above sensitivity analyses are based on change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

I. Expected future benefits payable - Maturity profile of defined benefit obligation

(Rs. in Lakhs)

Projected Benefits Payable in Future Years From the Date of Reporting	Estimated as at March 31, 2018	Estimated as at March 31, 2017	Estimated as at April 1, 2016
1st Following Year	17.67	10.81	7.34
2nd Following Year	25.10	14.43	7.57
3rd Following Year	11.16	21.73	13.36
4th Following Year	11.88	9.31	19.51
5th Following Year	11.43	9.58	7.66
Sum of Years 6 to 10	63.30	48.76	43.65
Sum of Years 11 and above	163.95	118.29	103.65

J. Other Disclosures

- The weighted average duration of the obligations as at March 31, 2018 is 8 years (March 31, 2017: 8 Years; April 1, 2016: 9 Years).
- The Company expects to contribute Rs. 35.24 lakhs to the plan during financial year 2018-19.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

NOTE 36 : Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Company. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director and Chief Financial Officer of the Company. The Company operates only in one Business Segment i.e. industrial bearings, hence does not have any reportable Segments as per Ind AS 108 "Operating Segments".

Geographic information

(Rs. in Lakhs)

Particulars	Revenue from operations	
	For the year ended 31 March 2018	For the year ended 31 March 2017
India	3,230.43	3,267.70
Outside India	1,238.84	1,011.79
	4,469.27	4,279.49

All the non-current assets of the Company are located in India.

Revenue from major products and services

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
(a) Ball & roller bearings	3,587.45	3,562.66
(b) Roller	301.37	300.12
(c) Trading	291.95	301.14
Total	4,180.77	4,163.92

Information about major customers:

Revenues of approximately Rs. 417.69 Lakhs (March 2017: Rs. 429.13 Lakhs) arose from sales to one customer who contributed 10% or more to the Company's revenue for both years ended March 31, 2018 and March 31, 2017.

NOTE 37 : Related Party transactions

A) Name of the related party and nature of relationship where control exists:

Sr. no.	Nature of relationship	Names of related parties
(a)	Associate	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, Director
(d)	A Company over which relatives of KMP are able to exercise significant influence.	NRB Bearings Limited NRB Bearings (Thailand) Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

B) Related Party Transactions:

(Rs. in Lakhs)

Sr. No.	Nature of Transactions	Associate		A Company over which relatives of KMP are able to exercise significant influence.		Key Management Personnel and their Relative		Total	
		March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
1	Sale of finished Goods			2.79	4.06	-	-	2.79	4.06
	NRB Bearings (Thailand) Limited	-	-						
	NRB Bearings Limited	-	-	2.49	3.60	-	-	2.49	3.60
2	Sale of Semi Finished Material			-	-	-	-	56.29	429.13
	NRB IBC Bearings Private Limited	56.29	429.13						
3	Income from job work			1.97	1.87	-	-	1.97	1.87
	NRB Bearings Limited	-	-						
	NRB IBC Bearings Private Limited	143.36	4.43	-	-	-	-	143.36	4.43
4	Rent Income			-	-	-	-	76.80	76.80
	NRB IBC Bearings Private Limited	76.80	76.80						
5	Service Charges			-	-	-	-	24.00	15.00
	NRB IBC Bearings Private Limited	24.00	15.00						
6	Royalty income			-	-	-	-	10.34	6.29
	NRB IBC Bearings Private Limited	10.34	6.29						
7	Payments made/ expenses incurred on behalf of related party			-	-	-	-	65.06	52.95
	NRB IBC Bearings Private Limited	65.06	52.95						
8	Purchase of material			125.36	137.49	-	-	125.36	137.49
	NRB Bearings Limited	-	-						
	NRB IBC Bearings Private Limited	2.31	0.62	-	-	-	-	2.31	0.62
9	ICD repaid			-	250.00	-	-	-	250.00
	NRB Bearings Limited	-	-						
10	Interest paid on ICD			-	5.19	-	-	-	5.19
	NRB Bearings Limited	-	-						
11	Loan taken			-	-	-	562.45	-	562.45
	Mr. D. S. Sahney	-	-	-	-	-			
	Mr. T. S. Sahney	-	-	-	-	613.65	541.00	613.65	541.00
12	Loan repayment			-	-	-	95.05	-	95.05
	Mr. D. S. Sahney	-	-	-	-	-			
	Mr. T. S. Sahney	-	-	-	-	2,100.00	1,645.00	2,100.00	1,645.00
13	Issue of Preference shares			-	2,000.00	1,000.00	2,000.00	1,000.00	1,000.00
	Mr. T. S. Sahney	-	-						
14	Guarantee by NRB bearings Limited to third party for loan taken by the Company and outstanding as at the year end Rs. 139.71 lakhs (previous year Rs. 417.04 lakhs)			-	-	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Amounts outstanding with related parties

(Rs. in Lakhs)

Sr. No.	Nature of Outstanding Balances	Associate			A Company over which relatives of KMP are able to exercise significant influence.			Key Management Personnel and their Relative			Total		
		March 31, 2018	March 31, 2017	April 01, 2016	March 31, 2018	March 31, 2017	April 01, 2016	March 31, 2018	March 31, 2017	April 01, 2016	March 31, 2018	March 31, 2017	April 01, 2016
1	Trade Receivables					5.06	5.62					5.06	5.62
	NRB Bearings (Thailand) Limited												
	NRB IBC Bearings Private Limited	80.15	10.64	187.78							80.15	10.64	187.78
	NRB Bearings Limited						4.09						4.09
2	Other Receivables												
	NRB IBC Bearings Private Limited				197.39								197.39
3	Trade Payables												
	NRB Bearings Limited					45.94	26.79				45.94	26.79	
4	Loan outstanding												
	Mr. D. S. Sahney							2,947.63	2,947.63	2,480.23	2,947.63	2,947.63	2,480.23
	Mr. T. S. Sahney							2,763.49	4,249.84	5,353.85	2,763.49	4,249.84	5,353.85
	NRB Bearings Limited						250.00						250.00
5	Interest outstanding												
	NRB Bearings Limited						1.94						1.94

Footnote:

- i) 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.
- ii) Outstanding balances (other than borrowings) at the year-end are unsecured and interest free and settlement occurs in cash.
- iii) The transactions with related parties are made in the normal course of business and on terms equivalent to those that prevail in arm's length transactions. All the Related Party Transactions are reviewed and approved by the Audit Committee.

iv) Compensation of key managerial personnel

The remuneration of directors and other members of key management personnel during the year is as follows:

(Rs. in Lakhs)

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Short-term benefits	74.85	64.88
Post-employment benefits @	12.31	11.02
Other long-term benefits	-	-
Termination benefits	-	-
Total	87.16	75.90

@ Compensation of key managerial personnel excludes provision for gratuity and compensated absences which is determined on the basis of actuarial valuation done on overall basis for the Company.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

NOTE 38 : 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 lacs 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 had 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 approved remuneration payable to the MD from April 01, 2014 to March 31, 2017.

NOTE 39 : Expenditure on Research and Development (R & D)

(Rs.inLakhs)

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
a) Charged to Statement of Profit and Loss	136.66	113.38
b) Capitalized to Fixed Assets	-	-
Total	136.66	113.38

NOTE 40 : Capital management and Risk management

I Capital Management

The Company's capital management strategy is to effectively determine, raise and deploy capital so as to create value for its shareholders. The same is done through a mix of either equity and/or preference and/or combination of short term / long term debt as may be appropriate.

The Company determines the amount of capital required on the basis of its product, capital expenditure, operations and strategic investment plans. The same is funded through a combination of capital sources be it either equity and/or preference and/or combination of short term/long term debt as may be appropriate.

II Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk . In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

A CREDIT RISK

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Trade receivables

Customer credit risk is managed as per the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on payment performance over the period of time. The Company's exposure of its customers are continuously monitored based on the customer's past performance and business dynamics. Credit exposure is controlled by customer's credit limits that are reviewed and approved by the management at regular intervals.

An impairment analysis is performed at each reporting date. The Company applies the simplified approach to providing for expected credit losses prescribed by Ind AS 109, which permits the use of the lifetime expected loss provision for all trade receivables. The Company has computed expected credit losses based on a provision matrix which uses historical credit loss experience of the Company and where applicable, specific provisions are made for individual receivables.

B LIQUIDITY RISK

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by way of banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

(Rs. in Lakhs)

Maturities of Financial Liabilities	Weighted average effective interest rate	March 31, 2018				Total	Carrying amount
		Upto 1 year	1 to 3 years	3 to 5 years	Above 5 years		
Non-interest bearing		7,070.92	-	-	-	7,070.92	7,070.92
Variable interest rate instruments	3%	153.82	-	-	-	153.82	139.71
Fixed interest rate instruments	10%	2,046.49	2,242.59	1,414.30	4,000.00	9,703.38	6,383.87
		9,271.22	2,242.59	1,414.30	4,000.00	16,928.12	13,594.49

Maturities of Financial Liabilities	Weighted average effective interest rate	March 31, 2017				Total	Carrying amount
		Upto 1 year	1 to 3 years	3 to 5 years	Above 5 years		
Non-interest bearing		8,562.29	-	-	-	8,562.29	8,562.29
Variable interest rate instruments	4%	291.38	141.68	-	-	433.06	417.04
Fixed interest rate instruments	13%	3,781.17	542.35	2,000.66	-	6,324.18	5,545.44
		12,634.84	684.03	2,000.66	-	15,319.53	14,524.76

Maturities of Financial Liabilities	Weighted average effective interest rate	April 1, 2016				Total	Carrying amount
		Upto 1 year	1 to 3 years	3 to 5 years	Above 5 years		
Non-interest bearing		9,498.10	-	-	-	9,498.10	9,498.10
Variable interest rate instruments	4%	309.18	442.68	-	-	751.86	710.82
Fixed interest rate instruments	7%	4,530.42	19.80	1,008.48	-	5,558.70	4,815.88
		14,337.70	462.48	1,008.48	-	15,808.66	15,024.80

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Interest Rate sensitivity

If interest rates had been 100 basis points higher/lower and all other variables were held constant, the Company's loss for the year ended March 31, 2018 would increase/decrease by Rs.1.40 lakhs (year ended March 31, 2017 by Rs. 4.17 lakhs). This is mainly attributable to the Company's exposure to borrowings at floating interest rates.

C Market Risks

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company uses derivatives to manage any significant market risks. Derivatives are only used for economic hedging purposes and not as speculative investments. All such transactions are carried out within the guidelines set by the Board of Directors .

(i) Currency Risk

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company's exposure to currency risk relates primarily to the Company's operating activities when transactions are denominated in a different currency from the Company's functional currency.

The Company's foreign currency exposure are denominated in US Dollar, Pound Sterling, Euro and Japanese Yen) which arise mainly from foreign exchange imports, exports and foreign currency borrowings.

As at the end of the reporting period, the carrying amounts of the company's foreign currency denominated financial assets and financial liabilities are as follows:

As at 31 March 2018

		In foreign currency in lakhs	Equivalent Rs in lakhs
Financial Assets	EURO	4.32	348.67
Trade Receivables	USD	0.34	22.35
	GBP	0.27	25.24
Financial Liabilities			
Term loan from Bank	EURO	18.92	1,491.41
	USD	2.15	139.71
Trade Payables	EURO	1.10	88.60
Interest accrued on borrowings	USD	0.01	0.39

As at 31 March 2017

		In foreign currency in lakhs	Equivalent Rs in lakhs
Financial Assets	EURO	4.50	311.95
Trade Receivables	USD	0.37	24.07
	GBP	0.33	26.97
	JPY	2.67	1.55
Financial Liabilities			
Term loan from Bank	USD	6.43	417.04
Trade Payables	EURO	1.13	78.25
Interest accrued on borrowings	USD	0.02	1.39

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

As at 1st April, 2016

		In foreign currency in lakhs	Equivalent Rs in lakhs
Financial Assets			
Trade Receivables	EURO	4.41	331.14
	USD	0.25	16.60
	GBP	0.22	20.86
Financial Liabilities			
Term loan from Bank	USD	39.64	2,629.74
	EURO	5.59	419.82
Trade Payables	EURO	1.78	133.38
Interest accrued on borrowings	USD	0.32	21.08

(ii) Interest Rate Risk

Refer note B (ii) for interest rate sensitivity

The Company has entered in to Interest Rate Swap contract wherein the Company has converted its floating interest rate loan into a fixed interest rate loan, in order to reduce the Company's cash flow exposure resulting from variable interest rates on borrowings.

(iii) Raw material price risk

The Company does not have significant risk in raw material price variations. In case of any variation in price same is passed on to the customer through appropriate adjustments to selling prices.

NOTE 41 : Fair Value Disclosures

This section explains the judgment and estimates made in determining the fair value of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair value are disclosed in financial statements. To provide an indication about the reliability of the inputs used in determining the fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standards.

a) Categories of Financial Instruments:

(Rs. in Lakhs)

Financial assets/ financial liabilities	Fair value hierarchy as at March 31, 2018			
	Level-1	Level-2	Level-3	Total
Financial assets				
Financial assets carried at amortised cost				
Trade Receivables	-	1,148.95	-	1,148.95
Cash and cash equivalents	-	67.57	-	67.57
Other Bank balances	-	15.45	-	15.45
Other Financial Assets	-	65.97	-	65.97
Total	-	1,297.94	-	1,297.94
Financial liabilities				
Financial liabilities held at amortised cost				
Borrowings	-	12,234.69	-	12,234.69
Trade Payables	-	1,351.16	-	1,351.16
Other financial liabilities	-	8.64	-	8.64
Total	-	13,594.49	-	13,594.49

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(Rs. in Lakhs)

Financial assets/ financial liabilities	Fair value hierarchy as at March 31, 2017			
	Level-1	Level-2	Level-3	Total
Financial assets				
Financial assets carried at amortised cost				
Trade Receivables	-	1,049.45	-	1,049.45
Cash and cash equivalents	-	10.94	-	10.94
Other Bank balances	-	15.45	-	15.45
Other Financial Assets	-	2.82	-	2.82
Total	-	1,078.65	-	1,078.65
Financial liabilities				
Financial liabilities held at amortised cost				
Borrowings	-	13,159.95	-	13,159.95
Trade Payables	-	1,345.45	-	1,345.45
Other financial liabilities	-	19.37	-	19.37
Total	-	14,524.77	-	14,524.77

(Rs. in Lakhs)

Financial assets/ financial liabilities	Fair value hierarchy as at March 31, 2016			
	Level-1	Level-2	Level-3	Total
Financial assets				
Financial assets carried at amortised cost				
Trade Receivables	-	1,218.59	-	1,218.59
Cash and cash equivalents	-	22.69	-	22.69
Other Bank balances	-	5.64	-	5.64
Other Financial Assets	-	197.78	-	197.78
Total	-	1,444.70	-	1,444.70
Financial liabilities				
Financial liabilities held at amortised cost				
Borrowings	-	13,360.78	-	13,360.78
Trade Payables	-	1,638.33	-	1,638.33
Other financial liabilities	-	25.69	-	25.69
Total	-	15,024.80	-	15,024.80

Note: Investments representing equity interest in associates are carried at cost less any provision for impairment.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

b) Fair Value Hierarchy and Method of Valuation

The following table presents fair value of assets and liabilities measured at fair value on recurring basis as of March 31, 2018

(Rs. in Lakhs)

Financial assets/ (Financial liabilities)	Fair value hierarchy	Valuation technique(s) and key input(s)	31 March 2018	31 March 2017	1 April 2016
Derivative Assets / (Liabilities) measured at FVTPL:					
(i) Interest rate swap	Level 2	Discounted Cash Flow based on prevailing / forward interest rates in market	(160.76)	-	-
(ii) Call spread currency option	Level 2	Discounted Cash Flow based on prevailing / forward interest rates in market	-	-	442.10
Total			(160.76)	-	442.10

c) Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required):

The Company consider that the carrying amount of financial asset and financial liabilities recognised in the financial statements approximate their fair value.

NOTE 42 : First-time adoption of Ind-AS

First Time Ind AS Adoption reconciliations

(i) Reconciliation of Total Equity as at 31 March 2017 and 1 April 2016:

(Rs. in Lakhs)

Particulars	Notes	As at 31 March 2017	As at 1 April 2016
Equity as reported under previous GAAP		522.08	984.39
Ind AS: Adjustments increase (decrease):			
Fair valuation as deemed cost for Plant and machinery	A	1,690.40	1,825.88
Classification and measurement of redeemable preference shares as borrowings	B	(1,558.06)	(685.41)
Loss arising on financial liabilities / assets designated at FVTPL	C	-	168.37
Equity as reported under IND AS		654.42	2,293.23

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(ii) Reconciliation of Total Comprehensive Income for the year ended 31 March 2017: (Rs. in Lakhs)

Particulars	Notes	Year Ended 31 March 2017
Profit or Loss as per previous GAAP		(1,462.31)
Ind AS: Adjustments increase (decrease):		
Additional depreciation on adopting fair valuation as deemed cost for Plant and machinery	A	(135.50)
Interest on redeemable preference shares using the effective interest rate	B	(186.63)
Loss arising on financial liabilities / assets designated at FVTPL	C	(168.37)
Remeasurement of post employment defined benefit obligation recognised in other comprehensive income	D	(13.30)
Total adjustment to profit or loss		(503.80)
Loss under Ind AS		(1,966.11)
Other comprehensive income	D	13.30
Total comprehensive income under Ind AS		(1,952.81)

Note: No statement of comprehensive income was produced under previous GAAP. Therefore the reconciliation starts with profit under previous GAAP.

(iii) Material Adjustments to the Balance Sheet on Adoption of Ind AS:

(a) As at 31st March, 2017 (Rs. in Lakhs)

Particulars	Notes	Previous GAAP	Effect of Transition to Ind AS impacting equity	Reclassification adjustment	As per Ind AS
Property, Plant and Equipment : Tangible	A, E	9,560.57	1,690.40	(741.51)	10,509.46
Other non-current assets	E	70.08	-	733.32	803.40
Other current assets	E	443.31	-	8.18	451.49
Equity Share Capital	B	2,484.61	-	(2,000.00)	484.61
Other Equity	A, B, C	(1,962.53)	1,503.75	628.59	169.81
Non-Current Borrowings	B	663.87	186.63	1,365.83	2,216.33

(b) As at 1st April, 2016 (Rs. in Lakhs)

Particulars	Notes	Previous GAAP	Effect of Transition to Ind AS impacting equity	Reclassification adjustment	As per Ind AS
Property, Plant and Equipment : Tangible	A, E	10,270.12	1,825.88	(749.69)	11,346.31
Other non-current assets	E	58.28	-	741.51	799.79
Other current financial assets	C	471.51	168.37	-	639.88
Other current assets	E	731.49	-	8.18	739.67
Share Capital	B	1,484.61	-	(1,000.00)	484.61
Other Equity	A, B, C	(500.22)	1,994.25	314.59	1,808.62
Borrowings	B	450.35	-	685.41	1,135.76

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(iv) Material Adjustments to the Statement of profit and loss on Adoption of Ind AS for the year ended 31 March 2017: (Rs. in Lakhs)

Particulars	Notes	Previous GAAP	Effect of Transition to Ind AS impacting equity	Reclassification adjustment	As per Ind AS
Revenue from operations	F	(3,959.96)	-	(319.53)	(4,279.49)
Changes in stock of finished goods, work-in-progress and stock-in-trade	G	232.91	-	(55.74)	177.17
Excise duty	F	-	-	319.53	319.53
Employee benefits expense	D	1,330.60	-	13.30	1,343.90
Finance costs	B	513.13	186.63		699.76
Depreciation and amortisation expense	A, E	764.57	135.50	(8.18)	891.87
Other expenses	C, E, G	1,230.54	168.37	63.92	1,462.85
Other comprehensive income	D	-	-	(13.30)	(13.30)

(iv) There are no material adjustments to the Statement of Cash Flows

(v) Notes to the reconciliation to previous GAAP:

A On transition to Ind AS, the Company has treated fair value as deemed cost for plant and machinery resulting in an increase in carrying value as compared to the previous GAAP. The consequential impact of additional depreciation on fair value increase is recognised in the Statement of profit or loss for year ended March 31, 2017.

The effect of this change is an increase in Property, Plant and Equipment-Tangible and total equity as at March 31, 2017 of Rs. 1,690.40 lakhs, as at April 1, 2016 of Rs. 1,825.88 lakhs and increase in depreciation and loss before tax for the year ended March 31, 2017 of Rs. 135.50 lakhs.

B Under previous GAAP, redeemable preference shares were classified as part of total equity. Dividends declared (if any) on these preference shares were required to be adjusted against retained earnings and not recognised as finance costs in profit or loss. However, under Ind AS, financial instruments are classified as a liability or equity according to the substance of the contractual arrangement and not its legal form.

Further, under Ind AS, at initial recognition, an entity is required to measure a financial liability at its fair value. The present value (i.e. fair value) of the liability component is calculated using the market interest rate for similar borrowings. The difference between the proceeds of the preference shares issued and the fair value of the liability has been assigned to the equity component.

The interest on liability component is recognized using the effective interest method and has been recognised as finance costs in profit or loss.

The effect of this change is as follows:

- Decrease in total equity as at March 31, 2017 of Rs. 1558.06 lakhs and as at April 1, 2016 of Rs. 685.41 lakhs
- Increase in non-current borrowings as at March 31, 2017 of Rs. 1558.06 lakhs and as at April 1, 2016 of Rs. 685.41 lakhs
- Increase in finance cost and loss for the year ended March 31, 2017 of Rs. 186.63 lakhs

C Under previous GAAP, the Company had entered into derivative contracts in the nature of call spread currency options and interest rate swaps. These derivative contracts were marked-to-market and losses were recognised in the Statement of Profit and Loss while, gains arising on the same were not recognised on grounds of prudence. Premium / discount on such contracts were amortised over the period of the contracts if such contracts relate to monetary items as at the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Under Ind AS, all derivatives contracts need to be recognised at fair values with resulting gains or losses due to changes in fair value recognised in the Statement of Profit and Loss.

The effect of this change is an increase in total equity and other current financial assets as at March 31, 2017 (Rs. Nil), as at April 1, 2016 of Rs. 168.37 lakhs and increase in loss before tax for the year ended March 31, 2017 of Rs. 168.37 lakhs.

D Under previous GAAP, actuarial gains and losses on remeasurement of net defined benefit obligation were recognized in statement of profit or loss. Under Ind AS, the actuarial gains and losses form part of remeasurement of the net defined benefit obligation which is recognised in other comprehensive income. The actuarial gain for the year ended March 31, 2017 was Rs. 13.30 lakhs . This change does not affect total equity, but there is a decrease in loss before tax and in loss for the year ended March 31, 2017 of Rs. 13.30 lakhs.

E Under previous GAAP, lease hold land was considered as tangible fixed assets and was amortised over the period of the lease. Under Ind-AS, interest in lease hold land is considered as leases as per definition and classification criteria in Ind AS 17. Accordingly in respect of net written down value of leasehold land as at March 31, 2017 Rs. 733.32 lakhs (as at April 1, 2016 Rs. 741.51 lakhs) has been classified under non-current assets and Rs. 8.18 lakhs as at 31 March, 2017 (Rs. 8.18 lakhs as at 1 April, 2016) to other current assets.

Similarly the amortisation of lease hold land for the year ended on March 31, 2017 of Rs. 8.18 lakhs has been classified under other expenses as lease rent.

This change does not affect total equity as at April 1, 2016 and March 31, 2017 and the loss before tax or loss for the year ended March 31, 2017.

F Under previous GAAP, revenue from sale of product was presented net of excise duty under revenue from operations. Whereas, under Ind AS, revenue from sale of products includes excise duty. The corresponding excise duty expense of Rs. 319.53 lakhs for the year ended on March 31, 2017 is presented separately on the face of the statement of profit and loss as "Excise duty". This change does not affect total equity as at April 1, 2016 and March 31, 2017 and the loss before tax or loss for the year ended March 31, 2017.

G Under previous GAAP, excise duty on closing stock of Rs. 55.74 lakhs for year ended on March 31, 2017 was presented under other expenses. Whereas, under Ind AS, the same is presented as part of "Changes in stock of finished goods, work-in-progress and stock-in-trade". This change does not affect total equity as at March 31, 2017 and the loss before tax or loss for the year ended March 31, 2017.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF NRB INDUSTRIAL BEARINGS LIMITED

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of NRB Industrial Bearings Limited (hereinafter referred to as "Parent") which includes Parent's share of loss in its associate, comprising the Consolidated Balance Sheet as at 31st March, 2018, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity, for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Parent's Board of Directors is responsible for the preparation of these consolidated Ind AS 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 including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Parent including its Associate in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India. The respective Board of Directors of the Parent 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 Parent 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 Ind AS 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 Ind AS financial statements by the Directors of the Parent, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS 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 Ind AS 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 Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Parent's preparation of the consolidated Ind AS 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 Parent's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS 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 Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS 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 Ind AS and other accounting principles generally accepted in India, of the consolidated state of affairs of the Parent as at 31st March, 2018, and their consolidated loss, consolidated total comprehensive loss, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Emphasis of Matters

We draw attention to Note 38 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 1st October, 2012 to 31st 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

As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of auditor on

separate financial statements of associate incorporated in India, 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 of the aforesaid consolidated Ind AS financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS 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 (including Other Comprehensive Income), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.
- (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Parent as on 31st March, 2018 taken on record by the Board of Directors of the Parent and the report of the statutory auditors of its associate, none of the directors of the Parent and its associate incorporated in India is disqualified as on 31st March 2018 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 separate Report in "Annexure A", which is based on the auditors' report of the Parent.

Reporting on the adequacy of Internal Financial Control Over Financial Reporting of the associate and the operating effectiveness of such controls, under section 143(3)(i) of the Act is not applicable in view of the exemption available to the associate in terms of the notification no. G.S.R. 583(E) dated 13 June 2017 issued by the Ministry of Corporate Affairs, Government of India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of the Parent.

- (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, as amended, 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 Parent and its associate.
 - ii. The Parent and its associate did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Parent and its associate.

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

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

Place: Mumbai
Date : 29 May, 2018

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 31st March, 2018)

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 31st March, 2018, we have audited the internal financial

controls over financial reporting of **NRB INDUSTRIAL BEARINGS LIMITED** (hereinafter referred to as "the Company") as of that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the 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 ("the 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 Company has, 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 31st March, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note 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, 2018

CONSOLIDATED BALANCE SHEET AS ON MARCH 31, 2018

		(Rs. in Lakhs)			
	Particulars	Notes	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
A	ASSETS				
1	Non-current assets				
	(a) Property, plant and equipment	6	9,707.87	10,509.46	11,346.31
	(b) Capital work-in-progress		169.63	14.50	-
	(c) Other Intangible assets	7	23.27	37.64	52.01
	(d) Financial assets				
	(i) Investments				
	(a) Investments in associates	8	-	-	22.73
	(ii) Other financial assets	9	64.48	-	-
	(d) Non- Current tax assets (Net)	14	14.65	9.21	2.59
	(e) Other non-current assets	10	776.61	803.40	799.79
	Total non - current assets		10,756.51	11,374.21	12,223.43
2	Current assets				
	(a) Inventories	11	1,842.43	1,981.06	2,298.10
	(b) Financial Assets				
	(i) Trade receivables	12	1,148.95	1,049.45	1,218.59
	(ii) Cash and cash equivalents	13A	67.57	10.94	22.69
	(iii) Bank balances other than (ii) above	13B	15.45	15.45	5.64
	(iv) Other financial assets	9	1.49	2.82	639.88
	(c) Current tax assets (Net)	14	33.18	23.12	10.37
	(d) Other current assets	10	421.86	451.49	739.67
	Total current assets		3,530.93	3,534.33	4,934.94
	Total assets (1+2)		14,287.44	14,908.54	17,158.37
B	EQUITY AND LIABILITIES				
1	Equity				
	(a) Equity Share capital	15	484.61	484.61	484.61
	(b) Other Equity	16	(132.38)	(250.19)	1,411.36
	Total equity		352.23	234.42	1,895.96
2	Non-current liabilities				
	(a) Financial Liabilities				
	(i) Borrowings	17A	4,716.07	2,216.33	1,135.76
	(ii) Other financial liabilities	19	160.76	-	-
	(b) Deferred tax liabilities (Net)	14A	-	-	-
	(c) Provisions	21	48.20	34.32	37.62
	Total non - current Liabilities		4,925.03	2,250.65	1,173.38
3	Current liabilities				
	(a) Financial Liabilities				
	(i) Borrowings	17B	7,348.47	9,095.19	10,014.75
	(ii) Trade payables				
	a) Total outstanding dues of Micro Enterprises and Small Enterprises		-	-	-
	b) Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	18	1,351.16	1,345.45	1,638.33
	(iii) Other financial liabilities	19	178.79	1,867.80	2,235.96
	(b) Other current liabilities	20	99.69	95.93	187.52
	(c) Provisions	21	32.07	19.10	12.47
	Total current liabilities		9,010.18	12,423.47	14,089.03
	Total liabilities (2+3)		13,935.21	14,674.12	15,262.41
	Total equity and liabilities (1+2+3)		14,287.44	14,908.54	17,158.37

See accompanying notes to the financial statements

In terms of our report attached

**For Deloitte Haskins & Sells
Chartered Accountants**

**Uday M. Neogi
Partner**

**Place : Mumbai
Date : 29 May, 2018**

For and on behalf of the Board of Directors

**T. S. Sahney
Chairman**

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

**Place : Mumbai
Date : 29 May, 2018**

**D. S. Sahney
Managing Director**

**Ratika Gandhi
Company Secretary**

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

	Particulars	Notes	For the year ended March 31, 2018	(Rs. in Lakhs) For the year ended March 31, 2017
I	Revenue from operations	22	4,469.27	4,279.49
II	Other Income	23	143.54	116.71
III	Total Income (I + II)		4,612.81	4,396.20
IV	Expenses			
	Cost of materials consumed	24	1,470.43	1,210.17
	Purchases of stock-in-trade	25	198.59	257.06
	Changes In Inventories of finished goods and work-in-progress	26	152.75	177.17
	Excise duty on sale of goods		59.72	319.53
	Employee benefits expense	27	1,564.33	1,343.90
	Finance costs	28	855.67	699.76
	Depreciation and amortisation expense	29	892.28	891.87
	Other expenses	30	1,464.70	1,462.85
	Total expenses (IV)		6,658.47	6,362.31
V	Loss before tax (III - IV)		(2,045.66)	(1,966.11)
VI	Tax Expense			
	(1) Current tax		-	-
	(2) Deferred tax		-	-
	Total tax expense		-	-
VII	Loss for the year (V -VI)		(2,045.66)	(1,966.11)
VIII	Share of Loss of associates		-	(22.73)
XI	Loss after tax and after share of loss of associate (VII-VIII)		(2,045.66)	(1,988.84)
	Other comprehensive income			
	A (i) Items that will not be reclassified to profit or loss			
	(a) Remeasurements of the defined benefit plans		11.92	(13.30)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
X	Total other comprehensive income (A (i-ii))		11.92	(13.30)
XI	Total comprehensive income for the year (VII+VIII)		(2,057.58)	(1,975.54)
XI	Earnings per equity share	31		
	(1) Basic (in Rs.)		(8.44)	(8.21)
	(2) Diluted (in Rs.)		(8.44)	(8.21)

See accompanying notes to the financial statements

In terms of our report attached

**For Deloitte Haskins & Sells
Chartered Accountants**

Uday M. Neogi
Partner

Place : Mumbai
Date : 29 May, 2018

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

Place : Mumbai
Date : 29 May, 2018

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2018

(Rs. in Lakhs)

Particulars	For year ended March 31, 2018	For year ended March 31, 2017
Cash flows from operating activities		
Loss after tax	(2,045.66)	(1,966.11)
Adjustments for:		
Income tax (income)/expense recognised in statement of profit or loss	-	-
Finance costs	855.67	699.76
Allowance for doubtful debts	9.76	-
Allowance for doubtful debts written back	-	(8.77)
Depreciation and amortisation expense	892.28	891.87
Loss arising on Financial Liabilities / assets designated at FVTPL	160.76	168.37
Loss on sale of Property, Plant & equipment	1.08	0.30
Liability no longer payable / required written back	(14.53)	(25.55)
Interest Income	(17.39)	(5.59)
Foreign exchange loss/(gain)- unrealised	(0.81)	45.90
Operating profit before working capital changes	(158.84)	(199.82)
Movements in working capital:		
(Increase)/ decrease in trade receivables	(94.60)	163.36
(Increase)/decrease in inventories	138.63	317.04
(Increase)/decrease in other current assets	29.64	288.18
(Increase)/decrease in non current assets	7.97	6.98
(Increase)/decrease in other financial assets	-	147.79
Increase/(decrease) in trade payables	25.31	(275.76)
Increase/(decrease) in provisions	14.93	16.63
Increase/(decrease) in other liabilities	(5.63)	(59.99)
Cash generated from operations	(42.59)	404.41
Income taxes paid	(15.50)	(19.37)
Net cash (used in)/generated by operating activities	(58.09)	385.04

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2018

(Rs. in Lakhs)

Particulars	For year ended March 31, 2018	For year ended March 31, 2017
Cash flows from investing activities		
Payments for property, plant and equipment	(207.80)	(72.44)
Proceeds from disposal of property, plant and equipment	2.74	0.35
Bank Balance not considered for cash and cash equivalents	(62.69)	(9.81)
Interest Income	16.93	3.17
Net cash (used in) by investing activities	(250.82)	(78.73)
Cash flows from financing activities		
Issue of redeemable preference shares	2,000.00	1,000.00
Proceed from non current borrowings	3,150.00	2,100.00
Repayment of non current borrowings	(2,381.60)	(1,979.06)
Proceeds/(repayment) from/of current borrowings	(1,746.72)	(919.56)
Interest paid	(656.14)	(519.44)
Net cash generated/(used in) financing activities	365.54	(318.06)
Net increase/(decrease) in cash and cash equivalents	56.63	(11.75)
Cash and cash equivalents at the beginning of the year (Refer Note 13A)	10.94	22.69
Cash and cash equivalents at the end of the year (Refer Note 13A)	67.57	10.94

See accompanying notes to the financial statements

In terms of our report attached

For Deloitte Haskins & Sells

Chartered Accountants

Uday M. Neogi
Partner

Place : Mumbai
Date : 29 May, 2018

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

Place : Mumbai
Date : 29 May, 2018

Statement of changes in equity for the year ended March 31, 2018

A) Equity Share Capital

Perticulars	As at March 31, 2018	As at March 31, 2017
Balance as at the beginning of the year	484.61	484.61
Changes in equity share capital during the year	-	-
Balance as at the end of the year	484.61	484.61

B) Other equity

(Rs. in Lakhs)

Particulars	Reserves and Surplus			Total
	Capital reserve	Deemed capital contribution	Retained earnings	
Balance at April 1, 2016	5,700.16	314.59	(4,603.40)	1,411.36
Loss for the year	-	-	(1,988.84)	(1,988.84)
Other Comprehensive Income, net of income tax	-	-	13.30	13.30
Total Comprehensive Income for the year	-	-	(1,975.54)	(1,975.54)
Recognition of equity component on issue of redeemable preference shares	-	314.00	-	314.00
Balance at March 31, 2017	5,700.16	628.59	(6,578.94)	(250.19)
Loss for the year	-	-	(2,045.66)	(2,045.66)
Other Comprehensive Income, net of income tax	-	-	(11.92)	(11.92)
Total Comprehensive Income for the year	-	628.59	(2,057.58)	(2,057.58)
Extinguishment of equity component of redeemable preference shares on exchange of redeemable preference shares with substantially modified terms		(256.81)		(256.81)
Recognition of equity component on exchange of redeemable preference shares with substantially modified terms		1,099.38		1,099.38
Recognition of equity component on issue of redeemable preference shares		1,332.82		1,332.82
Balance at March 31, 2018	5,700.16	2,803.98	(8,636.52)	(132.38)

See accompanying notes to the financial statements

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

Uday M. Neogi
Partner

Place : Mumbai
Date : 29 May, 2018

For and on behalf of the Board of Directors

T. S. Sahney
Chairman

R. G. Mehendale
Chief Financial Officer

Place : Mumbai
Date : 29 May, 2018

D. S. Sahney
Managing Director

Ratika Gandhi
Company Secretary

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of accounting and preparation of the Consolidated Financial Statements

Upto the year ended March 31, 2017, the consolidated financial statements of NRB Industrial Bearings Limited ("the Company/the Holding Company") and its associate were prepared in accordance with the requirements of previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. These are the Company's first Ind AS consolidated financial statements. The date of transition to Ind AS is April 1, 2016. Refer Note 4 for the details of first-time adoption exemptions / exceptions availed by the Company.

The consolidated financial statements of the Company comprising of Balance Sheet, Consolidated Statement of profit or loss, Statement of changes in Equity and Cash Flow Statement together with the notes have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [the Companies (Indian Accounting Standards) Rules, 2015] as amended and other relevant provisions of the Act.

All values are rounded off to the nearest lakhs.

The consolidated financial statements are presented in Indian currency (INR) which is the Company's functional and presentation currency.

The consolidated financial statements were approved for issue by the board of directors on 29 May , 2018.

The consolidated financial statements have been prepared on an accrual basis under the historical cost convention except for certain financial instruments which have been measured at fair value at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis,

except for leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

For financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

All assets and liabilities are classified as current if it is expected to realise or settle within twelve months from the Balance Sheet date.

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 Ind AS 28 "Investments in Associates and Joint ventures". 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%

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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 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.

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

The address of its registered office is 2nd floor, Dhannur building, 15, Sir P.M. Road, Fort, Mumbai – 400 001, Maharashtra, India.

2. Significant accounting policies:

a. Property, plant and equipment

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 and less accumulated impairment, if any. Cost includes financing cost relating to borrowed funds attributable to the construction or acquisition of qualifying tangible assets upto the date the assets are ready for use.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of profit or loss when the asset is derecognized.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Depreciation on tangible property, plant and equipment is calculated on straight line basis based on the useful life in accordance with part C of schedule II of the Companies Act, 2013 other than the following assets class for which useful life 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.

Assets	Useful life in years
a) Plant and Machinery	20
b) Furniture and Fixtures	15
c) Electrical Installations	20
d) Computers	6
e) Vehicles	10

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**b. Intangible assets acquired separately**

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Amortisation is recognised on straight line basis over their estimated useful life of 6 years. The estimated useful lives and amortisation method are reviewed at the end of each reporting period, with the effects of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment loss.

c. Impairment of assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in Statement of profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in Statement of profit or loss.

d. Foreign currencies

In preparing the consolidated financial statements of the Company, transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions or at rates that closely approximate the rate at the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences on monetary items are recognised in the consolidated Statement of profit or loss in the period in which they arise.

e. Inventories

Inventories are valued at lower of cost (on weighted average basis) and the net realizable value. Cost comprises of all costs of purchase, conversion and other costs incurred in bringing the inventories to their present location and condition.

Costs of conversion and other costs are determined on the basis of standard cost method adjusted for variances between standard costs and actual costs.

Net realizable value represents estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

f. Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of customer returns, trade allowance, rebates, Good and Service Tax , Value Added Tax and Service Tax.

Sale of goods

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Company; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Sale of services

Sale of services are recognised on rendering of such services.

Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established. Interest income is accounted on time proportionate basis.

Rental income

The Company's policy for recognition of revenue from operating leases is described in note 2 below.

g. Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Company as lessor

Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue.

The Company as lessee

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue.

h. Employee benefits

Retirement benefit costs and termination benefits:

Payment to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Contributions to Provident and Family Pension Fund and Superannuation scheme, a defined contribution plan are made as required by the statute and expensed in the consolidated Statement of profit or loss.

For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in the other comprehensive income is reflected immediately in retained earnings and is not reclassified to consolidated Statement of profit or loss. Past service cost is recognised in Statement of profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the defined benefit liability. Defined benefit costs are categorised as follows

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Company presents the first two components of defined benefit costs in the consolidated Statement of profit or loss in the line item "Employee benefits expense". Curtailment gains and losses are accounted for as past service cost.

The retirement benefit obligation recognised in the consolidated balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for the termination benefit is recognized at

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognizes any related restructuring costs.

Short-term and other long-term employee benefits:

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange of related service.

Liabilities recognized in respect of other long-term employee benefits are measured at present value of the estimated future cash outflows expected to be made by the company in respect of services provided by employee upto the reporting date.

i. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

j. Taxes on Income

Income Tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Statement of profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax assets are

recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses could be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year:

Current and deferred tax are recognized in the Statement of Profit or Loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

k. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

I. Earnings Per Share

Basic earnings per share is computed by dividing the profit / (loss) after tax available for equity shareholders by the weighted average number of equity shares outstanding during the period.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

m. Cash and cash equivalents:

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

n. Cash Flow Statement :

Cash flows are reported using the indirect method, whereby profit/ (loss) before 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.

o. Financial instruments

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the consolidated Statement of profit or loss.

Financial assets:

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Impairment of financial assets:

The Company applies the expected credit loss model for recognising impairment loss on financial assets. With respect to trade receivables the Company measures the loss allowance at an amount equal to lifetime expected

credit losses.

Derecognition of financial assets:

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the Consolidated Statement of profit or loss if such gain or loss would have otherwise been recognised in the Consolidated Statement of profit or loss on disposal of that financial asset.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all its liabilities. Equity instrument issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instrument is recognised and deducted directly in equity. No gain or loss is recognised in the Consolidated Statement of profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Compound financial instruments

The component parts of compound financial instruments issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of financials liability and an equity instrument.

At the date of issue, the fair value of liability component is estimated using the prevailing market interest rate for similiar non-convertible instruments. This amount is recognised as a liability on an amortised cost basis using the effective interest method until extinguished at the instrument's maturity date.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Equity is determined by deducting the amount of the liability component from the fair value of the compound financial instrument as a whole. This is recognised and included in equity, and is not subsequently remeasured.

Transaction costs that relate to the issue of the instrument are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the instrument using the effective interest method.

Financial Liabilities

All the financial liabilities are subsequently measured at amortised cost using the effective interest method or at fair value through profit or loss, depending on the classification of the financial liabilities.

Derecognition of financial liabilities:

The Company derecognises financial liabilities when, and only when, the Company's obligation are discharged, cancelled or have expired. An exchange between the lender of debt instrument with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the term of an existing liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Consolidated Statement of profit or loss.

Derivative financial instruments:

The Company enters into derivative contracts to manage its exposure to foreign exchange rate risk and interest rate risk, including call spread currency option and interest rate swap.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the Consolidated Statement of profit or loss immediately.

3 Use of estimates and judgments

The preparation of financial statements in conformity with Ind AS requires management to make judgments,

estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses etc. at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are included in the following notes:

Note No.2. a	Property, plant & equipment
Note No.2. b	Intangible assets acquired separately
Note No.2. h	Employee benefits

4 First-time adoption – mandatory exceptions, optional exemptions

Overall principle

The Company has prepared the opening balance sheet as per Ind AS as of April 1, 2016 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the certain exception and certain optional exemptions availed by the Company as detailed below.

A. Exceptions applied:

(i) Use of Estimates:

The Company's estimates in accordance with Ind AS at the date of transition are consistent with previous GAAP (after adjustments to reflect any difference in accounting policies) or as required under Ind AS but not under previous GAAP.

(ii) Derecognition of financial assets and financial liabilities

The Company has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after April 1, 2016 (the transition date).

(iii) Classification of debt instruments:

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Company has determined the classification of debt instruments in terms of whether they meet the amortised cost criteria or the FVTOCI criteria based on the facts and circumstances that existed as on the transition date.

(iv) Impairment of financial assets:

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind AS, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

B. Exemptions applied:

(i) Past business combinations:

The Company has elected not to apply Ind AS 103 - Business Combinations retrospectively to past business combinations that occurred before the transition date.

(ii) Deemed cost for property, plant and equipment and intangible assets

a) Property, plant and equipment

On transition to Ind AS, the Company has elected to consider fair value as deemed cost for plant and machinery recognised as at April 1, 2016. For other

items of Property, Plant and Equipment, the Company has not elected the exemption of previous GAAP carrying value consequently, cost in respect of other items of Property, Plant and Equipment has been retrospectively remeasured in accordance with Ind AS.

b) Intangible assets

The Company has elected to continue with the carrying value of its intangible assets recognised as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

5 Application of new and revised Ind AS Standards issued but not yet effective

Ind AS 115 – Revenue from Contracts with Customers

This standard establishes a single comprehensive model for accounting of revenue arising from contracts with customers. Ind AS 115 will supersede the current revenue recognition guidance under Ind AS 11 'Construction Contracts' and Ind AS 18 'Revenue'. The Company is currently assessing the impact of application of Ind AS 115 on Company's financial statements.

Amendment to Ind AS 21 – The Effect of Changes in Foreign Exchange Rates

This amendment clarifies translation of advance payments denominated in foreign currency into functional currency at the spot rate on the day of payment. The guidance aims to reduce diversity in practice. The changes will not have any material impact on the financial statements of the Company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

NOTE 6 : Property, plant and equipment

(Rs. in Lakhs)

Description	Cost or deemed cost				Accumulated depreciation and impairment				Net Carrying amount	
	Balance As at 01.04.17	Additions	Dedu- ctions	Balance As at 31.03.18	Balance As at 01.04.17	For the year	On Dedi- cutions/ Amort- isation	Balance As at 31.03.18	As at 31.03.18	As at 01.04.16
Refer foot note 2										
Buildings										
Own Use	3,409.43	-	-	3,409.43	511.72	113.29	-	625.01	2,784.42	-
	(3,409.43)	(-)	(-)	(3,409.43)	(398.43)	(113.29)	(-)	(511.72)	(2,897.71)	3,011.00
Given under operating lease	307.11	-	-	307.11	41.68	10.26	-	51.94	255.17	-
	(307.11)	(-)	(-)	(307.11)	(31.42)	(10.26)	(-)	(41.68)	(265.43)	275.69
	3,716.54	-	-	3,716.54	553.40	123.55	-	676.95	3,039.59	-
	(3,716.54)	(-)	(-)	(3,716.54)	(429.85)	(123.55)	(-)	(553.40)	(3,163.14)	3,286.69
Leasehold Improvement	148.04	5.96	-	154.00	14.98	12.42	-	27.40	126.60	-
	(137.39)	(10.65)	(-)	(148.04)	(7.76)	(7.22)	(-)	(14.98)	(133.06)	129.63
Plant and Machinery										
Own Use	7,107.43	46.96	-	7,154.39	642.78	644.19	-	1,286.97	5,867.42	-
	(7,107.43)	(-)	(-)	(7,107.43)	(-)	(642.78)	(-)	(642.78)	(6,464.65)	7,107.43
Given under operating lease	90.41	-	-	90.41	6.71	6.71	-	13.42	76.99	-
	(90.41)	(-)	(-)	(90.41)	(-)	(6.71)	(-)	(6.71)	(83.70)	90.41
	7,197.84	46.96	-	7,244.80	649.49	650.90	-	1,300.39	5,944.41	-
	(7,197.84)	(-)	(-)	(7,197.84)	(-)	(649.49)	(-)	(649.49)	(6,548.35)	7,197.84
Furniture and fixtures										
Own Use	241.58	7.84	-	249.42	62.98	15.37	-	78.35	171.07	-
	(227.42)	(14.16)	(-)	(241.58)	(48.26)	(14.72)	(-)	(62.98)	(178.60)	179.16
Given under operating lease	2.50	-	-	2.50	0.72	0.16	-	0.88	1.62	-
	(2.50)	(-)	(-)	(2.50)	(0.56)	(0.16)	(-)	(0.72)	(1.78)	1.94
	244.08	7.84	-	251.92	63.70	15.53	-	79.23	172.69	-
	(229.92)	(14.16)	(-)	(244.08)	(48.82)	(14.88)	(-)	(63.70)	(180.38)	181.10
Computers										
Own Use	67.02	6.48	-	73.50	39.70	11.36		51.06	22.44	-
	(59.96)	(9.16)	(2.10)	(67.02)	(30.71)	(10.44)	(1.45)	(39.70)	(27.32)	29.25
Given under operating lease	0.44	-	-	0.44	0.31	0.07	-	0.38	0.06	-
	(0.44)	(-)	(-)	(0.44)	(0.24)	(0.07)	(-)	(0.31)	(0.13)	0.20
	67.46	6.48	-	73.94	40.01	11.43	-	51.44	22.50	-
	(60.40)	(9.16)	(2.10)	(67.46)	(30.95)	(10.51)	(1.45)	(40.01)	(27.45)	29.45
Office equipments										
Own Use	71.44	2.17	-	73.61	50.89	14.34	-	65.23	8.38	-
	(64.11)	(7.33)	(-)	(71.44)	(28.44)	(22.45)	(-)	(50.89)	(20.55)	35.67
Given under operating lease	0.35	-	-	0.35	0.27	0.07	-	0.34	0.01	-
	(0.35)	(-)	(-)	(0.35)	(0.18)	(0.09)	(-)	(0.27)	(0.08)	0.17
	71.79	2.17	-	73.96	51.16	14.41	-	65.57	8.39	-
	(64.46)	(7.33)	(-)	(71.79)	(28.62)	(22.54)	(-)	(51.16)	(20.63)	35.84
Electrical installations										
Own Use	558.31	-	-	558.31	186.51	41.43	-	227.94	330.37	-
	(558.31)	(-)	(-)	(558.31)	(145.08)	(41.43)	(-)	(186.51)	(371.80)	413.23
Given under operating lease	36.09	-	-	36.09	12.05	2.68	-	14.73	21.36	-
	(36.09)	(-)	(-)	(36.09)	(9.37)	(2.68)	(-)	(12.05)	(24.04)	26.72
	594.40	-	-	594.40	198.56	44.11	-	242.67	351.73	-
	(594.40)	(-)	(-)	(594.40)	(154.45)	(44.11)	(-)	(198.56)	(395.84)	439.95
Vehicles										
	54.71	10.73	6.88	58.56	14.10	5.56	3.06	16.60	41.96	-
	(54.71)	(-)	(-)	(54.71)	(8.90)	(5.20)	(-)	(14.10)	(40.61)	45.81
Sub Total (A)	12,094.86	80.14	6.88	12,168.12	1,585.40	877.91	3.06	2,460.25	9,707.87	-
Sub Total (B)	(12,055.66)	(41.30)	(2.10)	(12,094.86)	(709.35)	(877.50)	(1.45)	(1,585.40)	(10,509.46)	11,346.31

Notes:

1. Assets pledged as security Refer Note 17 on Borrowings.
2. Deemed cost Refer note 4(B)(ii) for measurement of Property, plant and equipment on first time adoption of Ind AS.
3. Previous year figures are indicated in brackets

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

NOTE 7 : Other Intangible Assets

(Rs. in Lakhs)

Particulars	Software
I. Deemed cost	
Balance as at 1 April, 2017	52.01
Additions	-
Disposals	-
Balance as at 31 March, 2018	52.01
Balance as at April 1, 2016 (Refer footnote below)	52.01
Additions	-
Disposals	-
Balance as at 31 March, 2017	52.01
II. Accumulated amortisation and impairment	
Balance as at 1 April, 2017	14.37
Amortisation expense	14.37
Eliminated on disposal of assets	-
Balance as at 31 March, 2018	28.74
Balance as at April 1, 2016 (Refer footnote below)	-
Amortisation expense	14.37
Eliminated on disposal of assets	-
Balance as at 31 March, 2017	14.37
III. Net Carrying amount (I-II)	
Balance as at 31 March, 2018	23.27
Balance as at 31 March, 2017	37.64
Balance as at 1st April, 2016	52.01

Note:

Deemed cost

Refer note 4(B)(ii) for measurement of Other Intangible Assets on first time adoption of Ind AS.

NOTE 8 : Investments

(Rs.inLakhs)

Particular	As at March 31, 2018			As at March 31, 2017			As at April 01, 2016		
	No. of shares	Amounts		No. of shares	Amounts		No. of shares	Amounts	
		Current	Non Current		Current	Non Current		Current	Non Current
A. Investments carried at cost (Refer foot note below)									
Unquoted Investments (fully paid)									
(a) Investments in equity instruments of Associate									
Equity Shares of Rs. 10 each) in NRB -IBC Bearings Private Limited (NIBC)	4,200,000	-	-	4,200,000	-	-	4,200,000	-	22.73
Investments carried at cost	4,200,000	-	-	4,200,000	-	-	4,200,000	-	22.73
Total investments at cost	4,200,000	-	-	4,200,000	-	-	4,200,000	-	22.73
Aggregate amount of unquoted investments									22.73
Aggregate amount of impairment in value of investments		-	-		-	-	-	-	-

Notes:

a The Company's share of loss in associate is restricted to the extent of carrying value of its investment in associate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

b	Name of Associate	Country of Incorporation	Year	Ownership Interest (%)	Original Cost of Investment	Amount of Goodwill / (Capital reserve in original cost)	Carrying amount of Investment
NRB-IBC Bearings Private Limited	India	As at March 31, 2018	35	420	420	-	
	India	As at March 31, 2017	35	420	420	-	
	India	As at April 01, 2016	35	420	420	22.73	

NOTE 9 : Other financial assets

(Rs. in Lakhs)

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	Current	Non-current	Current	Non-current	Current	Non-current
(a) Derivative assets	-	-	-	-	442.10	-
(b) Interest accrued on fixed deposits	1.49	1.79	2.82	-	0.39	
(c) Fixed Deposits with a Bank and Financial Institution	-	62.69	-	-	-	-
(d) Receivable from related party	-	-	-	-	197.39	-
Total	1.49	64.48	2.82	-	639.88	-

NOTE 10 : Other assets

(Rs. in Lakhs)

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	Current	Non-current	Current	Non-current	Current	Non-current
Security Deposits	-	46.62	-	46.42	-	45.22
Capital advances	-	4.85	-	23.66	-	13.06
Excise Receivable	-	-	55.44	-	80.56	-
GST Refund Receivable	50.35	-	-	-	-	-
VAT receivable	20.58	-	52.80	-	108.16	-
Balances with government authorities (other than income taxes):						
CENVAT credit receivables	-	-	284.46	-	508.24	-
GST credit receivables	228.46	-	-	-	-	-
Others:						
(a) Export incentive	63.26	-	17.05	-	4.15	-
(b) Advances to employees	8.06	-	3.01	-	4.99	-
(c) Advances to suppliers	23.56	21.50	3.60	21.50	16.47	21.50
Less: Allowance for doubtful advances	-	(21.50)	-	(21.50)	-	(21.50)
Prepayments	27.59	725.14	35.13	733.32	17.10	741.51
Total	421.86	776.61	451.49	803.40	739.67	799.79

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

NOTE 11 : Inventories

(Rs. in Lakhs)

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
Inventories (lower of cost and net realisable value)						
(a) Raw materials	523.69		345.37		424.92	
- Goods in Transit	-	523.69	-	345.37	-	424.92
(b) Work-in-progress		673.85		654.17		616.03
(c) Finished goods	551.04		914.25		1,196.10	
- Goods in Transit	39.74	590.78	32.24	946.49	21.43	1,217.53
(d) Stores and spares		54.11		35.03		39.62
Total		1,842.43		1,981.06		2,298.10

Notes:

- 1 The cost of inventories recognised as an expense during the year was Rs. 1,892.55 lakhs (for the year ended March 31, 2017: Rs.1,593.70 lakhs).
- 2 The cost of inventories recognised as an expense includes Rs. Nil (during 2016-2017: Rs.25 lakhs) in respect of write-downs of inventory to net realisable value, and has been reduced by Rs. 30.46 lakhs (during 2016-2017: Rs. 8.61 lakhs) in respect of the reversal of such write-downs.
- 3 The mode of valuation of inventories has been stated in note 2 (e).
- 4 Assets pledged as security.

Refer Note 17 (A) and 17 (B) on Borrowings.

NOTE 12 : Trade receivables

(Rs. in Lakhs)

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
Trade receivables outstanding for a period exceeding six months from the date they are due for payment:						
(a) Unsecured, considered good	248.85		208.69		228.05	
(b) Unsecured, considered doubtful	129.81		120.05		128.82	
	378.66		328.74		356.87	
Allowance for doubtful debts (expected credit loss allowance)	(129.81)	248.85	(120.05)	208.69	(128.82)	228.05
Other trade receivables:						
Unsecured, considered good	900.10	900.10	840.76	840.76	990.54	990.54
Total		1,148.95		1,049.45		1,218.59

Note: Trade receivables include debts due from:

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Private company in which directors are directors			
NRB-IBC Bearings Private Limited (NIBC) (Refer note 37)	80.15	10.64	187.78
	80.15	10.64	187.78

The credit period on sales of goods ranges from 30 to 75 days.

At 31 March 2018 and as at 31 March 2017 ,the Company had no customer that owed the Company more than 10% of total receivables outstanding and as at April 1 2016, one customer owed the company Rs. 187.78 lakhs and accounted for approximately 15.41 % of all the receivables outstanding.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Movement in the expected credit loss allowance

(Rs. in Lakhs)

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Balance as at beginning of the year	120.05	128.82
Movement in the expected credit loss allowance on trade receivables calculated at life time expected credit losses.	9.76	(8.77)
Balance at end of the year	129.81	120.05

NOTE 13 : Cash and Cash equivalents and Other bank balances

(Rs. in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
A. Cash and cash equivalents			
(a) Cash on hand	0.53	1.02	1.05
(b) Balances with banks in current accounts	67.04	9.92	21.64
Total	67.57	10.94	22.69
B. Other bank balances			
Balances with banks in earmarked deposit account (held as security against the guarantees)	15.45	15.45	5.64
Total	15.45	15.45	5.64

NOTE 14 : Current tax assets and liabilities

(Rs. in Lakhs)

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Current	Non- Current	Current	Non- Current	Current	Non- Current
Current tax assets						
Tax refund receivable	33.18	14.65	23.12	9.21	10.37	2.59
Total	33.18	14.65	23.12	9.21	10.37	2.59

NOTE 14A : Current Tax and Deferred Tax

(a) Income Tax recognised in profit or loss

(Rs. in Lakhs)

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Current Tax		
In respect of current year	-	-
In respect of previous years	-	-
	A	
Deferred Tax		
In respect of current year	-	-
In respect of previous years	-	-
	B	
Total Income tax expense recognised in the current year (A+B)	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(b) Income Tax recognised in Other comprehensive income

(Rs. in Lakhs)

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Deferred tax (credit) / charge on:		
Remeasurement of defined benefit obligation	-	-

(c) Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:

(Rs. in Lakhs)

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Profit before tax from continuing operations	(2,045.66)	(1,966.11)
Current Tax		
Income Tax	-	-
Charge/(credit) in respect of previous years	-	-
Current Tax Total	-	-
Deferred Tax		
Effect of expenses that are allowable on payment basis	(1.79)	(0.42)
Depreciation	269.50	(9.18)
Fair valuation of derivative contracts	41.40	52.03
Unabsorbed Business Losses	(304.32)	(40.56)
Others	(4.78)	(2.71)
Income tax expense recognised In profit or loss from continuing operations	-	-

The tax rate used for the year 2017-18 is 25.75% (25% + education cess @ 2% + secondary and higher education cess @ 1%) and year 2016-17 is 30.9% (30% and education cess @ 3%) payable by corporate entities in India taxable profits under the Income Tax Act, 1961.

NOTE 14B : Current Tax and Deferred Tax

(d) Movement in Deferred tax balances

(Rs. in Lakhs)

Particulars	For the Year ended 31 March 2018			
	Opening Balance	Recognised in profit and Loss	Recognised in OCI	Closing Balance
Tax effect of items constituting deferred tax assets / (liabilities)				
Property, Plant and Equipment	(1,411.66)	269.50	-	(1,142.16)
Provision for doubtful debts and advances	43.74	(4.78)	-	38.96
Provision for employee benefit	14.37	3.23	3.07	20.67
Fair valuation of derivative contracts	-	41.40	-	41.40
Effect of expenses that are allowable on payment basis	16.13	(5.02)	-	11.11
Unabsorbed Business Losses	1,337.41	(304.32)	(3.07)	1,030.02
Net Tax Asset (Liabilities)	(0.00)	-	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(Rs. in Lakhs)

Particulars	For the Year ended 31 March 2017			
	Opening Balance	Recognised in profit and Loss	Recognised in OCI	Closing Balance
Tax effect of items constituting deferred tax assets / (liabilities)				
Property, Plant and Equipment	(1,402.48)	(9.18)	-	(1,411.66)
Provision for doubtful debts and advances	46.45	(2.71)	-	43.74
Provision for compensated Absenses	15.48	3.00	(4.11)	14.37
Fair valuation of derivative contracts	(52.03)	52.03	-	-
Other Temporary Differences	18.72	(2.58)	-	16.13
Unabsorbed Business Losses	1,373.86	(40.56)	4.11	1,337.41
Net Tax Asset (Liabilities)	-	-	-	-

(e) Amounts on which Deferred tax asset has not been created:

Deferred tax assets on carry forward unused tax losses have been recognised to the extent of deferred tax liabilities on taxable temporary differences available. It is expected that any reversals of the deferred tax liability would be offset against the reversal of the deferred tax asset.

As at March 31, 2018

(Rs. in Lakhs)

Nature of unrecognised deferred tax assets	No expiry	Expiring within one year	Expiring in Greater than one year, less than five years	Expiring in Greater than five years	TOTAL
Business Loss	-	-	-	3,558.69	3,558.69
Unabsorbed depreciation	5,742.04	-	-	-	5,742.04
Total	5,742.04	-	-	3,558.69	9,300.73

As at March 31, 2017

(Rs. in Lakhs)

Nature of unrecognised deferred tax assets	No expiry	Expiring within one year	Expiring in Greater than one year, less than five years	Expiring in Greater than five years	TOTAL
Business Loss	-	-	-	2,340.53	2,340.53
Unabsorbed depreciation	4,987.96	-	-	-	4,987.96
Total	4,987.96	-	-	2,340.53	7,328.49

As at March 31, 2016

(Rs. in Lakhs)

Nature of unrecognised deferred tax assets	No expiry	Expiring within one year	Expiring in Greater than one year, less than five years	Expiring in Greater than five years	TOTAL
Business Loss	-	-	-	1,363.97	1,363.97
Unabsorbed depreciation	4,126.36	-	-	-	4,126.36
Total	4,126.36	-	-	1,363.97	5,490.33

NOTE 15 : Equity Share Capital

(Rs.inLakhs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Equity share capital	484.61	484.61	484.61
	484.61	484.61	484.61

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(Rs. in Lakhs)

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
Authorised:						
Equity shares of Rs. 2/- each	25,000,000	500.00	25,000,000	500.00	25,000,000	500.00
Issued, Subscribed and Fully Paid:						
Equity shares of Rs. 2/- each	24,230,650	484.61	24,230,650	484.61	24,230,650	484.61
Total	24,230,650	484.61	24,230,650	484.61	24,230,650	484.61

(i) (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.

(ii) Reconciliation of the number of shares outstanding at the beginning and at the end of the period.

Particulars	No. of shares	Share capital (Amount)
Balance at April 1, 2016	24,230,650	484.61
Movements	-	-
Balance at March 31, 2017	24,230,650	484.61
Movements	-	-
Balance at March 31, 2018	24,230,650	484.61

(iii) Details of shares held by each shareholder holding more than 5% shares

Name of shareholder	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No. of shares	Perc- centage	No. of shares	Perc- centage	No. of shares	Perc- centage
Equity shares:						
Trilochan Singh Sahney	2,929,101	12.09%	2,929,101	12.09%	2,929,101	12.09%
Trilochan Singh Sahney Trust 1 [held by a trustee (Trilochan Singh Sahney) in his individual name]	9,438,910	38.95%	9,438,910	38.95%	9,438,910	38.95%
ICICI Prudential Life Insurance Company Limited	1,326,786	5.48%	1,326,786	5.48%	1,326,786	5.48%

(iv) 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 March 31, 2018		As at March 31, 2017	
	No. of shares	No. of shares	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.			24,230,650	24,230,650

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

NOTE 16 : Other equity

(Rs. in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
(a) Capital reserve	5,700.16	5,700.16	5,700.16
(b) Deemed capital contribution	2,803.98	628.59	314.59
(c) Retained earnings	(8,636.52)	(6,578.94)	(4,603.40)
Total	(132.38)	(250.19)	1,411.36

(i) Movement in other equity:

(Rs. in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
(I) Capital Reserve (Refer Note 1)		
Opening balance	5,700.16	5,700.16
Movement	-	-
Closing balance	5,700.16	5,700.16
(II) Deemed capital contribution		
Opening balance	628.59	314.59
Extinguishment of equity component of redeemable preference shares on exchange of redeemable preference shares with substantially modified terms (Refer Note below)	(256.81)	-
Recognition of equity component on exchange of redeemable preference shares with substantially modified terms	1,099.38	-
Recognition of equity component on issue of redeemable preference shares	1,332.82	314.00
Closing balance	2,803.98	628.59
(III) Retained earnings		
Opening balance	(6,578.94)	(4,603.40)
Loss for the year	(2,045.66)	(1,988.84)
Other Comprehensive Income for the year - Remeasurement of net defined benefit obligation (net of taxes)	(11.92)	13.30
Closing balance	(8,636.52)	(6,578.94)

Note :

The change referred to in Note 17A (h) which resulted in substantial modification of the terms is considered as extinguishment of existing liability and recognition of new financial liability with modified terms. The loss on derecognition of Rs. 256.81 lakhs has been recognized in other equity as it arises from a transaction with a promoter shareholder.

(ii) Nature and purpose of each reserve within Other equity

Deemed capital contribution

This represents the difference between fair valuation and transaction price on initial recognition of preference shares issued to a promoter shareholder.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

NOTE 17 : Borrowings

A. Non-Current Borrowings

(Rs. in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
I. Secured - at amortised cost			
Term loans:			
From bank	1,631.12	2,483.00	2,629.74
Less: Current maturities of long term debt (refer note 19)	(160.83)	(1,840.33)	(2,203.09)
	1,470.29	642.67	426.65
From others	23.12	23.70	30.88
Less: Current maturities of long term debt (refer note 19)	(9.32)	(8.10)	(7.18)
	13.80	15.60	23.70
II. Unsecured - at amortised cost			
Term loan:			
From others	1,639.06	-	-
Less: Current maturities of long term debt (refer note 19)	-	-	-
	1,639.06	-	-
Loans from related parties			
Preference Shares	1,592.92	1,558.06	685.41
Total	4,716.07	2,216.33	1,135.76

Footnotes:

Secured

Term loans from Bank

- (a) Rs. 139.71 lacs (March 31, 2017 Rs. 417.04 lacs and March 31, 2016 Rs. 710.82 lacs) secured by exclusive first charge over immovable Property, plant and equipment (buildings), leasehold land 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 2 equal quarterly instalments by September 2018 and carries floating interest rate of LIBOR + 350 bps. The present rate of interest is 4.98%
- (b) As at March 31, 2016 Rs. 1918.92 lacs was secured by security stated in (a) above. The term loan was fully repaid in November 2016.
- (c) Rs. 1491.41 lacs (March 31, 2017 Rs. Nil and March 31, 2016 Rs. Nil) secured by subservient charge on current assets and movable Property, plant and equipment and pledge of 2,083,250 shares of NRB Bearings Limited held by a director of the Company . The working capital term loan is repayable in total 17 quarterly installments comprising of 5 Quarterly installment of Euro 0.38 lac each starting from 27 Feb , 2019 till 2nd March 2020 and 12 Quarterly installment of Euro 1.42 lacs each starting from 1 June , 2020 till 28 February 2023 and carries interest rate of EURIBOR 6M + 3.05 % which has been converted into a fixed rate loan carrying interest rate of a 6.3 % p.a through Interest rate Swap.
- (d) Rs. Nil (March 31, 2017 Rs. 988.39 lacs and March 31, 2016 Rs. Nil) secured by subservient charge on current assets and movable Property, plant and equipment 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 was repayable in two equal installments of Rs. 500 lacs each on 30 June, 2017 and on 30 December, 2017 and carried interest rate of one year MCLR + 70 bps. The term loan is fully repaid in September 2017.
- (e) Rs. Nil (March 31, 2017 Rs. 1077.57 lacs and March 31, 2016 Rs. Nil) secured by subservient charge on current assets and movable Property, plant and equipment 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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

working capital term loan was repayable in monthly installments of Rs. 10 lacs from April 2017 to June 2017, of Rs. 15 lacs from July 2017 to September 2017, of Rs. 86 lacs October 2017 to August 2018 and of Rs. 79 lacs in September 2018 and carried interest rate of one year MCLR + 85 bps. The term loan is fully repaid in October 2017.

Term loan from Others

(f) Rs. 23.12 lacs (March 31, 2017 Rs. 23.70 lacs and March 31, 2016 Rs. 30.88 lacs) secured by hypothecation of vehicles. Out of these, the term loan of Rs. 1.35 lacs (March 31, 2017 Rs. 3.83 lacs and March 31, 2016 Rs. 6.06 lacs) carrying interest rate of 10.71 % is repayable in remaining 6 equal monthly instalments by September, 2018, the term loan of Rs. 14.25 lacs (March 31, 2017 Rs. 19.87 lacs and March 31, 2016 Rs. 24.82 lacs) carrying interest rate of 12.75 % is repayable in remaining 24 equal monthly instalments by April, 2020 and the term loan of Rs. 7.52 lacs (March 31, 2017 Rs. Nil and March 31, 2016 Rs. Nil) carrying interest rate of 8.82 % is repayable in remaining 49 equal monthly instalments by April, 2022.

Unsecured

Term loans from others

(g) Rs. 1639.06 lacs (March 31, 2017 Rs. Nil and March 31, 2016 Rs. Nil) secured by pledge of 2,458,597 shares of NRB Bearings Limited held by a director and a promoter of the Company. The term loan is repayable in eight equal quarterly installments of Rs. 206.25 lacs starting from 6 Dec, 2019 and carries interest rate of 10.5 % p.a.

Loans from related parties

(h) 100 lacs each 6 % Redeemable Cumulative Non-Convertible Preference shares of Rs. 10 each fully paid up were issued to a Promotor shareholder in March 2016 and in April 2016 with redemption at the end of 5 years from the date of issue. During the year, the terms of existing Redeemable Cumulative Non-Convertible Preference shares were changed w.e.f. February 15, 2018, the preference dividend rate is modified to 2 % and redemption term is changed to 10 years for above said preference shares. 200 lacs 2 % Redeemable Cumulative Non-Convertible Preference shares of Rs. 10 each fully paid up were issued to a Promotor shareholder in February 2018 with redemption at the end of 10 years.

200 lacs 2 % Redeemable Cumulative Non-Convertible Preference shares of Rs. 10 each fully paid up were issued to a Promotor shareholder in February 2018 with redemption at the end of 10 years.

(i) Preference Share Capital

(Rs. in Lakhs)

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
Authorised:						
Redeemable cumulative non-convertible preference shares of Rs. 10/- each	50,000,000	5,000.00	50,000,000	5,000.00	50,000,000	5,000.00
Total	50,000,000	5,000	50,000,000	5,000	50,000,000	5,000
Issued, Subscribed and Fully Paid:						
Redeemable cumulative non-convertible preference shares of Rs. 10/- each	40,000,000	4,000.00	20,000,000	2,000.00	10,000,000	1,000.00
Total	40,000,000	4,000	20,000,000	2,000	10,000,000	1,000

(ii) Reconciliation of the number of shares outstanding at the beginning and at the end of the period.

Particulars	No. of shares	Share capital (Amount)
Balance at April 1, 2016	10,000,000	1,000.00
Issue of Shares	10,000,000	1,000.00
Balance at March 31, 2017	20,000,000	2,000.00
Issue of Shares	20,000,000	2,000.00
Balance at March 31, 2018	40,000,000	4,000.00

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(iii) Details of shares held by each shareholder holding more than 5% shares

Name of Shareholders	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No. of shares	Perce- ntage	No. of shares	Perce- ntage	No. of shares	Perce- ntage
Preference shares:						
Trilochan Singh Sahney	40,000,000	100%	20,000,000	100%	10,000,000	100%

B. Current Borrowings

(Rs. in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
I. Secured - at amortised cost			
(a) Loans repayable on demand			
From banks	1,637.35	1,897.72	1,510.85
(b) Other loans			
From bank	-	-	419.82
II. Unsecured - at amortised cost			
(a) Loans from related party			
Inter corporate deposits	-	-	250.00
(b) Loans repayable on demand			
Interest free loan from Directors	5,711.12	7,197.47	7,834.08
Total	7,348.47	9,095.19	10,014.75

Footnotes:

(i) Loans repayable on demand from banks

- a) Rs. 1637.35 lacs (March 31, 2017 Rs. 1,897.72 lacs and March 31, 2016 Rs. Nil) secured by first pari passu charge on all present and future stock and book debts of the Company and second pari passu charge over immovable Property, plant and equipment (buildings), leasehold land 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.
- (b) As at March 31, 2016 Rs. 1,010.93 lacs secured by first exclusive charge on all present and future stock and book debts of the Company.
- (c) As at March 31, 2016 Rs. 499.92 lacs secured by first pari passu charge on all present and future stock and book debts of the Company.

ii) Other loans from banks

As at March 31, 2016 Rs. 419.82 lacs was secured by security stated in footnote (i) (b) above.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

NOTE 18 : Trade Payables

(Rs.inLakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
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	1,351.16	1,345.45	1,638.33
Total	1,351.16	1,345.45	1,638.33

Notes:

1. The company does not have any dues outstanding to Micro and Small Enterprises as mentioned in the Micro, Small and Medium Enterprises Development Act 2006. This is determined on the basis of information available with the Company. This has been relied upon by the auditors.
2. The credit period ranges from 45 days to 90 days.

NOTE 19 : Other financial liabilities

(Rs. in Lakhs)

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Current	Non- Current	Current	Non- Current	Current	Non- Current
Other Financial Liabilities measured at amortised cost						
(a) Current maturities of long-term debt	170.15	-	1,848.43	-	2,210.27	-
(b) Interest accrued	8.64	-	19.37	-	25.69	-
Other Financial Liabilities measured at Fair Value						
(a) Interest Rate Swap	-	160.76	-	-	-	-
Total	178.79	160.76	1,867.80		2,235.96	

NOTE 20 : Other current liabilities

(Rs. in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
(a) Advances received from customers	43.01	29.61	43.54
(b) Security Deposits	3.50	2.50	2.50
(c) Payables for capital supplies	11.30	1.91	26.44
(d) Others			
Statutory remittances (Super annuation, Withholding tax, Service Tax, VAT etc.)	41.88	61.91	115.04
Total	99.69	95.93	187.52

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

NOTE 21 : Provisions

(Rs. in Lakhs)

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Current	Non- Current	Current	Non- Current	Current	Non- Current
Provision for employee benefits						
1) Compensated absences	15.80	48.20	12.19	34.32	10.25	37.62
2) Gratuity	16.27	-	6.91	-	2.22	-
Total	32.07	48.20	19.10	34.32	12.47	37.62

(i) As at 31 March 2018, the increase in carrying amount of the provision for compensated absences result from further leave accumulation during the FY 2017-18 . As at 31 March 2017, the decrease in the carrying amount of the provision for compensated absences results from benefits being paid during the year ended March 31, 2017.

(ii) For Gratuity - Refer Note 35 for Employee Benefits related disclosure.

NOTE 22 : Revenue from Operations

(Rs. in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Sale of products (including excise duty of Rs. 59.72 lacs (previous year Rs. 319.53 lacs) (Refer foot note below)	4,180.77	4,163.92
Rendering of services		
(a) Agency Commission	22.17	24.82
(b) Job work charges	150.79	6.30
(c) Service Charges	24.00	15.00
Other operating revenues		
(d) Sale of scrap	20.16	13.32
(e) Export incentives	61.04	49.84
(f) Royalty Income	10.34	6.29
Total	4,469.27	4,279.49

Note :

Excise duty on sale of products was included under Revenue from operations and disclosed separately under expenses upto all reporting periods ending June 30, 2017. Post implementation of Goods and Service Tax (GST) w.e.f. July 01, 2017, Revenue from operations is reported net of GST, as unlike Excise duty, GST is not a part of Revenue.

NOTE 23 : Other Income

(Rs. in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Interest income on financial assets at amortised cost		
(a) Interest income on bank deposits	4.23	0.67
(b) Other Interest income	13.16	4.92
Other non-operating income		
Rent income	76.80	76.80
Other gains and losses		
(a) Allowance for doubtful debts written back	-	8.77
(b) Liability no longer payable required written back	14.53	25.55
(c) Foreign exchange fluctuation (gain) / loss	34.82	-
Total	143.54	116.71

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

NOTE 24 : Cost of material consumed

(Rs. in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Opening stock	345.37	424.92
Add: Purchases	1,648.75	1,130.62
Less: Closing stock	(523.69)	(345.37)
Total	1,470.43	1,210.17

NOTE 25 : Purchases of stock in trade

(Rs. in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Purchases of stock in trade	198.59	257.06

NOTE 26 : Changes in inventories of finished goods, work-in-progress and stock-in-trade

(Rs. in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Opening stock		
- Work in progress	654.17	616.03
- Finished goods	946.49	1,217.54
Closing stock		
- Work in progress	(673.85)	(654.17)
- Finished goods	(590.78)	(946.49)
Excise Duty	(183.28)	(55.74)
Net increase/(Decrease)	152.75	177.17

NOTE 27 : Employee Benefits Expense

(Rs. in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Salaries and wages	1,384.98	1,184.33
Contribution to provident and other funds (Refer note 35)	114.08	103.53
Staff welfare expenses	65.27	56.04
Total	1,564.33	1,343.90

NOTE 28 : Finance Costs

(Rs. in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
(a) Interest costs :-		
- Interest on borrowings from banks	496.24	448.68
- Interest on Preference shares	210.27	186.63
- Other interest expense	10.22	9.46
(b) Net loss on foreign currency transactions (considered as finance cost)	25.01	7.84
(c) Other borrowing cost	113.93	47.15
Total	855.67	699.76

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

NOTE 29 : Depreciation and amortisation expense

(Rs. in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Depreciation of property, plant and equipment	877.91	877.50
Amortisation of intangible assets	14.37	14.37
Total depreciation and amortisation expense	892.28	891.87

NOTE 30 : Other Expenses

(Rs. in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Consumption of Stores and spares parts	269.37	206.36
Power & Fuel oil	245.25	263.28
Rent	14.49	13.95
Repairs and maintenance:		
- Buildings	10.50	0.54
- Plant & machinery	14.60	0.42
- Others	30.54	41.98
Insurance	10.91	10.31
Rates and taxes	25.53	21.83
Travelling and Conveyance expense	99.91	105.86
Printing and stationary	13.00	17.78
Freight and Forwarding	135.38	92.82
Business Promotion	26.92	42.68
Legal and other professional expenses	62.34	82.36
Auditors remuneration (See Footnote below)	30.25	29.06
Allowance for doubtful debts	9.76	-
Foreign exchange (gain) / loss	-	30.03
Loss arising on financial liabilities / assets designated at FVTPL	160.76	204.05
Security and houskeeping Charges	90.29	68.38
IT related expenses	55.66	70.33
Bank charges	7.31	10.08
Loss on sale of property, plant and equipments	1.08	0.30
Turnover discount	42.01	43.75
Miscellaneous expenses	108.84	106.70
Total	1,464.70	1,462.85

Footnote:

Details of Auditors' remuneration:

(excluding service tax / GST)

As auditors (for audit, review of unaudited quarterly results and audit of consolidated financial statement)	24.25	23.50
Taxation matters	6.00	5.50
out-of-pocket expenses	-	0.06
Total	30.25	29.06

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

NOTE 31 : Earnings per share

Basic and Diluted Earnings per Share (EPS) is calculated as under:

Particulars		Year ended March 31, 2018	Year ended March 31, 2017
Basic / Diluted			
Loss after tax attributable to equity shares (Rs. in lakhs)	(A)	(2,045.66)	(1,988.84)
Weighted average number of Shares	(B)	24,230,650	24,230,650
Basic & Diluted EPS (in Rs.)	(A) / (B)	(8.44)	(8.21)
Nominal value of equity share (in Rs.)		2.00	2.00

Note:

There is no dilution to the basic EPS as there are no outstanding potentially dilutive equity shares.

NOTE 32 : Leases

1. Lease Expense:

- (a) The company has taken land, office and residential premises on operating lease. Lease rental charged to the Statement of Profit and Loss for the year ended 31 March, 2018 14.49 lakhs (previous year Rs. 13.95 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 on consolidated Statement of Profit and Loss. The agreement contains renewal clause. The agreement is expired on 8 February, 2018 and is extended till 31 March, 2018 with same terms and conditions.

NOTE 33 : Contingent liabilities not provided for:

(Rs. in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Bank guarantees			
- To Maharashtra Pollution Control Board	15.00	15.00	5.00
- To President of India through Commissioner of Customs	0.45	0.45	0.45
Total	15.45	15.45	5.45

NOTE 34 : Commitments

(Rs. in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
1. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	3.66	31.19	16.59
2. Other commitment	-	-	50.93
Total	3.66	31.19	67.52

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

NOTE 35 : Employee Benefits

Brief description of the Plans:

1) Defined contribution plans :

a) 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

b) 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 has recognized, in the Statement of profit and loss for the year, an amount of Rs. 87.70 lakhs (March 31, 2017 Rs. 78.64 lakhs) as expenses under defined contribution plans.

(Rs. in Lakhs)

Benefit (Contribution to)	For the year ended 31 March 2018	For the year ended 31 March 2017
i) Employer's Contribution to Provident Fund	37.74	36.20
ii) Employer's Contribution to Family Pension Fund	23.11	21.95
iii) Employer's Contribution to Superannuation Fund	26.85	20.49
Total	87.70	78.64

2) Defined Benefit Plans : (Gratuity Funded)

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.

Nature of benefits:

The gratuity benefits payable to the employees are based on the employee's service and last drawn salary at the time of leaving. The employees do not contribute towards this plan and the full cost of providing these benefits are met by the Company.

Regulatory framework:

There are no minimum funding requirements for a gratuity plan in India. The trustees of the gratuity fund have a fiduciary responsibility to act according to the provisions of the trust deed and rules. Since the fund is income tax approved, the Company and the trustees have to ensure that they are at all times fully compliant with the relevant provisions of the income tax and rules. Besides this if the Company is covered by the Payment of Gratuity Act, 1972 then the Company is bound to pay the statutory minimum gratuity as prescribed under this Act.

Governance of plan:

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Inherent risk

The plan is of a final salary defined benefit in nature which is sponsored by the Company and hence it underwrites all the risks pertaining to the plan. In particular, there is a risk for the Company that any adverse salary growth or demographic experience or inadequate returns on underlying plan assets can result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature the plan is not subject to any longevity risks.

The most recent actuarial valuation of the present value of the defined benefit obligation was carried out at March 31, 2018 by an independent actuary. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

A. Principal actuarial assumptions used:

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Discount Rate	7.56% p.a.	7.12% p.a.
Expected return on plan assets	7.56% p.a.	7.12% p.a.
Salary escalation rate	7.00% p.a.	6.00% p.a.
Attrition rate	8.00 % p.a	8.00 % p.a
Mortality Rate During Employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

B. Expenses recognised in Statement of Profit and Loss

(Rs. in Lakhs)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Current Service Cost	16.95	17.83
Interest on net defined benefit liability/ (asset)	0.49	0.16
Expected Return on Plan Assets	-	-
Total Expenses / (Income) recognised in the Consolidated Statement of Profit And Loss*	17.44	17.99

* The current service cost and the net interest expenses for the year are included in the 'Employee benefits expenses' Note : 27 in the statement of profit & loss

C. Expenses Recognized in the Other Comprehensive Income (OCI)

(Rs. in Lakhs)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Actual return on plan assets in excess of the expected return	1.05	(5.74)
Actuarial (Gain)/Loss on account of :		
- Financial Assumptions	5.63	(14.25)
- Experience Adjustments	5.24	6.69
Net (Income)/Expense For the Period Recognized in OCI	11.92	(13.30)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

D. Net Asset/(Liability) recognised in the Balance Sheet

(Rs. in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Present Value of Defined Benefit Obligation as at the end of the year	157.67	128.99	111.44
Fair Value of plan assets	141.40	122.08	109.22
Net asset/(liability) recognised in the Balance Sheet	(16.27)	(6.91)	(2.22)

Recognised under	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Long term provision (Refer note 21)	-	-	-
Short term provision (Refer note 21)	(16.27)	(6.91)	(2.22)
Total	(16.27)	(6.91)	(2.22)

E. Movements in the present value of defined benefit obligation are as follows:

(Rs. in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Present value of defined benefit obligation at the beginning of the year	128.99	111.44
Expenses Recognised in Profit and Loss Account:		
Current Service Cost	16.95	17.83
Interest cost	9.18	8.42
Recognised in Other Comprehensive Income		
Remeasurement (gains)/losses		
- Financial Assumptions	5.63	(14.25)
- Experience Adjustments	5.24	6.69
Benefit payments	(8.32)	(1.14)
Present value of defined benefit obligation at the end of the year	157.67	128.99

F. Movements in the fair value of the plan assets are as follows:

(Rs. in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Fair value of the plan assets at the beginning of the year	122.08	109.22
Contribution made	20.00	0.00
Income Recognised in Profit and Loss Account:		
Interest income	8.69	8.26
Recognised in Other Comprehensive Income		
Remeasurement gains/(losses)	(1.05)	5.74
- Actual Return on plan assets in excess of the expected return		-
Benefits paid	(8.32)	(1.14)
Fair value of the plan assets at the end of the year	141.40	122.08

G. The major categories of plan assets are as follows:

(Rs. in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Insurer managed funds (100%)	141.40	122.08

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

H. Sensitivity Analysis

Gratuity is a lump sum plan and the cost of providing these benefits is typically less sensitive to small changes in demographic assumptions. The key actuarial assumptions to which the benefit obligation results are particularly sensitive to are discount rate and future salary escalation rate. The following table summarizes the impact on the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 100 basis points.

These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analyses.

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is: **(Rs. in Lakhs)**

Principal assumptions	Year	Changes in	Impact on defined benefit obligation	
			Increase in assumption	Decrease in assumption
Discount rate	2018	1%	(9.61)	10.97
	2017	1%	(7.78)	8.84
	2016	1%	(7.46)	8.54
Salary escalation rate	2018	1%	10.92	(9.74)
	2017	1%	8.85	(7.93)
	2016	1%	8.42	(7.49)

The above sensitivity analyses are based on change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

I. Expected future benefits payable - Maturity profile of defined benefit obligation **(Rs. in Lakhs)**

Projected Benefits Payable in Future Years From the Date of Reporting	Estimated as at March 31, 2018	Estimated as at March 31, 2017	Estimated as at April 1, 2016
1st Following Year	17.67	10.81	7.34
2nd Following Year	25.10	14.43	7.57
3rd Following Year	11.16	21.73	13.36
4th Following Year	11.88	9.31	19.51
5th Following Year	11.43	9.58	7.66
Sum of Years 6 to 10	63.30	48.76	43.65
Sum of Years 11 and above	163.95	118.29	103.65

J. Other Disclosures

- The weighted average duration of the obligations as at March 31, 2018 is 8 years (March 31, 2017: 8 Years; April 1, 2016: 9 Years).
- The Company expects to contribute Rs. 35.24 lakhs to the plan during financial year 2018-19.

NOTE 36 : Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Company. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director and Chief Financial Officer of the Company. The Company operates only in one Business Segment i.e. Industrial bearings, hence does not have any reportable Segments as per Ind AS 108 "Operating Segments".

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Geographic information

(Rs. in Lakhs)

Particulars	Revenue from operations	
	For the year ended 31 March 2018	For the year ended 31 March 2017
India	3,230.43	3,267.70
Outside India	1,238.84	1,011.79
	4,469.27	4,279.49

All the non-current assets of the Company are located in India.

Revenue from major products and services

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
(a) Ball & roller bearings	3,587.45	3,562.66
(b) Roller	301.37	300.12
(c) Trading	291.95	301.14
Total	4,180.77	4,163.92

Information about major customers:

Revenues of approximately Rs. 417.69 Lakhs (March 2017: Rs. 429.13 Lakhs) arose from sales to one customer who contributed 10% or more to the Company's revenue for both years ended March 31, 2018 and March 31, 2017.

NOTE 37 : Related Party transactions

A) Name of the related party and nature of relationship where control exists:

Sr. no.	Nature of relationship	Names of related parties
(a)	Associate	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, Director
(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:

(Rs. in Lakhs)

Sr. No.	Nature of Transactions	Associate		A Company over which relatives of KMP are able to exercise significant influence.		Key Management Personnel and their Relative		Total	
		March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
1	Sale of finished Goods			2.79	4.06	-	-	2.79	4.06
	NRB Bearings (Thailand) Limited	-	-						
	NRB Bearings Limited	-	-	2.49	3.60	-	-	2.49	3.60
2	Sale of Semi Finished Material			-	-	-	-	56.29	429.13
	NRB IBC Bearings Private Limited	56.29	429.13						
3	Income from job work			1.97	1.87	-	-	1.97	1.87
	NRB Bearings Limited	-	-						
	NRB IBC Bearings Private Limited	143.36	4.43	-	-	-	-	143.36	4.43
4	Rent Income			-	-	-	-	76.80	76.80
	NRB IBC Bearings Private Limited	76.80	76.80						
5	Service Charges			-	-	-	-	24.00	15.00
	NRB IBC Bearings Private Limited	24.00	15.00						
6	Royalty income			-	-	-	-	10.34	6.29
	NRB IBC Bearings Private Limited	10.34	6.29						

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(Rs. in Lakhs)

Sr. No.	Nature of Transactions	Associate		A Company over which relatives of KMP are able to exercise significant influence.		Key Management Personnel and their Relative		Total	
		March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
7	Payments made/ expenses incurred on behalf of related party								
	NRB IBC Bearings Private Limited	65.06	52.95	-	-	-	-	65.06	52.95
8	Purchase of material								
	NRB Bearings Limited	-	-	125.36	137.49	-	-	125.36	137.49
	NRB IBC Bearings Private Limited	2.31	0.62	-	-	-	-	2.31	0.62
9	ICD repaid								
	NRB Bearings Limited	-	-	-	250.00	-	-	-	250.00
10	Interest paid on ICD								
	NRB Bearings Limited	-	-	-	5.19	-	-	-	5.19
11	Loan taken								
	Mr. D. S. Sahney	-	-	-	-	-	562.45	-	562.45
	Mr. T. S. Sahney	-	-	-	-	613.65	541.00	613.65	541.00
12	Loan repayment								
	Mr. D. S. Sahney	-	-	-	-	-	95.05	-	95.05
	Mr. T. S. Sahney	-	-	-	-	2,100.00	1,645.00	2,100.00	1,645.00
13	Issue of Preference shares								
	Mr. T. S. Sahney	-	-	-	2,000.00	1,000.00	2,000.00	2,000.00	1,000.00
14	Guarantee by NRB bearings Limited to third party for loan taken by the Company and outstanding as at the year end Rs. 139.71 lakhs (previous year Rs. 417.04 lakhs)			-	-	-	-	-	-

Amounts outstanding with related parties

(Rs. in Lakhs)

Sr. No.	Nature of Outstanding Balances	Associate			A Company over which relatives of KMP are able to exercise significant influence.			Key Management Personnel and their Relative			Total		
		March 31, 2018	March 31, 2017	April 1, 2016	March 31, 2018	March 31, 2017	April 1, 2016	March 31, 2018	March 31, 2017	April 1, 2016	March 31, 2018	March 31, 2017	April 1, 2016
1	Trade Receivables												
	NRB Bearings (Thailand) Limited	-	-	-	-	5.06	5.62	-	-	-	-	5.06	5.62
	NRB IBC Bearings Private Limited	80.15	10.64	187.78	-	-	-	-	-	-	80.15	10.64	187.78
	NRB Bearings Limited	-	-	-	-	-	4.09	-	-	-	-	-	4.09
2	Other Receivables												
	NRB IBC Bearings Private Limited	-	-	197.39	-	-	-	-	-	-	-	-	197.39
3	Trade Payables												
	NRB Bearings Limited	-	-	-	45.94	26.79	-	-	-	-	45.94	26.79	-
4	Loan outstanding												
	Mr. D. S. Sahney	-	-	-	-	-	-	2,947.63	2,947.63	2,480.23	2,947.63	2,947.63	2,480.23
	Mr. T. S. Sahney	-	-	-	-	-	-	2,763.49	4,249.84	5,353.85	2,763.49	4,249.84	5,353.85
	NRB Bearings Limited	-	-	-	-	-	250.00	-	-	-	-	-	250.00
5	Interest outstanding												
	NRB Bearings Limited	-	-	-	-	-	1.94	-	-	-	-	-	1.94

Footnote:

i) 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 TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

- ii) Outstanding balances (other than borrowings) at the year-end are unsecured and interest free and settlement occurs in cash.
- iii) The transactions with related parties are made in the normal course of business and on terms equivalent to those that prevail in arm's length transactions. All the Related Party Transactions are reviewed and approved by the Audit Committee.

iv) Compensation of key managerial personnel

The remuneration of directors and other members of key management personnel during the year is as follows:

(Rs. in Lakhs)

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Short-term benefits	74.85	64.88
Post-employment benefits @	12.31	11.02
Other long-term benefits	-	-
Termination benefits	-	-
Total	87.16	75.90

@ Compensation of key managerial personnel excludes provision for gratuity and compensated absences which is determined on the basis of actuarial valuation done on overall basis for the Company.

NOTE 38 : 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 lacs 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 had 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 approved remuneration payable to the MD from April 01, 2014 to March 31, 2017.

NOTE 39 : Expenditure on Research and Development (R & D)

(Rs. in Lakhs)

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
a) Charged to Statement of Profit and Loss	136.66	113.38
b) Capitalized to Fixed Assets	-	-
Total	136.66	113.38

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**NOTE 40 : Capital management and Risk management****I Capital Management**

The Company's capital management strategy is to effectively determine, raise and deploy capital so as to create value for its shareholders. The same is done through a mix of either equity and/or preference and/or combination of short term /long term debt as may be appropriate.

The Company determines the amount of capital required on the basis of its product, capital expenditure, operations and strategic investment plans. The same is funded through a combination of capital sources be it either equity and/or preference and/or combination of short term/long term debt as may be appropriate.

II Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk . In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

A CREDIT RISK

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables).

Trade receivables

Customer credit risk is managed as per the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on payment performance over the period of time. The Company's exposure of its customers are continuously monitored based on the customer's past performance and business dynamics. Credit exposure is controlled by customer's credit limits that are reviewed and approved by the management at regular intervals.

An impairment analysis is performed at each reporting date. The Company applies the simplified approach to providing for expected credit losses prescribed by Ind AS 109, which permits the use of the lifetime expected loss provision for all trade receivables. The Company has computed expected credit losses based on a provision matrix which uses historical credit loss experience of the Company and where applicable, specific provisions are made for individual receivables.

B LIQUIDITY RISK**(i) Liquidity risk management**

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by way of banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities . The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(Rs. in Lakhs)

Maturities of Financial Liabilities	Weighted average effective interest rate	March 31, 2018				Total	Carrying amount
		Upto 1 year	1 to 3 years	3 to 5 years	5 years & above		
Non-interest bearing	3%	7,070.92	-	-	-	7,070.92	7,070.92
		153.82	-	-	-	153.82	139.71
		2,046.49	2,242.59	1,414.30	4,000.00	9,703.38	6,383.87
		9,271.22	2,242.59	1,414.30	4,000.00	16,928.12	13,594.49

(Rs. in Lakhs)

Maturities of Financial Liabilities	Weighted average effective interest rate	March 31, 2017				Total	Carrying amount
		Upto 1 year	1 to 3 years	3 to 5 years	5 years & above		
Non-interest bearing	4%	8,562.29	-	-	-	8,562.29	8,562.29
		291.38	141.68	-	-	433.06	417.04
		3,781.17	542.35	2,000.66	-	6,324.18	5,545.44
		12,634.84	684.03	2,000.66	-	15,319.53	14,524.77

(Rs. in Lakhs)

Maturities of Financial Liabilities	Weighted average effective interest rate	April 1, 2016				Total	Carrying amount
		Upto 1 year	1 to 3 years	3 to 5 years	5 years & above		
Non-interest bearing	4%	9,498.10	-	-	-	9,498.10	9,498.10
		309.18	442.68	-	-	751.86	710.82
		4,530.42	19.80	1,008.48	-	5,558.70	4,815.88
		14,337.70	462.48	1,008.48	-	15,808.66	15,024.80

Interest Rate sensitivity

If interest rates had been 100 basis points higher/lower and all other variables were held constant, the Company's loss for the year ended March 31, 2018 would increase/decrease by Rs.1.40 lakhs (year ended March 31, 2017 by Rs. 4.17 lakhs). This is mainly attributable to the Company's exposure to borrowings at floating interest rates.

C Market Risks

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company uses derivatives to manage any significant market risks. Derivatives are only used for economic hedging purposes and not as speculative investments. All such transactions are carried out within the guidelines set by the Board of Directors.

(i) Currency Risk

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company's exposure to currency risk relates primarily to the Company's operating activities when transactions are denominated in a different currency from the Company's functional currency.

The Company's foreign currency exposure are denominated in US Dollar, Pound Sterling, Euro and Japanese Yen which arise mainly from foreign exchange imports, exports and foreign currency borrowings.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

As at the end of the reporting period, the carrying amounts of the company's foreign currency denominated financial assets and financial liabilities are as follows:

As at 31 March 2018

		In foreign currency in lakhs	Equivalent Rs in lakhs
Financial Assets			
Trade Receivables	EURO	4.32	348.67
	USD	0.34	22.35
	GBP	0.27	25.24
Financial Liabilities			
Term loan from Bank	EURO	18.92	1,491.41
Trade Payables	USD	2.15	139.71
Interest accrued on borrowings	EURO	1.10	88.60
	USD	0.01	0.39

As at 31 March 2017

Financial Assets			
Trade Receivables	EURO	4.50	311.95
	USD	0.37	24.07
	GBP	0.33	26.97
	JPY	2.67	1.55
Financial Liabilities			
Term loan from Bank	USD	6.43	417.04
Trade Payables	EURO	1.13	78.25
Interest accrued on borrowings	USD	0.02	1.39

As at 1st April 2016

Financial Assets			
Trade Receivables	EURO	4.41	331.14
	USD	0.25	16.60
	GBP	0.22	20.86
Financial Liabilities			
Term loan from Bank	USD	39.64	2,629.74
	EURO	5.59	419.82
Trade Payables	EURO	1.78	133.38
Interest accrued on borrowings	USD	0.32	21.08

(ii) Interest Rate Risk

Refer note B (ii) for interest rate sensitivity

The Company has entered in to Interest Rate Swap contract wherein the Company has converted its floating interest rate loan into a fixed interest rate loan, in order to reduce the Company's cash flow exposure resulting from variable interest rates on borrowings.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(iii) Raw material price risk

The Company does not have significant risk in raw material price variations. In case of any variation in price same is passed on to the customer through appropriate adjustments to selling prices.

NOTE 41 : Fair Value Disclosures

This section explains the judgment and estimates made in determining the fair value of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair value are disclosed in financial statements. To provide an indication about the reliability of the inputs used in determining the fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standards.

a) Categories of Financial Instruments:

(Rs. in Lakhs)

Financial assets/ financial liabilities	Fair value hierarchy as at March 31, 2018			
	Level-1	Level-2	Level-3	Total
Financial assets				
Financial assets carried at amortised cost				
Trade Receivables	-	1,148.95	-	1,148.95
Cash and cash equivalents	-	67.57	-	67.57
Other Bank balances	-	15.45	-	15.45
Other Financial Assets	-	65.97	-	65.97
Total	-	1,297.94	-	1,297.94
Financial liabilities				
Financial liabilities held at amortised cost				
Borrowings	-	12,234.69	-	12,234.69
Trade Payables	-	1,351.16	-	1,351.16
Other financial liabilities	-	8.64	-	8.64
Total	-	13,594.49	-	13,594.49

(Rs. in Lakhs)

Financial assets/ financial liabilities	Fair value hierarchy as at March 31, 2017			
	Level-1	Level-2	Level-3	Total
Financial assets				
Financial assets carried at amortised cost				
Trade Receivables	-	1,049.45	-	1,049.45
Cash and cash equivalents	-	10.94	-	10.94
Other Bank balances	-	15.45	-	15.45
Other Financial Assets	-	2.82	-	2.82
Total	-	1,078.65	-	1,078.65
Financial liabilities				
Financial liabilities held at amortised cost				
Borrowings	-	13,159.95	-	13,159.95
Trade Payables	-	1,345.45	-	1,345.45
Other financial liabilities	-	19.37	-	19.37
Total	-	14,524.77	-	14,524.77

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(Rs. in Lakhs)

Financial assets/ financial liabilities	Fair value hierarchy as at April 01 st , 2016			
	Level-1	Level-2	Level-3	Total
Financial assets				
Financial assets carried at amortised cost				
Trade Receivables	-	1,218.59	-	1,218.59
Cash and cash equivalents	-	22.69	-	22.69
Other Bank balances	-	5.64	-	5.64
Other Financial Assets	-	197.78	-	197.78
Total	-	1,444.70	-	1,444.70
Financial liabilities				
Financial liabilities held at amortised cost				
Borrowings	-	13,360.78	-	13,360.78
Trade Payables	-	1,638.33	-	1,638.33
Other financial liabilities	-	25.69	-	25.69
Total	-	15,024.80	-	15,024.80

Note: Investments representing equity interest in associates are carried at cost less any provision for impairment.

b) Fair Value Hierarchy and Method of Valuation

The following table presents fair value of assets and liabilities measured at fair value on recurring basis as of March 31, 2018

(Rs. in Lakhs)

Financial assets/ (Financial liabilities)	Fair value hierarchy	Valuation technique(s) and key input(s)	31 March 2018	31 March 2017	1 April 2016
Derivative Assets / (Liabilities) measured at FVTPL:					
(i) Interest rate swap	Level 2	Discounted Cash Flow based on prevailing / forward interest rates in market	(160.76)	-	-
(ii) Call spread currency option	Level 2	Discounted Cash Flow based on prevailing / forward interest rates in market	-	-	442.10
Total			(160.76)	-	442.10

c) Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required):

The Company consider that the carrying amount of financial asset and financial liabilities recognised in the financial statements approximate their fair value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

NOTE 42 : First-time Ind AS adoption of Reconciliation

(i) Reconciliation of Total Equity as at 31 March 2017 :

(Rs. in Lakhs)

Particulars	Notes	As at 31 March 2017
Equity as reported under previous GAAP		102.08
Ind AS: Adjustments increase (decrease):		
Fair valuation as deemed cost for Plant and machinery	A	1,690.38
Classification and measurement of redeemable preference shares as borrowings	B	(1,558.06)
Equity as reported under IND AS		234.42

(ii) Reconciliation of Total Comprehensive Income for the year ended 31 March 2017:

(Rs. in Lakhs)

Particulars	Notes	As at 31 March 2017
Loss as per previous GAAP		(1,485.04)
Ind AS: Adjustments increase (decrease):		
Additional depreciation on adopting fair valuation as deemed cost for Plant and machinery	A	(135.50)
Dividend on redeemable preference shares using the effective interest rate	B	(186.63)
Fair valuation of derivative contracts	C	(168.37)
Remeasurement of post employment defined benefit obligation recognised in other comprehensive income	D	(13.30)
Total adjustment to profit or loss		(503.80)
Profit or Loss under Ind AS		(1,988.84)
Other comprehensive income	D	13.30
Total comprehensive income under Ind AS		(1,975.54)

Note: No statement of comprehensive income was produced under previous GAAP. Therefore the reconciliation starts with profit under previous GAAP.

(iii) Material Adjustments to the Balance Sheet on Adoption of Ind AS:

(a) As at 31st March, 2017

(Rs. in Lakhs)

Particulars	Notes	Previous GAAP	Effect of Transition to Ind AS impacting equity	Reclassification adjustment	As per Ind AS
Property, Plant and Equipment : Tangible	A, E	9,560.57	1,690.40	(741.51)	10,509.46
Other non-current assets	E	70.08	-	733.32	803.40
Other current assets	E	443.31	-	8.18	451.49
Equity Share Capital	B	2,484.61	-	(2,000.00)	484.61
Other Equity	A, B, C	(1962.53)	1,503.75	628.59	169.81
Non-Current Borrowings	B	663.87	186.63	1,365.83	2,216.33

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(iv) Material Adjustments to the Statement of profit and loss on Adoption of Ind AS for the year ended 31 March 2017: (Rs. in Lakhs)

Particulars	Notes	Previous GAAP	Effect of Transition to Ind AS impacting equity	Reclassification adjustment	As per Ind AS
Revenue from operations	F	(3,959.96)	-	(319.53)	(4,279.49)
Changes in stock of finished goods, work-in-progress and stock-in-trade	G	232.91	-	(55.74)	177.17
Excise duty	F	-	-	319.53	319.53
Employee benefits expense	D	1,330.60	-	13.30	1,343.90
Finance costs	B	513.13	186.63	-	699.76
Depreciation and amortisation expense	A, E	764.57	135.50	(8.18)	891.87
Other expenses	C, E, G	1,230.54	168.37	63.92	1,462.85
Other comprehensive income	D	-	-	(13.30)	(13.30)

(iv) There are no material adjustments to the Statement of Cash Flows

(v) Notes to the reconciliation to previous GAAP:

- A On transition to Ind AS, the Company has treated fair value as deemed cost for plant and machinery resulting in an increase in carrying value as compared to the previous GAAP. The consequential impact of additional depreciation on fair value increase is recognised in the Statement of profit or loss for year ended March 31, 2017. The effect of this change is an increase in Property, Plant and Equipment and total equity as at March 31, 2017 of Rs. 1,690.40 lakhs and increase in depreciation and loss before tax for the year ended March 31, 2017 of Rs. 135.50 lakhs.
- B Under previous GAAP, redeemable preference shares were classified as part of total equity. Dividends declared (if any) on these preference shares were required to be adjusted against retained earnings and not recognised as finance costs in profit or loss. However, under Ind AS, financial instruments are classified as a liability or equity according to the substance of the contractual arrangement and not its legal form. Further, under Ind AS, at initial recognition, an entity is required to measure a financial liability at its fair value. The present value (i.e. fair value) of the liability component is calculated using the market interest rate for similar borrowings. The difference between the proceeds of the preference shares issued and the fair value of the liability has been assigned to the equity component. The interest on liability component is recognized using the effective interest method and has been recognised as finance costs in profit or loss.

The effect of this change is as follows:

- a) Decrease in total equity as at March 31, 2017 of Rs. 1558.05 lakhs .
- b) Increase in non-current borrowings as at March 31, 2017 of Rs. 1558.06 lakhs.
- c) Increase in finance cost and loss for the year ended March 31, 2017 of Rs. 186.63 lakhs

- C Under previous GAAP, the Company had entered into derivative contracts in the nature of call spread currency options and interest rate swaps. These derivative contracts were marked-to-market and losses were recognised in the Statement of Profit and Loss while, gains arising on the same were not recognised on grounds of prudence. Premium / discount on such contracts were amortised over the period of the contracts if such contracts relate to monetary items as at the balance sheet date.

Under Ind AS, all derivatives contracts need to be recognised at fair values with resulting gains or losses due to changes in fair value recognised in the Statement of Profit and Loss.

The effect of this change is an increase in loss before tax for the year ended March 31, 2017 of Rs. 168.37 lakhs.

- D Under previous GAAP, actuarial gains and losses on remeasurement of net defined benefit obligation were recognized in statement of profit or loss. Under Ind AS, the actuarial gains and losses which form part of remeasurement of the net defined benefit obligation is recognised in other comprehensive income. The actuarial loss for the year ended March 31, 2017 was Rs. 13.30 lakhs . This change does not affect total equity, but there is an increase in loss before tax and in loss for the year ended March 31, 2017 of Rs. 13.30 lakhs.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

E Under previous GAAP, lease hold land was considered as tangible fixed assets and was amortised over the period of the lease. Under Ind-AS, interest in lease hold land is considered as leases as per definition and classification criteria in Ind AS 17. Accordingly in respect of net written down value of leasehold land as at March 31, 2017 Rs. 733.33 lakhs has been classified under non-current assets and Rs. 8.18 lakhs as at 31 March, 2017 to other current assets.

Similarly the amortisation of lease hold land for the year ended on March 31, 2017 of Rs. 8.18 lakhs has been classified under other expenses as lease rent.

This change does not affect total equity as at March 31, 2017 and the loss before tax or loss for the year ended March 31, 2017.

F Under previous GAAP, revenue from sale of product was presented net of excise duty under revenue from operations. Whereas, under Ind AS, revenue from sale of products includes excise duty. The corresponding excise duty expense of Rs. 319.53 lakhs for the year ended on March 31, 2017 is presented separately on the face of the statement of profit and loss as "Excise duty". This change does not affect total equity, the loss before tax or loss for the year ended March 31, 2017.

G Under previous GAAP, excise duty on (derease) closing stock of (Rs. 55.74) lakhs as at March 31, 2017 was presented under other expenses. Whereas, under Ind AS, the same is presented as part of "Changes in stock of finished goods, work-in-progress and stock-in-trade". This change does not affect total equity as at March 31, 2017 and the loss before tax or loss for the year ended March 31, 2017.

The Holding Company has prepared and presented, its consolidated financial statements for the first time for the year ended March 31, 2017 and hence corresponding (comparative) figures for the previous year have not been presented. Accordingly in terms of Indian Accounting Standards (Ind AS) 101 "First - time Adoption of Indian Accounting Standards", reconciliation of total equity and material adjustments to the Balance Sheet on adoption of Ind AS as at April 01, 2016 have not been presented.

NOTE 43 : 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 total liabilities				Share of profit or loss			
	As at 31 March 2018		As at 31 March 2017		Year ended March 31, 2018		Year ended March 31, 2017	
	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount
Holding Company								
NRB Industrial Bearings Limited	100%	352.23	100%	234.42	100.00%	(2,057.58)	98.85%	(1,952.81)
Associates								
Indian								
NRB-IBC Bearings Private Limited	-	-	-	-	-	-	1.15%	(22.73)
Total	100.00%	352.23	100.00%	234.42	100.00%	(2,057.58)	100.00%	(1,975.54)

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

For and on behalf of the Board of Directors

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

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 7th Annual General Meeting of the Company, to be held on Thursday, August 2, 2018 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.	Resolution
ORDINARY BUSINESS	
1	To receive, consider and adopt: a. the Audited Financial Statements of the Company for the financial year ended March 31, 2018, 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, 2018, together with the Report of the Auditors thereon.
2	To appoint a Director in place of Mr. Devesh Singh Sahney (DIN No: 00003956) who retires by rotation at this Annual General meeting and being eligible, has offered himself for re-appointment.
3	Appointment of 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, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification (s) or re-enactment (s) thereof, for the time being in force) Deloitte Haskins & Sells LLP, Chartered Accountants, (Registration Number: 117365W), be and are hereby appointed as Auditors of the Company for a term of 5 (five) consecutive years from the conclusion of this Annual General Meeting till the conclusion of sixth Annual general meeting from this Annual General Meeting, subject to Annual ratification by the Shareholders on such remuneration plus out-of-pocket expenses as may be mutually agreed upon between the Board of Directors and the Auditors.

Signed this _____ day of _____ 2018

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): 180705018

.....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 Seventh Annual general Meeting of NRB Industrial Bearings Limited held on Thursday, August 2, 2018 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.



INCREASE PRODUCTIVITY, REDUCE COSTS

Today's industrial applications demand optimized design, increased precision, speed, ability to withstand varied temperature conditions and higher loads. NRB Industrial's wide product range is designed to enhance machine productivity, increasing the lifecycle of your equipment while minimizing the Total Cost of Ownership.

MADE IN INDIA FOR THE WORLD

Our bearings are manufactured in a state-of-the-art facility in Shendra, Aurangabad. Using the latest technology, these bearings are put through a series of rigorous tests before being sent to our customers.

Customer satisfaction is very important to us. With necessary quality certifications under our belt, we are committed in providing the best possible quality of products to our customers. The factory is also equipped with its own research and development center. We manufacture bearings for various applications in different industries.



NRB
INDUSTRIAL

:: Regd. Office ::

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Tel : (022) 4541 7500 • Fax : (022) 2270 4207

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:: Plant ::

Plot No. B-18, Five Star M.I.D.C. Area, D-Zone, Shendra, Aurangabad - 431 154.

Tel : (0240) 2629100

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