

NIBL/BSE/NSE/18/2019-20

19<sup>th</sup> July, 2019

National Stock Exchange Ltd.  
Listing Department  
Exchange Plaza, 5<sup>th</sup> Floor,  
G Block, Bandra-Kurla Complex  
Bandra (East), Mumbai-400051  
Fax No.:022-26598237/38

BSE Limited  
Listing Department  
Sir P.J. Tower, Dalal Street,  
Mumbai-400001  
Fax No. 022-2723121/3719/2037

Ref. : BSE Scrip Code: 535458; NSE Symbol: NIBL  
Sub. : Notice of the 8th Annual General Meeting and Annual Report for FY 2018-19.

Dear Sir/Madam,

This is to inform that the 8th Annual General Meeting (AGM) of NRB Industrial Bearings Limited is scheduled to be held on Wednesday, August 14, 2019 at 11:00 a.m. at M.C. Ghia Hall, Dubash Marg, Mumbai 400 001, inter alia to transact the business stated in the Notice dated May 30, 2019 convening the AGM.

Pursuant to Regulation 34(1) and 30(2) read with Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we submit herewith a copy of the Annual Report for F.Y. 2018-19 including the Notice of the 8th Annual General Meeting of the Company scheduled as aforesaid, which is being sent through email/dispatched through the permitted modes, to the Members of the Company.

The said Annual Report for FY 2018-19 is also available on the website of the Company viz. [www.nrbindustrialbearings.com](http://www.nrbindustrialbearings.com).

We request you to kindly take the same on record and disseminate on your website please.

Thanking you,  
Yours truly,  
For NRB Industrial Bearings Limited

  
Ratika Gandhi  
Company Secretary

**NRB INDUSTRIAL BEARINGS LTD.**

REGD. OFFICE : 2ND FLOOR, DHANNUR, 15, SIR P.M. ROAD, FORT, MUMBAI - 400 001. MAHARASHTRA, INDIA.

TEL.: 9122 - 2270 4206 FAX : 9122 - 2270 4207

WEBSITE : <http://www.nrbindustrialbearings.com>

GSTIN : 27AADCN5657L1ZY

CIN : L29253MH2011PLC213963

**NRB**  
**INDUSTRIAL**



8<sup>th</sup> Annual Report  
2018-19

**MOVING THE WHEELS OF INDUSTRY**



**Board of Directors**



**Shri Trilochan Singh Sahney**  
(04.12.1927 – 16.10.2018)  
**Founder & Chairman**  
NRB Industrial Bearings Ltd. (NIBL)  
NRB Bearings Ltd. (NRB)



**Mr. Devesh S. Sahney**  
**Chairman & Managing Director**  
NRB Industrial Bearings Ltd. (NIBL)  
**Director**  
NRB-IBC Bearings Pvt. Ltd. (NIBC)  
Korta Engineering India Pvt. Ltd.  
NRB Bearings Ltd.



**Manish Choksi**  
Independent Director



**Gaurav Motwane**  
Independent Director



**Nikhilesh Panchal**  
Independent Director



**H S Zaveri**  
Director

## **8<sup>th</sup> ANNUAL REPORT**

### **2018-2019**

<b>Board Of Directors</b>	:	Mr. Trilochan Singh Sahney - Ex Chairman (Ceased on 16th October 2018) Mr. Devesh Singh Sahney - Chairman and Managing Director Mrs. Harshbeena Zaveri - Non Executive Director Mr. Manish Choksi - Independent Director Mr. Gaurav Motwane - Independent Director Mr. Nikhilesh Panchal - Independent Director (Appointed on 4th February 2019) Mr. Ashish Chugani - Independent Director (Resigned on 31st October, 2018)
<b>Key Managerial Personnels</b>	:	Mr. Devesh Singh Sahney - (Chairman and Managing Director) Mr. Ratnakar G. Mehendale - (Chief Financial Officer ) Mrs. Ratika Gandhi - (Company Secretary and Compliance Officer)
<b>Bankers</b>	:	Bank of Maharashtra Standard Chartered Bank
<b>Statutory Auditor</b>	:	Deloitte Haskins and Sells
<b>Internal Auditor</b>	:	J. K. Delvadavala & Company
<b>Secretarial Auditor</b>	:	AJS and Associates
<b>Registered Office</b>	:	2nd floor, Dhannur building, 15, Sir P.M. Road, Fort, Mumbai – 400 001, Maharashtra, India Tel. : 022-61207500 Fax: 022-22704207
<b>Factory Premises</b>	:	B-18, Five Star, M.I.D.C Area, D-Zone, Shendra, Aurangabad – 431 154 Maharashtra, India Tel No. 0240-2629100 Fax: 022-22704207
<b>Registrar and Transfer Agents</b>	:	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
<b>CIN</b>	:	L29253MH2011PLC213963
<b>GST No.</b>	:	27AADCN5657L1ZY
<b>Website</b>	:	www.nrbindustrialbearings.com
<b>Email Address</b>	:	investorcare@nibl.in

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## **LETTER TO SHAREHOLDERS**

**Dear Shareholder,**

It is my privilege to present before you the updates of Financial Year 2018-19, this year had its external economic and political ups and downs and we are glad to announce that your company experienced an above industry average growth.

While the global economy was on an upswing in 2018, the market indicators in the key European and Asian markets started to wear-off in the second half of the year. The global economy faced challenges in terms of increase in tariffs and protectionist policies, the US dollar gaining monetary strength, the Brexit uncertainty and a slowdown in China just to name a few.

For a large part of the year energy prices remained stable in India, this had a strong co-relation keeping the inflation rate at bay. In spite of the pressures from global market conditions, India retained its tag of the fastest growing major economy in the world in FY 2018-19 for second year in a row.

During the financial year, business investments and exports remained strong. India also improved its global standing in the "Ease of Doing Business" ranking - by few places which is an index that relatively places a country's acceptability and economic policies to foreign entities domestically. The much needed, Goods and Services Tax (GST) which had caused some uncertainty last year, was stabilized this year and business transaction improved with each passing quarter.

There has been a major slowdown in the last two quarters of FY 2018-19 in the automotive, textile, machine tool and various industries and segments due to various reasons which had resulted in some slowdown for our channel sales partners however, the outlook for next year's growth is optimistic.

The Economic momentum is expected to remain steady this fiscal year. The economy is projected to grow at the rate of 7% during 2019, expanding further to 7.3% during 2020.

Under the Make in India initiative, the Government of India aims to increase the share of the manufacturing sector in the Gross Domestic Product (GDP) to 25 per cent by 2022, from 16 per cent in the previous years.

Last year remained very exciting for your company, but at the same time it was very tragic as we lost our Founder Chairman & a Pioneer in the Indian Bearing Industry – Mr. Trilochan Singh Sahney. His contribution to the Indian society as an Industrialist & as a Philanthropist remains unmatched. We as a group carry on his vision for the Company; with a focused and strong approach for high growth.

In a key event, your company has made a strategic investment in "Korta Engineering India Private Limited". This investment gives your company a strong foothold in the manufacturing of "High Precision Ball Screws".

Your company continues to increase its foot print in various segments and markets domestically and internationally. This resulted in market share increase through our segment which has been because of a focused target market approach. Your company has been following simple strategies to increase the number of OEM customers in Pan India and also increase channel partners to serve our customers in time. In case of exports, special efforts are being put to increase our customers and product range.

"Customer Delight" is the simple principal what we follow so that customer satisfaction is always top of our mind when we deal with our customers. This strategy helps us in aligning everyone in your Company.

As part of our Growth strategy and Brand awareness program, we have participated in various customer seminars and exhibitions in India and abroad. New product ranges have also helped us in making stronger partnership with our Customers.

We are happy that we have achieved significant progress in several key parameters of business performance with a clear focus on superior customer experience, product quality & new product development.

As an organization, we still have many milestones to achieve with every passing day our resolve is to exceed each mile stone and grow and learn constantly to become stronger. Personally, I see a lot of opportunities to increase the value of our company.

Thank you once again for your belief in NRB Industrial Bearing Limited, and we thank you for being our esteemed shareholders.

**Warm Regards,**

**Devesh Singh Sahney**  
**Chairman and Managing Director**  
**DIN : 00003956**  
**May 30, 2019**

**AGM NOTICE**

To,  
**The Members**  
**NRB Industrial Bearings Limited**

Notice is hereby given that the Eighth Annual General Meeting of the members of NRB Industrial Bearings Limited will be held on 14th August, 2019 at 11.00 a.m. at M. C. Ghia Hall, K. Dubash Marg, Mumbai - 400 001 to transact the 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, 2019, 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, 2019, together with the Report of the Auditors thereon.
2. To appoint a Director in place of Mrs. Harshbeena Zaveri (DIN No: 00003948), who retires by rotation at this Annual General meeting and being eligible, has offered herself for re-appointment.

**SPECIAL BUSINESS:****3. Appointment of Mr. Nikhilesh Panchal as an Independent director:**

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** Mr. Nikhilesh Panchal (DIN 00041080), who was appointed by the Board of Directors as an Additional Director of the Company with effect from February 4, 2019 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161(1) of the Companies Act, 2013 ("**Act**") and Article 114 of the Articles of Association of the Company but who is eligible for appointment, be and is hereby appointed as Director of the Company."

**"RESOLVED FURTHER THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Act and the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act, as amended from time to time, the appointment of Mr. Nikhilesh Panchal, who meets the criteria for independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and who has submitted a declaration to that effect, and who is eligible for appointment as an Independent Director of the Company, not liable to retire by rotation, for a term of five years from the conclusion of 8th Annual General Meeting until the conclusion of 13th Annual General Meeting, be and is hereby approved."

**By the Order of the Board of Directors,**

**Ratika Gandhi,**  
**Company Secretary and Compliance Officer**  
**(ACS: 29732)**  
**Mumbai, May 30, 2019**

**NOTES :**

1. The Company's Statutory Auditors, M/s Deloitte Haskins & Sells, Chartered Accountants, registered with the Institute of Chartered Accountants of India vide registration number ICAI 117365W, were appointed as the Statutory Auditors of the Company for a period of five consecutive years at the Annual General Meeting ("AGM") of the Members held on 2nd August, 2018 on a remuneration mutually agreed upon by the Board of Directors and the Statutory Auditors.

Pursuant to the amendments made to Section 139 of the Companies Act, 2013 by the Companies (Amendment) Act, 2017 effective from 7th May, 2018,

the requirement of seeking ratification of the Members for the appointment of the Statutory Auditors has been withdrawn from the Statute.

In view of the above, ratification by the Members for continuance of their appointment at this AGM is not being sought. The Statutory Auditors have given a confirmation to the effect that they are eligible to continue with their appointment and that they have not been disqualified in any manner from continuing as Statutory Auditors. The remuneration payable to the Statutory Auditors shall be determined by the Board of Directors based on the recommendation of the Audit Committee.



2. The Explanatory Statement setting out material facts, pursuant to Section 102 of the Companies Act, 2013, on General Meetings and Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the Special Business under Item No. 3 of the accompanying Notice is annexed hereto.
3. **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.**
4. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent (10%) of the total share capital of the Company. **A PROXY APPOINTED BY A MEMBER HOLDING MORE THAN TEN (10) PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS SHALL NOT ACT AS PROXY FOR ANY OTHER MEMBER.**
5. 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.
6. The Securities Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the Securities Market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their DEMAT accounts. **Members holding the shares in physical form can submit their PAN details to the Company.** Members who wish to receive email of Documents (Notices of General Meeting/ Postal Ballot, Annual Reports, Shareholders communications/ documents, etc.) and have not registered their email address for receiving the same shall give their positive consent to receive such documents in electronic mode.
7. **SEBI Notification No. SEBI/LAD-NRO/ GN/2018/24 dated June 8, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/ GN/2018/49 dated November 30, 2018, requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from April 1, 2019 unless the securities are held in the dematerialized form with the depositories. Therefore, Shareholders are requested to take action to dematerialize the Equity Shares of the Company, promptly.**

**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.**

8. Members may also note that the Notice of Eighth Annual General Meeting and Annual Report 2018-19 will also be available on the Company's website: [www.nrbindustrialbearings.com](http://www.nrbindustrialbearings.com) for download.
  - i The Register of members and Share Transfer Books of the Company shall remain closed from **3rd August, 2019 - 14th August, 2019 (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](mailto: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 depository participants.***

- (iii) Voting through electronic means:

**The instructions for shareholders voting electronically are as under:**

- (i) The voting period begins on **11th August, 2019 from 9:00 a.m. and ends on 13th August, 2019, 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 **2nd August, 2019** 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](http://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](http://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:

	<b>For Members holding shares in Demat Form and Physical Form</b>
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"> <li>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.</li> <li>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.</li> </ul>
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"> <li>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) 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.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for "NRB Industrial Bearings Limited" on which you choose to vote.
- (xi) 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

- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiii) 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.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvi) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

**(xvii) 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.**

**(xviii) 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](http://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](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- 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.

(xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)

**By the Order of the Board of Directors,**

**Ratika Gandhi,**  
**Company Secretary and Compliance officer**  
**(ACS: 29732)**  
**Mumbai, May 30, 2019**

**Registered Office:**

2<sup>nd</sup> 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](mailto:investorcare@nibl.in)  
Website: [www.nrbindustrialbearings.com](http://www.nrbindustrialbearings.com)

**EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 AND REGULATION 36 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

The following Statement sets out all material facts relating to the Special Business mentioned in the Notice.

**Item No.3**

The Board of Directors, on the recommendation of the Nomination and Remuneration Committee, appointed Mr. Nikhilesh Panchal, as an Additional Director of the Company and also an Independent Director, not liable to retire by rotation, for a term of 5 years from the conclusion of 8th Annual General Meeting until the conclusion of 13th Annual General Meeting subject to approval of the Members. Pursuant to the provisions of Section 161(1) of the Act and Article 114 of the Articles of Association of the Company, Mr. Nikhilesh Panchal shall hold office up to the date of this AGM and is eligible to be appointed as a Director.

The Company has received a declaration from Mr. Nikhilesh Panchal to the effect that he meets the criteria of Independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

In the opinion of the Board, Mr. Nikhilesh Panchal fulfils the conditions specified in the Act and SEBI Listing Regulations for appointment as Independent Director and is independent of the management of the Company.

Mr. Nikhilesh Panchal is currently serving as a partner of Khaitan & Co, Advocates & Solicitors, a renowned law firm in India. He holds a Master's Degree in Law (L.L.M.). He has

received his Solicitors degree from the Bombay Incorporated Law Society and Supreme Court of England & Wales. He is a member of the Bar Association of Maharashtra & Goa, the Bombay Incorporated Law Society, and the Law Society of England & Wales, United Kingdom.

Mr. Panchal has rich experience in acquisitions, takeovers and mergers, foreign collaborations and joint venture transactions. He also has experience and expertise on Foreign Exchange laws, Corporate Laws, Intellectual property laws, and commercial litigations. He regularly advises on structuring, acquisitions, joint ventures and corporate and commercial matters to various companies.

He currently holds directorships in following companies:

1. Mahindra Epc Irrigation Limited
2. Mahindra Ugine Steel Company Limited
3. Lakme Lever Private Limited
4. Bristlecone India Limited
5. Msl Driveline Systems Limited
6. Gromax Agri Equipment Limited
7. Unilever India Exports Limited

Further details of Mr. Nikhilesh Panchal, whose appointment as an Independent Director is proposed at Item No.3, is provided in the Annexure to the Notice pursuant to the provisions of (i) the Listing Regulations and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

A copy of the draft letter for appointment of Mr. Nikhilesh Panchal as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours (10.00 hours to 17.00 hours) on all working days except Saturdays.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Mr. Nikhilesh Panchal as an Independent Director is now being placed before the Members for their approval.

The Board considers that his association with the Company as Independent Director would benefit the Company and hence desirable to continue to avail his services as an Independent Director. Accordingly, the Board recommends the resolution in relation to the appointment of Mr. Nikhilesh Panchal as an Independent Director, for the approval of the members of the Company.

Except Mr. Nikhilesh Panchal and his relatives, none of the Directors and Key Managerial Personnel of the Company and their respective relatives is, in any way, concerned or interested, in the Resolution set out at Item No. 3 of this Notice.

**DIRECTOR'S REPORT**

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

The Directors submit this 8th 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, 2019. Consolidated performance of the Company and its Associates has been referred to wherever required.

**Mr. Trilochan Singh Sahney, Ex-chairman was a veteran of the Bearings Industry and has played a major role in introducing Needle Roller Bearings in India. He has given a valuable contribution for the formation and foundation of NRB Industrial Bearings Limited and was the business promoter of the Company. He has played a crucial role in the success of the Company through his vision and leadership. Mr. Trilochan Singh Sahney lead the Company with high ethics and values. He had over 60 years of experience and knowledge of Bearings Industry. His teachings and beliefs will remain forever in the hearts of the Directors and Employees of the Company.**

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

Particulars	31.03.2019	31.03.2018
Revenue from Operations	5806.01	4546.57
EBITA	284.74	-297.71
Loss before Exceptional items and Tax	-1398.49	-2045.66
Exceptional Items	-	-
Loss Before Tax	-1398.49	-2045.66
Tax Expenses	-	-
Loss after Tax	-1398.49	-2045.66
Other Comprehensive Income	9.83	11.92
Total Comprehensive Income	-1408.31	-2057.58
Earnings Per Share	-5.77	-8.44

This report of the Board 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 from April 1, 2018 to March 31, 2019 (hereinafter referred as "financial year").

**b. Transfer to Reserves:**

No amount has been transferred to reserves, due to accumulated losses incurred by the Company.

**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:**

The 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 its financial statements.

**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 end of the Financial Year to which this financial statement relate and the date of the report:**

There were no material changes and commitments affecting the financial position of the Company occurred during the financial year to which this financial statements relate on the date of this report.

**2. Operations Overview Overall:****a) Financial Results:**

Your Company's turnover stood at Rs. 5609.46 lakhs for the financial year ended March 31, 2019 as against Rs. 4403.03 lakhs in the previous year. Company registered growth of 28% over previous year.

Domestic Industrial market is showing positive growth in terms of demand for engineering products. Export market continues to grow, Export turnover of your Company for the financial year was Rs. 1601.35 lakhs as against previous year Rs. 1238.84 lakhs resulting in growth of 29%.

**b) Operational Overview:**

The global economy in 2018 was on the upswing. However, towards the last two Quarters the signs of slow down were visible. It is expected Industrial index in India will improve after the General Elections. As the procedure for FDA investments in India have become more attractive which will result in new green field and brown field projects coming into existence

The Economic momentum is expected to remain steady this fiscal year, which started in April. The economy is projected to grow at the rate of 7 % during 2019, expanding further to 7.3% during 2020. Under the Make in India initiative, the Government of India aims to increase the share of the manufacturing sector to the gross domestic product (GDP) to 25 per cent by 2022, from 16 per cent in previous years.

Your Company has performed well under these market conditions, and we are happy to share the initiatives that we have put in place are paying off, your company has made great advances in both domestic and international markets and has acquired many distinguished long-term clients from various sectors. Your Company has participated in multiple exhibitions both domestic and internationally which will ensure further traction.

At the plant level we have started the TPM journey and with some management shuffles to be better aligned to customer needs, we are hopeful to service you better, in line with our core values.

We have renewed our focus on the agricultural segment, PAN India. With strong R&D we have developed customised solution for this segment in terms of inserts and Units

The Focused segments in OEM business are Textile, Machine Tools, Material handling, Industrial Gear box, Industrial motors, Specialised vibration motors and Jute segment. Your company has taken the approach to work closely with these segment OEM's right from conceptualization stage.

We are expanding our Distributor foot prints across India in order to cater more Industrial parks. Your company has also launched Distributor Portal in order to support the Distributors in terms of availability and delivery in time. Distributors can now place order by logging onto the portal and booking their orders for the materials.

There has been focus towards the maintenance requirements of the end users which being a sizable business for our Distributors. Efforts are towards catering into maintenance demand of cement and steel plants.

Your Company has been continued to be recognized as in-house Research and Development Unit from Ministry of Science and Technology, Government of India.

Such recognition from Department of Scientific and Industrial Research (DSIR) are expected to be engaged in innovative research & development activities related to the line of business of the company, such as, development of new technologies, design & engineering, process/product/design improvements, developing new methods of analysis & testing; research for increased efficiency in use of resources, such as, capital equipment, materials & energy; pollution control, effluent treatment & recycling of

waste products or any other areas of research. This shall enable your company to have pace with new technology and create mark in the growing market.

The Quality Assurance has taken steps in establishing Process capabilities by conducting studies to capture causes of variation & co-ordinate to take Corrective & Preventive measures and set in a process to maintain the same. Interactive meeting, visits, trainings & Audits are conducted with Supplier for enhancing their performance with respect to key deliverable.

Your Company is in process of implementing QM pillar under TPM to strengthen manufacturing process and minimize the rejections levels.

With regards to ISO standards, we are moving into the phase of Effectiveness in practice by way of implementing the requirements.

### **1. Corporate Guarantee given by NRB Bearings Ltd.**

Corporate Guarantee given by NRB Bearings Limited to third party for loan taken by NRB Industrial Bearings Limited and outstanding as at 31st March 2018 of Rs. 139.71 lakhs has been repaid the entire loan amount in September 2018 and hence the corporate guarantee given by NRB Bearings limited has been revoked.

### **2. Waiver of excess payment of remuneration made to Mr. Devesh Singh Sahney –Chairman and Managing director:**

In 2012, NRB Bearings Limited demerged its Industrial Bearing division to the Company pursuant to the order dated August 24, 2012 of the Honorable High Court of Judicature at Bombay approving the Scheme of Demerger ("Scheme") with effect from October 01, 2012. In terms of the said Scheme, all the employees of the industrial bearing division of NRB Bearings Limited were transferred to the Company on terms and conditions not less favorable than the terms of NRB Bearings Limited. Mr. Devesh Singh Sahney was in the employment of NRB Bearings Limited in capacity of Executive Director prior to the demerger and his employment was transferred to the Company pursuant to the said Scheme.

In compliance with the applicable provisions of the Companies Act, 1956, the Members of the Company had approved the appointment and remuneration of Mr. Devesh Singh Sahney as Managing Director of the Company ("Managing Director") for a term of 5 years effective October 01, 2012 to September 30, 2017 at their meeting held on October 15, 2012.

A Special Resolution by way of Postal Ballot was passed for the Ratification of payment of Remuneration paid to Mr. Devesh Singh Sahney during Demerger as per the High Court Order for period of 18 months from 1st October, 2012 to 31st March, 2014.

Due to losses incurred by the Company during the period from October 01, 2012 upto March 31, 2014, the



remuneration payable to the Managing Director was in excess of the limits prescribed under Schedule XIII of the Companies Act 1956 at that point of time. Hence, the Company applied for the approval of the Central Government for payment of remuneration to Managing Director as approved by Members. The Central Government vide letter Ref. No. SRNB95768693/2014/CL-VII dated August 28, 2014 approved the appointment of Managing Director for a term of five years and partially addressed the remuneration payable (Basic remuneration & Cash allowances) for the period up to 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 up to March 31, 2014.

Accordingly, perquisites paid to the Managing Director of Rs. 34, 81,000 (Rupees Thirty Lakhs Eighty one Thousand Only) for the period from October 01, 2012 to March 31, 2014 was subject to approval by the Central Government.

With the notification of amendment to Section 197 of the Companies Act, 2013 vide the Companies (Amendment) Act, 2017 with effective from September 12, 2018, any application made to the Central Government for seeking approval for payment of remuneration to director and is pending as on the date of commencement of the Companies (Amendment) Act, 2017, such application shall abate and the company shall, within one year of such commencement, obtain approval from the members in accordance with Section 197 of the Companies Act, 2013.

As per Section 197(17) of the Act (as amended by the Companies (Amendment) Act, 2017), the members of the Company can waive and ratify the payment of such excess remuneration to the Managing Director, hence pursuant to the provisions of Section 110 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014 as amended from time to time, the Company had conducted the process of Postal Ballot for seeking approval of the shareholders for the resolutions and hence same was been approved and ratified by shareholders by approving in postal ballot w.e.f. 20th December, 2018.

#### **4. Change in the 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.

#### **5. Share Capital:**

##### **i. Increase in the Authorized Share Capital:**

During the year, the Company had increased the Authorized capital of the Company presently from ₹ 55,00,00,000/- (Rupees Fifty Five Crores only) divided into ₹ 5,00,00,000/- (Rupees Five Crore

only) of 2,50,00,000 equity share of ₹ 2/- each and ₹ 50,00,00,000/- (Rupees Fifty Crore only) of 5,00,00,000 preference shares of ₹ 10/- each to 65,00,00,000/- (Rupees Sixty Five Crore only) divided into ₹ 5,00,00,000/- (Rupees Five Crore only) of 2,50,00,000 equity shares of ₹ 2/- each and ₹ 60,00,00,000/- (Rupees Sixty Crore only) of 6,00,00,000 preference shares of ₹ 10/- each.

##### **ii. Allotment and Issuance of Preference shares to Mr . Devesh Singh Sahney, Chairman and Managing Director of the Company:**

During the year, the Company made an allotment of preference shares to Mr. Devesh Singh Sahney, Chairman and Managing Director for Rs. 13,50,00,000 (Rupees Thirteen Crores Fifty Lakh) Cumulative Redeemable Non-Convertible Preference shares.

#### **6. Directors and Key Managerial personnel:**

##### **i. The Company had to overcome the unexpected sudden and sad demise of our beloved Chairman, Late Mr. Trilochan Singh Sahney on 16th October, 2018.**

ii. Mr. Ashish Chugani (DIN: 00009654) was appointed as an Independent director in the Annual General Meeting held on 7th July, 2015, for a tenure of five consecutive years. He ceased to be an Independent director of the Company w.e.f. 31st October, 2018.

iii. Pursuant to Sub-section 6 of Section 149 of the Companies Act, 2013, Mr. Nikhilesh Panchal (DIN:00041080) was appointed as an Additional Director w.e.f. 4th February, 2019 by Board of Directors.

iv. In accordance with the provisions of Section 152 of Companies Act, 2013 read with applicable rules, Mrs. Harshbeena Zaveri (DIN: 00003948), retires by rotation at the ensuing 8th Annual General Meeting and being eligible, offers herself for re-appointment.

v. Mr. Kaushal Aggarwal (DIN: 00153487) was appointed as an Independent director in 4th Annual General meeting held on 7th July, 2015 for the tenure of five consecutive years. He ceased to be a director of the Company w.e.f. 7th August, 2015, hence 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.

vi. Pursuant to Section 149 of Companies Act, 2013 (the "Act") Mr. Manish Choksi (DIN No.: 00026496), Mr. Gaurav Motwane (DIN No: 00746165) and Mr. Nikhilesh Panchal (DIN No: 00041080) 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 Act and there has been no change in the circumstances which may affect their status as independent director during the year. Further Mr. Ashish Chugani (DIN: 00009654) had resigned w.e.f. 31st October, 2018

vii. Pursuant to the provisions of section 203 of Companies Act 2013, the Key managerial personnel's (KMPs) of the Company are :

- Mr. Devesh Singh Sahney, Chairman and Managing Director
- Mr. Ratnakar Mehendale, Chief Financial Officer\*
- Mrs. Ratika Gandhi, Company Secretary and Compliance Officer

\*Mr. Ratnakar Mehendale has been re-appointed as the Chief Financial Officer of the Company on 4th February, 2019 and granted an extension of services by Board of Directors on recommendations of Nomination and Remuneration Committee till 2nd June, 2020.

#### **7. 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.

Independent directors have met separately on 25th March, 2019.

#### **8. Board Evaluation:**

As per requirement of section 134(3)(p) of the Companies Act, 2013 read with Rule 8 (4) of Companies (Accounts) Rules, 2014 and other applicable rules and regulations, the 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 Directors. 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 and based on the evaluation necessary changes in processes and policies were been suggested for having an effective Board.

#### **9. Conservation of Energy, Technology Absorption, Foreign Exchange Earnings And Outgo:**

The information pertaining to conservation of energy, technology absorption, Foreign exchange Earnings

and outgo as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished in 'Annexure I' and is attached to this Report.

#### **10. Statement Concerning Development And Implementation of Risk Management Policy of The Company**

The risk management systems adopted by the Company at various levels, inter alia, cover business risk, statutory compliances, and environmental risk. The Risk Management system is continuously reviewed at appropriate level and corrections are made wherever required. The Company has taken adequate insurance policies to mitigate different kinds of risk.

The Board had on a voluntary basis constituted the Risk Management Committee in order to implement and monitor the risk management plan for the Company, But it was felt by the Board that this activity should be undertaken by the Board itself and hence the Board dissolved the Risk Management Committee during the financial year ended 31st March, 2019.

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

Presently, the provisions of the Section 135 read with Schedule VII of Companies Act, 2013 are not applicable to the Company and hence it has not developed and implemented any Corporate Social Responsibility initiatives during the year.

#### **12. 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 2018-19 as per Section 186 of the Companies Act, 2013 are stated in the Notes to Account which forms part of this Annual Report.

#### **13. Particulars of Contracts or Arrangements made with Related Party Transactions (RPT):**

The contracts or arrangements with related parties, which fall under the scope of Section 188 (1) of the 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.

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. Further, the details of the transactions with Related Party are provided in the Company's financial statements in accordance with the Accounting Standards.

The Company has adopted a policy known as the '*Related party transactions policy*' and the same has been displayed on the Company's website: [www.nrbindustrialbearings.com](http://www.nrbindustrialbearings.com).

#### **14. 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 the Companies Act, 2013 at present.

ii. A statement containing salient features of the financial statements of the Company's joint venture/associate company in Form AOC-1 is attached to the financial statements of the Company. Company has complied with AS 23, Accounting for Investments in Associates in Consolidated Financial Statements and AS 27, Financial Reporting of Interests in Joint Ventures, respectively, hence company has to provide Standalone and Consolidated financials for FY 2018-19.

##### **NRB-IBC Bearings Private Limited:**

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 pursuant to first proviso to sub-section (3) of section 129 read with Rule 5 of the Companies (Accounts) Rules, 2014 statement containing the financial statement of subsidiaries/associate companies/joint ventures is annexed as '**Annexure III**' in form AOC -1.

The year FY 2018-19 was a landmark year where NIBC has posted third year in a row 43.5% growth. Sales Turnover has increased from Rs. 1165.53 lakhs to Rs. 1656.19 lakhs.

NIBC has reported profit after tax of Rs. 1.53 lakhs.

The target domestic market was very favorable to NIBC products and we have grown the market share among existing customers as well added new customers this year.

Domestic Sales Turnover increased from Rs. 566.15 lakhs to Rs. 834.09 lakhs. Export market has grown substantially. Today NIBC has reached a place where we have to look ahead and expand the capacity to support the growing needs of the customers. Export Sales Turnover has improved remarkably. NIBC also has been able to register the profit for the full year.

##### **KORTA ENGINEERING INDIA PRIVATE LIMITED:**

NRB Industrial Bearings Limited has invested to the extent of 35% as an equity shareholder in Korta Engineering (India) Private Limited which was part of Korta group, Spain. Investment in Korta was a strategic decision considered by your company in order to have diversified market reach and to provide customers with wide range of products.

The year FY 2018-19 was the first year of operations for

Korta Engineering under the new management. Korta Engineering is capable of manufacturing precision class ground ball screws required for the machine tool industry. Sales Turnover increased from Rs. 630.99 lakhs to Rs. 514.25 lakhs. Sales Turnover increased by 23% in FY 2018-19 as compared to FY 2017-18. Korta. It has reported a profit after tax of Rs. 70 lakhs.

Domestic market was very favorable on account of New OEM customers and big accounts in aftermarket were added in the customer list which will help the company in coming years to establish products in other companies as well.

Further, 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.

#### **15. 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, reservations or adverse remarks made by the Statutory Auditors in their report on the Financial Statements of the Company for year ended 31st March 2019. The notes to the accounts are self-explanatory to comments/observations made by the Auditors in their report and do not require further explanation.

There are no qualifications, reservations or adverse remarks in the Secretarial Audit Report of the Company during the period of review.

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

The provisions of Section 178(1) of Companies Act, 2013 relating to constitution of Nomination and Remuneration Committee are applicable to the Company and have constituted proper composition of Board & Independent directors for this committee.

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

Further pursuant to Section 134 (3) (e) and section 134 (3) (q) of Companies Act 2013, the Nomination and Remuneration Policy recommended by Nomination & Remuneration Committee is duly approved and adopted by the Board of Directors and same is made

available on the company's website link: <http://nrbindustrialbearings.com/shareholder.php>.

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

#### 17. Number of Board Meetings conducted during the year under review:

The Board of Directors met 5 (Five) times during the financial year ended 31st March 2019, the details of which are given in the Corporate Governance Report which forms part of this Annual Report. A separate meeting of Independent Directors was also held during the Financial Year.

The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013 and SEBI LODR Regulations. The Agenda papers were circulated to the Directors in advance for each meeting. All relevant information as required under Schedule II of the SEBI LODR Regulations was placed before the Board from time to time.

#### 18. Cost Audit Compliance Report:

The Cost audit of the Company has not been conducted for the financial year 2018 -19 as provisions of Section 148 of the Companies Act, 2013 are not applicable to the Company.

#### 19. Disclosure of composition of Audit committee and Vigil mechanism:

In accordance with Section 177 of the Companies Act, 2013 read with Rule 6 and 7 of the Companies (Meetings of the Board and its Powers) Rules, 2014 the Audit Committee consists of the following members:

i	Mr. Manish Choksi	: Chairman (Audit Committee) & Independent Director
ii	Mr. Devesh Sahney	: Chairman and Managing Director
iii	Mr. Gaurav Motwane	: Independent Director
iv	Mr. Nikhilesh Panchal	: Independent Director (Appointed w.e.f 4th February, 2019)
v	Mr. Ashish Chugani	: Independent Director (Resigned w.e.f 31st October, 2018)

The Company has established a vigil mechanism through the committee, the genuine concerns expressed by the employees and other Directors are taken on records and are available on the Company's website <http://nrbindustrialbearings.com/shareholder.php>. 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 Credit

#### Rating of Securities:

The Company has obtained following credit ratings for availing various bank facilities:

- 1) Long term Bank Facilities - Cash Credit is CARE BBB- Stable and
- 2) Long term Bank Facilities- Working Capital Loan is CARE BBB- Stable.

#### 20. Internal financial 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.

#### 21. Details In Respect of Adequacy of Internal Financial Controls With Reference To The Financial Statements

The Company has in place adequate internal financial controls with reference to the financial statements and are operating effectively. These have been designed for providing reasonable assurance with regard to financial statements prepared, complying with applicable statutes, safeguarding assets from un-authorised use, executing transactions with proper authorisation and ensuring compliance of corporate policies. The Company has continued its efforts to align all its processes and controls with global best practices.

#### 22. 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 formulated any Stock Option Scheme to the employees.

##### e. Preference Shares:

During the financial year, the Company has allotted 1,35,00,000 Cumulative Redeemable Non-Convertible Preference Shares on Private Placement to Mr. Devesh Singh Sahney (Chairman and Managing Director) of Rs. 10/- (Rupees Ten) each, amounting to Rs. 13,50,00,000 (Rupees Thirteen crore fifty lakhs only).



The proceeds of the issue were utilized for meeting the day-to-day working capital requirements of the Company.

### 23. Auditors:

The Statutory Auditors of the Company are M/s. Deloitte, Haskins & Sells, Chartered Accountants with an ICAI Firm Registration No. ICAI 117365W and have audited the Financial Statements of the Company for the period between 1st April, 2018 to 31st March, 2019. 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 hold office from the conclusion of the 7th Annual General Meeting. In the 7th Annual General Meeting held on 2nd August, 2018, the members re-appointed M/s Deloitte Haskins & Sells, Chartered Accountants (ICAI Firm Registration No. 117365W) for next term of 5 (Five) consecutive years ending at the 12th Annual General Meeting to be held in year 2023. The requirement of ratification of appointment of auditors at the AGM has been omitted pursuant to the Companies (Amendment) Act, 2017 notified on May 7, 2018.

Deloitte, Haskins & Sells have confirmed that they satisfy the independence criteria specified under the Companies Act, 2013.

### 24. Fraud Reporting:

During the year under review, no instances of fraud were reported by the Statutory Auditors of the Company.

### 25. 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 CS Ajit Sharma, proprietor of AJS & Associates, Practicing Company Secretary to undertake the Secretarial Audit for the financial year 2018-19 of the Company. The report forms part of Annual report as 'Annexure IV'.

### 26. 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 V'.

### 27. Disclosure Under The Sexual Harassment Of Women At The Work Place (Prevention, Prohibition And Redressal) Act, 2013 :

The Company is committed to provide a healthy environment to all employees and thus, does not tolerate any discrimination or harassment in any form. The Company has in place an Anti-Harassment and Grievance Redressal Policy. All employees (permanent, contractual, temporary, trainees) are covered under the said Policy. No case has been reported during the year under review.

### 28. Listing With Stock Exchange:

The Equity Shares of the Company continue to be listed on BSE Limited ("BSE") and National Stock Exchange ("NSE"). The Annual Listing Fee for the financial year 2018-19 has been paid to the Stock Exchanges.

### 29. Extract of Annual Return:

The extract of Annual Return pursuant to the 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>.

*Since pursuant to the said 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) Company is not required to annex the extract of annual return with this Board report.*

### 30. Corporate Governance:

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

### 31. 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.

### 32. 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/ Associate company details
IV	Secretarial Audit Report for the period under review
V	Particulars of Employees under Section 134(3) (q) and Section 197(12) of the Companies Act, 2013.

### 33. 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.

#### **34. Directors Responsibility Statement:**

Your Directors wish to inform Members that the Audited Accounts containing Financial Statements for the Financial Year 2018-19 are in conformity with the requirements of the Companies Act, 2013. Your company's financial statements reflect fairly, the form and substance of transactions carried out during the year and reasonably present the financial condition and results of operations.

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

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) 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;
- c) 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;
- d) the directors had prepared the annual accounts on a going concern basis;
- e) the directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

- f) 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 2018-19.
- g) Company has adopted policies and procedures 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; and
- h) 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.

#### **35. 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 wish 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.

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

**Devesh Singh Sahney**  
**Chairman and Managing Director**  
**DIN : 00003956**

**Place: Mumbai**  
**Date : 30 May, 2019**

## 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, 2019:

**a) Conservation of Energy:**

- Steps taken or impact on conservation of energy:** About 74 tube lights were replaced by LED tube lights across the plant and warehouse. Total Energy Saving was 19,212 KWh per year
- Steps taken by the company for utilizing alternate sources of energy:** Discussions with various suppliers for installation of solar power is in progress. It is expected to be operational.
- The capital investment on energy conservation equipment's:** NIL

**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 (2018-19)	Previous Year (2017-18)
1	Units, ( In KWh)	47,52,653	38,41,725
2	Total amount (Rs. In lakhs)	353	331
3	Rate/unit, Rs. per KWh	7.43	8.61
4	Own Generation, (In KWh)	6,941	20,148
<b>Through Diesel Generator</b>			
5	Unit, (In KWh )	6941	20,148
6	Diesel Oil consumed (In liters)	2149	4,870
7	Generation (KWh per liters)	3.22	4.14
<b>Through Steam Turbine/ Generator</b>			
8	Propane gas consumption (in tons)	15.22	14.97
9	Tons of steel heat treated per ton of propane gas consumed.	25.72	19.79
10	Propane gas per ton cost.	57,720	44,715

<b>Consumption per unit production</b>			
Sr. No.	Purchased	Current Year (2018-19)	Previous Year (2017-18)
11	Production Value of Bearings (Rs. In Lakhs)	4970.11	3,316
12	Electricity (purchased and own generation), KWh consumed per Rs. Lakh. Value of Bearings produced	957.64	1164.62
13	HT Furnace production (In Ton)	391.63	296.31

**Form A: Power and Fuel Consumption :**

- Electricity: 63503 KWh Units in FY 18-19

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 SRB with brass cages, Customized needle bearings. There is a continuous development program for enhancing products, allied parts to meet the future needs by providing solutions for customer requirements with an aim to be global player in industrial bearing business. During the year the following activities were carried out by the Research & Development department:

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

- 91 no's of new product developed.
- Development of Special Needle bearing for Stone drilling application
- Development of special products like self-aligning needle bearings.
- Developed Special CRB for sugarcane crusher application.
- Developed Spinning machine for Thrust and combined bearing locking arrangement.
- Enhancement of In house product testing facility for CRB & Ball bearings.
- Developed new range of Medium size cam followers to expand the Product range

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

- Developed 91 products to enhance business in the area of existing as well new application for existing as well as new customer base in domestic and export market.
- Improved product quality and performance.

**c) Future Plan of action:**

- Develop combined bearing to increase existing product range.
- Widen ACBB range for export as well as for domestic market.

3. New range of Needle bearings for wider of applications.
4. Enhancing in-house product testing facility.

**d) Expenditure on R & D:**

1.	Capital	: FY: 2018-19	: NIL	PY: 2017-18 : NIL
2.	Recurring	: FY: 2018-19	: Rs. 118.35 Lakhs	PY: 2017-18 : Rs. 136.66 Lakhs
3.	Total	: FY: 2018-19	: Rs. 118.35 Lakhs	PY: 2017-18 : Rs. 136.66 lakhs
4.	Total R&D as a percentage of Total turnover			FY 2018-19-2.04%, PY 2017-18-3.01%

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

**e) Technology, absorption, adaption and innovation:**

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

1. Adopted technology in process automation, assembly of Thrust and combined bearing.
2. Technology adoption to design and develop full complement ball bearing, Double roller CRB.

**b) Benefits derived as a result of the above efforts e.g. Product improvements, cost reduction, product development, import substitution, etc:**

1. Implemented the technology absorbed in development of special housed unit.
2. New design& development thrust bearing outer cages to improve the bearing performance.

**c) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- NIL**

**Form C: Foreign Exchange Earnings and Outgo:**

Total Foreign Exchange Earnings:

FY 2018-19 - 1668.50 lakhs PY 2017-18- 1273.66 lakhs

Total Foreign Exchange Outgo:

FY 2018-19 - 46.46 lakhs PY 2017-18- 144.52 lakhs

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

**Devesh Singh Sahney**  
**Chairman and Managing Director**  
**DIN : 00003956**

**Place: Mumbai**  
**Date : 30 May, 2019**



**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 are not in ordinary course of business in the FY 2018-19. All the related party transactions forms part of the financials note no. 37.

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

**2. Details of material contracts or arrangement or transactions at arm's length basis:**

- (a) Name(s) of the related party and nature of relationship:

Sr. No.	Nature of relationship	Names of related parties
(a)	Entity on which the Company can exercise significant influence	NRB-IBC Bearings Private Limited Korta Engineering (India) Private Limited
(b)	Key Management Personnel (KMP)	Mr. Devesh Singh Sahney, Chairman and Managing Director
(c)	Relative of Key Management Personnel	* Late Mr. Trilochan S. Sahney, Chairman Mrs. Harshbeena Zaveri, Non- Executive, Non- Independent Director Ms. Mallika Devesh Sahney, Assistant General Manager (Strategy)
(d)	A Company over which relatives of KMP are able to exercise significant influence.	NRB Bearings Limited NRB Bearings (Thailand) Limited SNL Bearings Limited

\* Trilochan Singh Sahney ceased to be Chairman on 16th October, 2018

- (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:** Ongoing business transactions which forms part of financial statements in Notes to accounts, Note no.: 37
- (e) **Date(s) of approval by the Board, if any:** Each Quarter approval as per transactions entered.  
29th May, 2018, 31st July, 2018, 31st October, 2018, 4th February, 2019.
- (f) **Amount paid as advances, if any:** Not applicable.

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

**Devesh Singh Sahney**  
**Chairman and Managing Director**  
**DIN : 00003956**

**Place: Mumbai**  
**Date : 30 May, 2019**

**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, 2019, 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**

(Rs. In Lakhs)

Name of associates/Joint Ventures	NRB-IBC Bearings Private Limited	Korta Engineering (India) Private Limited
1. Latest audited Balance Sheet Date	31.03.2019	31.03.2019
2. Shares of Associate/Joint Ventures held by the company on the year end, Number of shares held	42,00,000	10,50,000
Amount of Investment in Associates/Joint Venture @ face value of Rs. 10/- each share	Rs. 4,20,00,000/-	Rs. 1,05,00,000/-
Extend of Holding%	35%	35%
3. Description of how there is significant influence	35% shareholding of NRB Industrial Bearings Limited (NIBL) and 35% shares held by Late Mr. Trilochan Singh Sahney, Former Chairman of NIBL and forming part of promoter group of NIBL shareholding.	35% shareholding of NRB Industrial Bearings Limited (NIBL) and 45.02% shares held by Late Mr. Trilochan Singh Sahney, Former Chairman of NIBL and formed part of promoter group of NIBL shareholding.
4. Reason why the associate/joint venture is not consolidated	N.A	N.A
5. Net worth attributable to shareholding as per latest audited Balance Sheet as on March 31, 2019.	607.76	0.47
6. Profit/Loss for the year	153.50	68.47
i. Considered in Consolidation	NIL	17.52
ii. Not Considered in Consolidation	54.30	NIL

- Names of associates or joint ventures which are yet to commence operations: **Not Applicable** (Refer Note no. 8)
- 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,**

**Devesh Singh Sahney**  
**Chairman and Managing Director**  
**DIN : 00003956**

**Place: Mumbai**  
**Date : 30 May, 2019**

**ANNEXURE 'IV'****MR - 3****SECRETARIAL AUDIT REPORT**

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

**FOR THE FINANCIAL YEAR ENDED ON 31st MARCH 2019**

To,

**The Members,**  
**NRB INDUSTRIAL BEARINGS LIMITED**  
15, Dhannur, 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, 2019, 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, 2019, 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 forms an integral part of this report.

**For AJS & ASSOCIATES**

**Date : - 30 May, 2019**

**Place: - Mumbai**

**(A.J. SHARMA)**

**Proprietor**

**FCS. no.: 9832**

**COP No.: 12028**

**Annexure - I**

**List of documents verified:**

- Memorandum & Articles of Association of the Company.
- Annual Report for the financial year ended 31st March, 2019.
- Minutes of the meetings of the Board of Directors, Audit Committee, Nomination & Remuneration Committee, Stakeholders' Relationship Committee held and along with Attendance Register maintained during the financial year under report.
- Minutes of General Body Meetings held during the financial year under report.
- Agenda papers submitted to all the directors / members for the Board Meetings and Committee Meetings.
- Declarations received from the Directors of the Company pursuant to the provisions of 184 of the Companies Act, 2013.
- Intimations received from directors under the prohibition of Insider Trading Code.
- 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.
- 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.
- Filings made with Reserve Bank of India by the Company (Not applicable during the period).
- 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.

**For AJS & ASSOCIATES**

**Date : - 30 May, 2019**

**Place: - Mumbai**

**(A.J. SHARMA)**

**Proprietor**

**FCS. no.: 9832**

**COP No.: 12028**



**Annexure II**

To,

**The Members,**

**NRB INDUSTRIAL BEARINGS LIMITED**

15, Dhannur, Sir P. M. Road, Fort

Mumbai - 400 001 India

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 : 30 May, 2019**

**Place : Mumbai**

**For AJS & ASSOCIATES**

**(A.J. SHARMA)**

**Proprietor**

**FCS. no.: 9832**

**COP No.: 12028**

## ANNEXURE V

**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 - 35 : 1 Chairman & Managing Director
(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;	<b>Directors:</b> Mr. Devesh Singh Sahney , CMD - 24% Mr. R.G. Mehendale, CFO -Nil Ms. Ratika Gandhi, Company Secretary - 42%
(iii)	the percentage increase in the median remuneration of employees in the financial year;	55.08%
(iv)	the number of permanent employees on the rolls of company;	272 employees as on 31.03.2019
(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): 42.00%  Average Salary Increase for non KMPs : 10.16%
(vi)	Affirmation that the remuneration is as per the remuneration policy of the company.	Remuneration paid during the year ended March 31, 2019 is as per the Remuneration Policy of the Company.

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

Sr. No.	Name of Director/ KMP	Designation	Date of Resignation/ Appointment
1	Late Mr. Trilochan Singh Sahney	Promoter and Chairman of Board	Cessation by Death on 16th October, 2018.
2	Mr. Ashish Chugani	Independent Director	Ceased w.e.f. 31st October, 2018
3	Mr. Nikhilesh Panchal	Independent Director	Appointed w.e.f 4th February, 2019

\*\*\*\*\*

**ANNUAL COMPLIANCE WITH THE CODE OF CONDUCT  
FOR THE FINANCIAL YEAR 2018 - 19**

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 31st March, 2019 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 Chairman and Managing Director and Chief Financial Officer of NRB Industrial Bearings Limited ("the Company") to the best of our knowledge and belief certify that:

- a) We have reviewed financial statements and the cash flow statement for the financial year ended 31st March, 2019 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 in violation of the Company's Code of Conduct.
- c. We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting of the Company and have disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or proposed to take to rectify these deficiencies.
- d. We have indicated, based in our most recent evaluation, wherever applicable, to the Auditors and the Audit Committee:
  - i. Significant changes, if any, in internal control over financial reporting during the year;
  - ii. Significant changes in accounting policies during the period and that the same have been disclosed in the notes to the financial statements; and
  - iii. There are no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having 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**  
**Chairman & Managing Director**  
**DIN : 00003956**

**Place: Mumbai**  
**Date : 30 May, 2019**

**PRACTICING COMPANY SECRETARIES CERTIFICATE TO THE MEMBERS OF NRB INDUSTRIAL BEARINGS LIMITED ON COMPLIANCE OF THE CONDITION OF CORPORATE GOVERNANCE FOR THE YEAR ENDED 31ST MARCH, 2019.**

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

1. I have examined the compliance of conditions of corporate governance by NRB INDUSTRIAL BEARINGS LTD ('the Company') for the year ended 31st March 2019, as per Listing Agreement executed by the Company with the BSE Limited ('BSE') and the National Stock Exchange of India Limited ('NSE') for the period from 1st April 2018 to 31st March, 2019 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. I 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 the conditions of the 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. I 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 : - 30 May, 2019**  
**Place: - Mumbai**

**(A.J. SHARMA)**  
**Proprietor**  
**FCS. no.: 9832**  
**COP No.: 12028**



## MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

### I. Outlook/ Business Overview

The bearings market was valued at USD 81.6 billion in 2015 and is expected to reach USD 172.2 billion by 2025. The market is anticipated to witness a healthy growth, ascribed to achieve energy efficiency coupled with high demand across the automotive sector. Bearings are necessary in nearly all applications that involve motion, so all industries, ranging from household appliances, automobiles, and industrial machinery to aerospace, using machinery or related motor-driven linkages use bearings. Bearing is a machine element that helps reduce friction between moving parts. It enables machinery to move at extremely high speeds and carry remarkable loads with ease and efficiency.

The global bearings market is mature with a dynamic market demand closely related to the state of engineering industries and capital goods. Manufacturers in the bearings industry invest in R&D to address the rising competition by offering innovative products. These market research had led the technological advancements, such as smart bearings and lubrication technology, incorporating sensor units in bearings, are estimated to offer high growth opportunities to the market. Companies are offering integrated products that drastically reduce the number of bearings required in an assembled product and minimize the overall cost of the equipment. Moreover, it improves the reliability and shelf-life of the product.

The development of bearings enable cost-effective wind energy generation has led to their increased adoption across wind turbine applications that help increase energy production, enhance turbine performance & reliability, and reduce lubricant consumption.

Your Company is optimistic of healthy growth in 2019-20.

### II. Financial Condition

#### 1. Changes in Share Capital:

The Company had increased the Authorized capital of the Company presently from ₹ 55,00,00,000/- (Rupees Fifty Five Crores only) divided into ₹ 5,00,00,000/- (Rupees Five Crore only) of 2,50,00,000 equity share of ₹ 2/- each and ₹ 50,00,00,000/- (Rupees Fifty Crore only) of 5,00,00,000 preference shares of ₹ 10/- each to 65,00,00,000/- (Rupees Sixty Five Crore only) divided into ₹ 5,00,00,000/- (Rupees Five Crore only) of 2,50,00,000 equity shares of ₹ 2/- each and ₹ 60,00,00,000/- (Rupees Sixty Crore only) of 6,00,00,000 preference shares of ₹ 10/- each.

#### 2. Reserves and Surplus

The balance of Capital Reserve as at 31st March, 2019 amounted to Rs. 5700.16 lakhs, Retained Earnings of the Company for the financial year ended March 31, 2019 stood at negative Rs. 10036.01 lakhs and deemed capital contribution is Rs. 3705.94 lakhs.

#### 3. Fixed Assets

During the year, we capitalized Rs. 118.35 lakhs to our gross block comprising Rs. 0.51 Lakhs for Leasehold Improvements, Rs. 0.96 lakhs for Furniture & Fixture, Rs. 2.24 lakhs for Computer, Rs. 81.18 lakhs for Plant & Machinery, Rs. 35.50 lakhs for Vehicles and Rs. 4.46 lakhs for office equipment's.

#### 4. Deferred tax assets / liabilities

Deferred tax asset and liabilities primarily comprise deferred taxes on fixed assets, un-availed 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. 1248.53 Lakhs as at March 31, 2019 compared to Rs. 1148.95 Lakhs as March 31, 2018.

Debtors are at 21.50% of revenues for the year ended March 31, 2019, compared to 25.27% as on March 31, 2018.

#### 6. Cash and cash equivalents

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

#### 7. Loans and advances and other non-current assets

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

##### Loans and advances

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Capital advance	3.51	4.85
Security deposits	47.17	46.62
<b>Total</b>	<b>50.68</b>	<b>51.47</b>

Capital advances represent amount paid in advance on capital expenditure.

##### Non-current Investments

The Company had acquired 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.

The Company had acquired 10,50,000 equity shares of Rs. 10/- each comprising 35% of paid-up capital in its associate viz. Korta Engineering India Private Limited for the year ended 31st March, 2019.

Further there's no change for the year ended 31st March, 2019.

## 8. Liabilities

### Long term Liabilities

(Rs. In Lakhs)

Particulars	31st March, 2019	31st March, 2018
Secured Term Loan	1334.27	1484.09
Other Loan	4935.43	3231.99
<b>Total</b>	<b>6269.70</b>	<b>4716.08</b>

### Term Loan from Bank

#### Secured:

- (a) Rs. Nil (March 31, 2018 Rs. 139.71 lakh) 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 fully repaid in September 2018.
- (b) Rs. 1415.56 lakhs (March 31, 2018 Rs. 1491.41 lakhs) secured by subservient charge on current assets and movable Property, plant and equipment and pledge of 1,958,350 shares (March 31, 2018 2,083,250 shares) of NRB Bearings Limited held by a director of the Company. The working capital term loan is repayable in remaining 16 installments comprising of 4 Quarterly installment of Euro 0.38 lac each 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.

### Term loan from others

- (c) Rs. 42.17 lakhs (March 31, 2018 Rs. 23.12 lakhs) secured by hypothecation of vehicles. Out of these, the term loan of Rs. Nil (March 31, 2018 Rs. 1.35 lakhs) is fully repaid in September, 2018, the term loan of Rs. 7.88 lakhs (March 31, 2018 Rs. 14.25 lakhs) carrying interest rate of 12.75 % is repayable in remaining 12 equal monthly installments by April, 2020, the term loan of Rs. 5.92 lakhs (March 31, 2018 Rs. 7.52 lakhs) carrying interest rate of 8.82 % is repayable in remaining 37 equal monthly installments by April, 2022 and the term loan of Rs. 29.04 lakhs (March 31, 2018 Rs. Nil) carrying interest rate of 8.63 % is repayable in remaining 53 equal monthly installments by August, 2023

#### Unsecured

### Term loan from others

- (d) Rs. 2667.19 lakhs (March 31, 2018 Rs. 1639.06 lakhs) secured by pledge of 2,998,697 shares (March 31, 2018 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. 334.38 lakhs starting from 6 Dec, 2019 and carries interest rate of 10.5 % to 11 % p.a.

### Loans from related parties:

- (e) 100 lakhs each 6 % Cumulative Redemable Non -Convertible Preference shares of Rs. 10 each fully paid up were issued to a Promoter shareholder in March 2016 and in April 2016 with redemption at the end of 5 years from the date of issue. During the year ended March 31, 2018, 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 % Cumulative Redemable Non -Convertible Preference shares of Rs. 10 each fully paid up were issued to a Promoter shareholder in February 2018 with redemption at the end of 10 years.

100 lakhs and 35 lakhs 2 % Cumulative Redeemable Non - Convertible Preference shares of Rs. 10 each fully paid up were issued to a Promoter shareholder in January 2019 and in March 2019 respectively with redemption at the end of 10 years.

### Short term Liabilities

(Rs. In Lakhs)

Particulars	31st March, 2019	31st March, 2018
Maturities of Long Term Debt	789.08	170.15
Interest accrued but not due on borrowings	7.25	8.64
Current Liabilities	93.88	99.69
<b>Total</b>	<b>890.21</b>	<b>278.48</b>

Other Payables includes – payables on purchase of fixed assets, statutory remittances (Contribution to PF, PT, Withholding Tax, GST, 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, 2018 was Rs. 32.07 Lakhs compared to Rs. 49.41 Lakhs for the financial year ended 31st March, 2019.

Long term provisions for the previous financial year ended 31st March, 2018 was Rs. 48.20 Lakhs compared to Rs. 41.97 Lakhs for the financial year ended 31st March, 2019.

## 10. Revenue from Operations

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

(Rs. In Lakhs)

Particulars	31st March, 2019	31st March, 2018
Revenue from Operations	5806.01	4546.57
EBITA	284.74	-297.71
Loss before Exceptional items and Tax	-1398.49	-2045.66
Exceptional Items	-	-
Loss Before Tax	-1398.49	-2045.66
Tax Expenses	-	-
Loss after Tax	-1398.49	-2045.66
Other Comprehensive Income	9.84	11.92
Total Comprehensive Income	-1408.32	-2057.58
Earnings Per Share	-5.77	-8.44

## III. Environment, Health and Safety

Health and Safety of the employees is considered at priority and are maintain 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 hazards 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.

We have conducted an internal employee satisfaction survey.

### Core Values:

NIBL has formed core values for the organization. We believe workplace values are the guiding principles to you about the way you work every employee of your company will be

bringing into practice use these deeply held principles to choose between right and wrong ways of working, and also to take important decisions at work.

1. Flexibility and Adaptability – We keep no boundaries, to meet our consumer needs.
2. MD at Work / Task – Every employee is the owner of their task.
3. No compromise on Quality – We deliver with zero defects.
4. Loyalty & Transparency between all stakeholders – We commit loyalty.
5. Customer First in all actions – We work on unmet needs of our customer.
6. Fun at Work – We believe happy employees are the best employees.
7. Grow with profits – We aim on achieving consistent profitable growth.
8. Keep it Simple – Simplicity is what we believe in.

### Offering a harassment-free workplace to all:

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

### 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 have organized Safety Week at our Shendra plant & Head Office, wherein we provided fire safety training to our employees and conducted safety Mock drill.

### 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.

### Positive working environment:

Company emphasis and make 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 & making a great place to work.

#### IV. 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.

#### V. 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.

#### VI. Internal control systems and their adequacy:

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

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#### Route Map to the AGM Venue





## 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, 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, 2019 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`
**Late Mr. Trilochan Singh Sahney	00003873	Ex-Chairman and Non-Executive	2	2
Mr. Devesh Singh Sahney	00003956	Executive, CMD	2	2
Mr. Manish Choksi	00026496	Independent	2	2 (1 as a Chairman)
^Mr. Gaurav Motwane	00746165	Independent	1	2 (2 as a Chairman)
*Mr. Nikhilesh Panchal	00041080	Independent	2	3
* Mr. Ashish Chugani	00009654	Independent	1	3
Mrs. Harshbeena Zaveri	00003948	Non-Executive	3	4

\*\*Late Mr. Trilochan Singh Sahney ceased to be director w.e.f. 16th October, 2018

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

^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.

\*Mr. Nikhilesh Panchal was appointed as Additional Independent Director w.e.f. 4th February, 2019 in casual vacancy of Mr. Ashish Chugani who ceased to be a director of the Company w.e.f. 1st November, 2018.

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, 2019, in compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Company's Board of Directors headed by its Chairman and Managing Director, Mr. Devesh Singh Sahney comprised of four other directors, out of which three are Independent Non-Executive Directors 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.

Sr No	Name of Director	Name of other Listed Entity & Category of Directorship
1.	Late Mr. Trilochan Singh Sahney	NRB Bearings Limited- Non-Executive Non-Independent Chairperson
2.	Mr. Devesh Singh Sahney	NRB Bearings Limited- Non-Executive Non-Independent Director
3.	Mrs. Harshbeena Zaveri	NRB Bearings Limited- Vice Chairperson and Managing Director SNL Bearings Limited- Non-Executive Non-Independent Director, Chairperson
4.	Mr. Manish Choksi	Asian Paints Limited- Non-Executive Non-Independent Director, Vice Chairperson
5.	Mr. Gaurav Motwane	-
6.	Mr. Ashish Chugani	-
7.	Mr. Nikhilesh Panchal	Mahindra EPC Irrigation Limited – Non Executive - Independent Director

### 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, 2018, 31st July, 2018, 31st October, 2018, 4th February, 2019 & 25th March, 2019. Further Four (4) Circular resolutions passed during the review period, noting of which was been 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 02 <sup>nd</sup> August, 2018
	29 <sup>th</sup> May, 2018	31 <sup>st</sup> July, 2018	31 <sup>st</sup> October, 2018	4 <sup>th</sup> February, 2019	25 <sup>th</sup> March, 2019	
Late Trilochan Singh Sahney	✓	✓	-	-	-	✓
Harshbeena Zaveri	✓	✓	✓	✓	✓	✓
Devesh Singh Sahney	✓	✓	✓	✓	✓	✓
Manish Choksi	✓	✓	✓	✓	✓	✓
* Ashish Chugani	✓	✓	✓	-	-	-
^Gaurav Motwane	LOA	✓	LOA	✓	✓	✓
*Nikhilesh Panchal	-	-	-	✓	-	-

^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.

\*Mr. Nikhilesh Panchal was appointed as Independent Director w.e.f 4th February, 2019 in casual vacancy of Mr. Ashish Chugani who ceased to be a director of the Company w.e.f 31st October, 2018

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.

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. The web link for the same is <http://www.nrbindustrialbearings.com/upload/Familiarisation-Programme-for-Independent-Directors.pdf>

None of the Independent Directors held any equity shares or convertible instruments of the Company during the financial year ended 31st March, 2019.

In the opinion of the Board of Directors and based on the declaration of Independence received from the Independent Directors under Section 149 sub section 6 of Companies Act, 2013 the Board confirms that the Independent Directors fulfil the conditions specified in the SEBI( Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent of the management.

Mr. Ashish Chugani, Independent Director had resigned from his office on 31st October, 2018 due to personal reasons before the expiry of his tenure and has confirmed that there are no other material reasons for such resignation.

## 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/upload/NIBL%20Code%20of%20Conduct%20-2017.pdf>)

The Managing Director and CFO have given a declaration that the members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code during the year 2018-19.

## III. Profile of Directors:

### 1. Devesh Singh Sahney : Chairman & 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, Mr. Devesh worked with Larsen & Toubro (Bombay) in the Finance department, L&T is a technology, engineering, construction and manufacturing company; one of the largest and most respected companies in India's private sector. Followed by working with Credit Lyonnais, French Bank in Bombay in various departments.

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

### 2. Harshbeena Zaveri

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

Thapar & Bros (Coal Sales) Ltd, and past Board member of IL&FS Asset Management Company Limited.

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

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

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

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

### 3. Manish Choksi

Manish joined our Board w.e.f 2nd May, 2014. Manish joined Asian Paints Limited in the year 1992 as an Executive and has grown in ranks by holding various positions across Sales, Information Technology, Supply Chain, Chemicals, HR and General Management in the Company.

Before being inducted as the Vice Chairman/ Non - Executive Director on the Board of Directors of the Company, he held the position of President - International Business, IT, HR and Chemicals. He was a member of the Executive Council of Asian Paints group and reported to the Managing Director & CEO of the Company. He spearheaded the Information Technology function of the Company and has been instrumental in leveraging IT solutions across the extended enterprise and achieving improved business performance. He led the International Business of the Company and has led the Company's efforts in expansion of its emerging markets portfolio. He has been a catalyst for the company's foray into home improvement. Manish has significantly contributed in achieving the

Company's growth plans and more particularly in the critical areas of implementation of Supply Chain management solutions. He has also played an active role in restructuring the Joint Venture companies of the Company with PPG Industries Inc., USA.

A leader in the IT community and the past Chairman of INDUS, a 1100+ company network of SAP users. He has been on the advisory boards of IBMs Collaboration business, the Asia Pacific Executive Advisory Board of SAP APAC, member of the Global Chemical Executive Advisory Board of SAP SE and a member of SUGEN, a global executive network of the all SAP user groups worldwide.

He is an active angel investor with particular interest in investing in companies that champion cross leverage of physical and ecommerce models with a focus on consumers and data / analytics.

#### 4. **Gaurav Motwane**

Mr. Motwane holds a Bachelor's Degree from The Wharton School, University of Pennsylvania, USA. He holds position of Managing Director in MSL Driveline Systems Limited 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.

#### 5. **Nikhilesh Panchal** (Appointed as on 4th February, 2019)

Mr. Nikhilesh Panchal is currently a Partner in Khaitan & Company, Solicitors and Advocates, Mumbai. He has a Bachelor's Degree in Commerce and Law and done Master's Degree in Law (LLM) and is a Solicitor. Mr. Panchal has a rich experience in acquisitions, takeover and mergers, foreign collaborations and joint venture transactions. He also has experience and expertise on procedures under foreign exchange management act, 1999 and Corporate Law, intellectual property rights, commercial litigations. He had also been involved in contract negotiations and regularly advises on structuring, acquisitions, joint ventures and corporate and commercial matters.

#### 6. **Ashish Chugani** (Resigned with effect from 31st October, 2018)

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 & real estate.
- Post investment portfolio monitoring, mentoring and support.
- Managing and implementing exits.
- Fund raising for various investment strategies.

### IV. **Committees Of The Board**

#### 1. **Audit Committee**

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

FREQUENCY:

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

INVITEE:

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

FUNCTION / ROLE:

The role of the Audit Committee shall include the following:

1. Oversight of the company's financial reporting process



and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
  - b. Changes, if any, in accounting policies and practices and reasons for the same
  - c. Major accounting entries involving estimates based on the exercise of judgment by management
  - d. Significant adjustments made in the financial statements arising out of audit findings
  - e. Compliance with listing and other legal requirements relating to financial statements
  - f. Disclosure of any related party transactions
  - g. Qualifications in the draft audit report
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of Vigil mechanism / Whistle Blower mechanism, in case the same is existing;
19. Approval of appointment of CFO (i.e. Whole-time Financial Director or any other person heading the finance function) after assessing the qualifications, experience and background etc. of the candidate; and 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) Chairman & Managing Director:

- i Mr. Manish Choksi : Chairman
- ii Mr. Devesh Sahney : Chairman & Managing Director
- iii Mr. Gaurav Motwane : Independent Director
- iv Mr. Ashish Chugani : Independent Director (resigned w.e.f. 31st October, 2018)
- v Mr. Nikhilesh Panchal : Independent Director (appointed w.e.f. 4th February, 2019)

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

Particulars	Attendance at the Audit Committee			
	29 <sup>th</sup> May, 2018	31 <sup>st</sup> July, 2018	31 <sup>st</sup> October, 2018	04 <sup>th</sup> February, 2019
Manish Choksi	✓	✓	✓	✓
Devesh Singh Sahney	✓	✓	✓	✓
Ashish Chugani	✓	✓	✓	-
Gaurav Motwane	LOA	✓	LOA	✓
Nikhilesh Panchal	-	-	-	-

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

Mr. Ashish Chugani ceased to be Independent director w.e.f. 31st October, 2018

Mr. Nikhlesh Panchal was appointed as an Independent Director w.e.f. 4th February, 2019.

## 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. Manish Choksi and Mr. Nikhilesh Panchal are also the members of this 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 is NIL status of pending complaints with the Company.

The Company has acted upon all valid requests for share transfer received during the Financial Year 2018-19 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 <sup>th</sup> May, 2018	31 <sup>st</sup> July, 2018	31 <sup>st</sup> October, 2018	04 <sup>th</sup> February, 2019
Gaurav Motwane	LOA	✓	LOA	✓
Ashish Chugani	✓	✓	✓	-
Manish Choksi	✓	✓	✓	✓
Nikhilesh Panchal	-	-	-	-

a) Mr. Gaurav Motwane was made Chairman of the Stakeholders Committee w.e.f 6th November, 2015.

b) Mr. Ashish Chugani ceased to be the Independent Director w.e.f. 31 st October, 2018.

c) Mr. Nikhilesh Panchal was appointed on 4th February , 2019

## 3. Nomination & Remuneration Committee

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

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

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

- Level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goals.

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

#### Composition

Your Company's Nomination & Remuneration

Committee comprises of three (3) independent directors:

1. Mr. Gaurav Motwane - Chairman
2. Mr. Manish Choksi
3. Mr. Ashish Chugani (Resigned as on 31st October, 2018).
4. Mr. Trilochan Singh Sahney- (Ceased on 16th October, 2018)
5. Mr. Nikhilesh Panchal (Appointed on 4th February, 2019)

#### Meeting of the Committee

The meeting of the Committee was held on 29th May, 2018, 31st July, 2018, 27th October, 2018 & 4th February, 2019.

**Attendances for the Nomination and Remuneration Committee Meeting of the Company are as follows:**

Particulars	Nomination and Remuneration Committee			
	29th May, 2018	31st July, 2018	27th October, 2018	04th February, 2019
*Gaurav Motwane	-	-	-	✓
Ashish Chugani	✓	✓	✓	-
Manish Choksi	✓	✓	✓	✓
Trilochan Singh Sahney	✓	✓	-	-
Nikhilesh Panchal	-	-	-	-

\*Mr. Gaurav Motwane was appointed as a member on 31st October, 2018 and he became the Chairperson of the Committee on 04th February, 2019

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

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

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

#### V. Performance Evaluation

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

#### VI. Remuneration Of Directors For The Year 2018 -19

Company's Chairman and Managing Director, Mr. Devesh Singh Sahney has received Rs. 91,33,493/- (Rupees Ninety One Lakh Thirty three thousand and Four hundred and Ninety three Only) as Managerial Remuneration according to the provisions of Section 197 of the Companies Act, 2013 for the Financial Year ended 31st March, 2019.

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 AM
31.03.2016		19.07.2016	
31.03.2017		03.08.2017	
31.03.2018		02.08.2018	

**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 Cumulative Redeemable Non – convertible Preference Shares on Private Placement.

### **Postal Ballot/ E-Voting**

During the year under review, the Company passed the following Special Resolution through postal ballot for

1. Revision in remuneration of Mr. Devesh Singh Sahney, Managing Director for the period of three years from 01st October, 2018 to 30th September, 2021.
2. Ratified the payment of Managerial Remuneration paid to Mr. Devesh Singh Sahney during demerger as per the High Court order for period of 18 months from 01st October, 2012 to 31st March, 2014.
3. Increased the Authorized Share Capital of the Company and Amended the Memorandum of Association.
4. Issuance of Cumulative Redeemable Non-Convertible Preference Shares on Private Placement basis to Mr. Devesh Singh Sahney, Managing Director.

Salient features of the Postal Ballot are as follows:

- Mr. Upendra Shukla, Practicing Company Secretary was appointed as Scrutinizer for conducting the postal ballot / e-voting.
- Notice along with accompanying documents was dispatched electronically / by post to the Shareholders whose names appeared on the Register of Members of the Company on 16th November, 2018. Such dispatch was completed on 18th November, 2018;
- The last date for receipt of postal ballot forms was 18th December, 2018; the period for e-voting started on 19th November, 2018 and ended on 18th December, 2018;
- The Scrutinizer declared the results of postal ballot / e-voting on 20th December, 2018 at the Registered Office of the Company, as follows:

Sr. No.	Particulars	Type of resolution	Total Votes Cast in Favour		Total Votes Cast Against	
			No of shares	% of Votes Cast	No of Shares	% of Votes Cast
1	Approval for the revision in remuneration of Mr. Devesh Singh Sahney, Managing Director for the period of three year from October 01, 2018 to September 30, 2021.	Special Resolution	13794736	100	68	Negligible
2	Ratification of the payment of managerial remuneration paid to Mr. Devesh Singh Sahney during demerger as per The High Court Order for Period of 18 Months from October 1, 2012 to March 31, 2014.	Special Resolution	13794686	100	118	Negligible
3	Approval for the Increase in Authorized Share Capital of the Company and amend the Memorandum of Association.	Special Resolution	13794803	100	1	Negligible
4	Approval for the Issue and Offer of Cumulative Redeemable Non-Convertible Preference Shares on Private Placement to Mr. Devesh Singh Sahney, Managing Director.	Special Resolution	13794753	100	51	Negligible

**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](http://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	14 <sup>th</sup> August, 2019		
Financial Year	1 <sup>st</sup> April, 2018 – 31 <sup>st</sup> March, 2019		
Date of Book Closure	03-08-2019 TO 14-08-2019		
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. Tel no.: 022-28207203-05		

**Shares Transfer System:**

99.54 % 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 31<sup>st</sup> March, 2019:**

No. of Shares	No. of Shareholders	No. of Shares	Percentage of Total Shares
1 to 500	6405	773102	3.191
501 to 1000	412	338307	1.396
1001 to 2000	235	361133	1.490
2001 to 3000	96	248216	1.024
3001 to 4000	51	179782	0.742
4001 to 5000	34	159782	0.659
5001 to 10000	59	415939	1.717
10,001 and above	95	21754389	89.780
<b>Total</b>	<b>7387</b>	<b>24230650</b>	<b>100</b>

**Shareholding Pattern as on 31st March, 2019:**

Category	No. of Shares Held	Percentage
<b>Promoter &amp; Promoters Group</b>		
Individuals	76,15,624	31.43
Trust	94,38,910	38.95
<b>Institutions</b>		
Banks / Bodies Corporate / FPI	1,950	0.01
<b>Non-Institutions</b>		
Individuals & others	71,74,166	29.61
<b>Total</b>	<b>2,42,30,650</b>	<b>100</b>

**Address for Correspondence:**

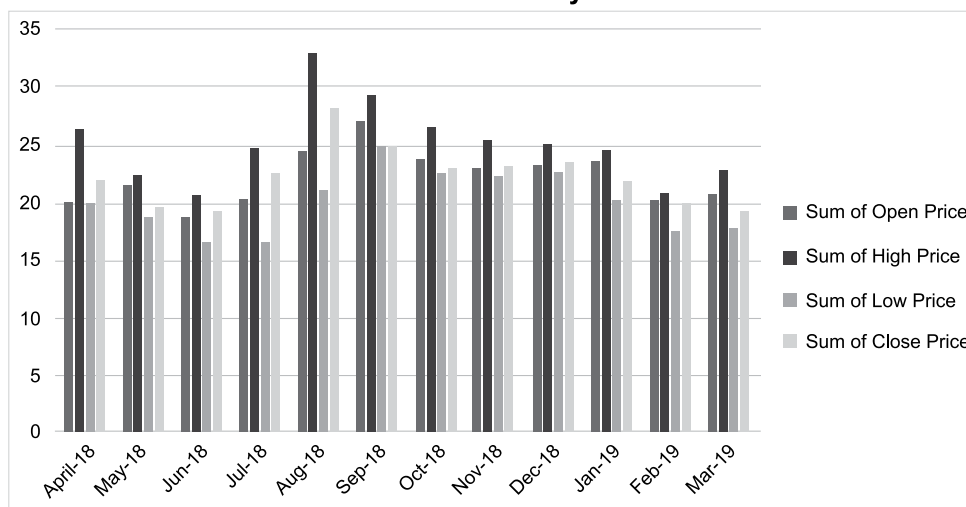
Mrs. Ratika Gandhi  
 (Company Secretary & Compliance Officer)  
 NRB Industrial Bearings Limited  
 2nd Floor Dhannur building,  
 15 Sir P. M. Road, Mumbai 400 001  
 Tel no.: 022-45417500  
 Email ID - investorcare@nibl.in

**Market Price Data: Open, High, Low, Close during each month in the last Financial Year**

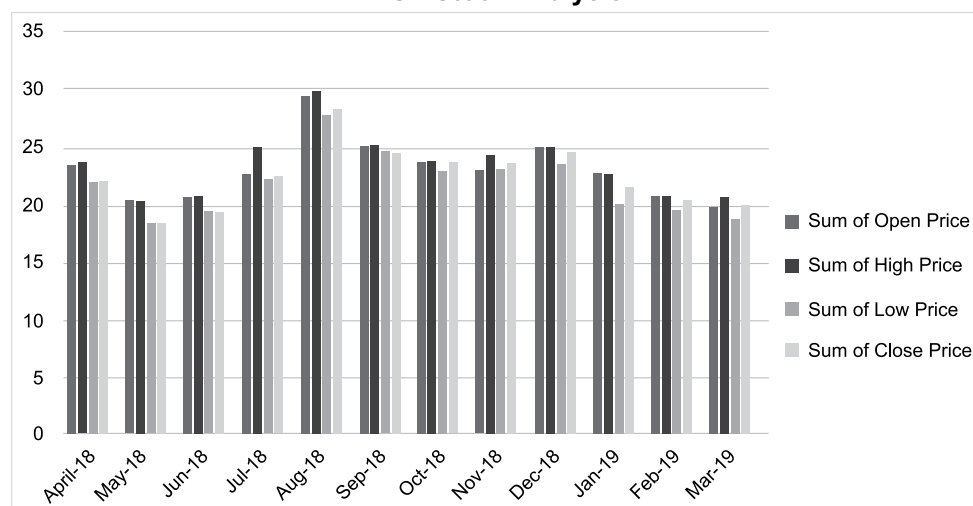
<b>BSE</b>				
<b>Month</b>	<b>Open Price</b>	<b>High Price</b>	<b>Low Price</b>	<b>Close Price</b>
Apr-18	20.2	26.6	19.9	22.1
May-18	22	22.55	19	19.7
Jun-18	18.85	20.8	16.75	19.5
Jul-18	20.4	24.9	19.25	22.85
Aug-18	24.8	33.1	21.2	28.4
Sep-18	27.35	30.2	25.2	25.2
Oct-18	23.95	26.75	22.85	23.15
Nov-18	23.2	25.55	22.5	23.35
Dec-18	23.5	25.25	23	23.6
Jan-19	23.7	24.8	20.2	21.9
Feb-19	20.2	20.9	17.6	20
Mar-19	20.9	22.95	18	19.5

<b>NSE</b>				
<b>Month</b>	<b>Open Price</b>	<b>High Price</b>	<b>Low Price</b>	<b>Close Price</b>
Apr-18	23.5	23.5	22.15	22.15
May-18	20.55	20.55	18.75	19.05
Jun-18	20.85	20.85	19.5	19.55
Jul-18	22.8	24.95	22.15	22.65
Aug-18	29.7	30	28	28.5
Sep-18	25.05	25.05	24.7	24.7
Oct-18	23.8	24	23	23.6
Nov-18	23.1	24.5	23.1	23.5
Dec-18	25.2	25.2	23.75	24.75
Jan-19	22.75	22.75	20.1	21.75
Feb-19	20.9	20.9	19.7	20.5
Mar-19	19.95	20.9	19.05	20.05

### BSE Stock Analysis



### NSE Stock Analysis



## 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: <http://nrbindustrialbearings.com/shareholder.php>.

### Commodity price risk or foreign exchange risk and hedging activities

During the year 2018-19, 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 2018-19 or as on 31st March, 2019 is 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****Opinion**

We have audited the accompanying standalone Ind AS financial statements of **NRB Industrial Bearings Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2019, 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 significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, and its loss, total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

**Basis for Opinion**

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

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	<p><b>Inventory - Provision for slow and non-moving inventory of finished goods.</b></p> <p>The Company is in the business of manufacturing of industrial bearings. The inventory of the company includes Raw Materials, Work-in- Progress, and Finished goods are stated at lower of cost and net realisable value. Determination of slow moving and non-moving inventory involves significant management judgment and estimate.</p> <p>The Company has certain non-moving finished goods inventory as at March 31, 2019 lying at factory. This inventory is physically verified quarterly by the Company. Management applies judgment in determining the appropriate provisions for such slow, damaged &amp; non-moving inventory based upon its detailed analysis of old inventory, net realizable value, quarterly movement of such inventory, its physical condition and future use. Accordingly determining slow, damaged and non-moving items of such inventory including assessment of their physical condition and consequent amount of provision required for such inventory requires the Company to make significant judgment and estimates about their recoverable value and future use.</p> <p>Refer to Note 2(f) and 11 of the standalone financial statements for the above matter.</p>	<ol style="list-style-type: none"><li>1. Review of accounting policies established by the Company with reference to the requirements of Ind AS 2, the process followed by the management, control environment and control procedures in place. We have ensured that the procedures were appropriately structured to obtain all necessary information for accounting and disclosures.</li><li>2. We have evaluated the design and tested the implementation of internal controls on the judgements exercised for provisions made and underlying data, assumption used and record maintained;</li><li>3. We have tested the operating effectiveness of internal controls relating to provisions made, (i.e. underlying data and related information used in recording of the provision) in accordance with the Company's policies and requirement of Ind AS 2.</li><li>4. We have observed physical verification of inventory conducted by the Company as at March 31, 2019 and on a test check basis, verified the samples of provisions made with basis, assumptions, approval and supporting documents used by the management.</li></ol>

## Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report, but does not include the financial statements and our auditor's report thereon.
- Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## 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 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 Ind AS 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

## Auditor's Responsibility for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements as a

whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone Ind AS financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i)



planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone Ind AS financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

1. As required by Section 143(3) of the Act, based on our audit we report, that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - 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 standalone Ind AS financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st

March, 2019 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 the requirements of section 197(16) of the Act, as amended,

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements- Refer Note 33 to the financial statements.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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)

**Kedar Raje**  
(Partner)  
(Membership No. 102637)

Place: Mumbai  
Date : 30 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 31st March 2019)

### **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 31st March 2019 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 31st

March, 2019, 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)

**Kedar Rajee**

(Partner)  
(Membership No. 102637)

Place: Mumbai

Date: 30 May, 2019

### **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, 2019)

- (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 year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (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, Goods and Services Tax, Custom duty, 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, Goods and Services Tax, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.
- (c) Details of dues of Service Tax which have not been deposited as on March 31, 2019 on account of disputes:

Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount involved (Rs. in lakhs)	Amount unpaid (Rs. in lakhs)
The Finance Act, 1994	Service Tax	Customs, Excise and Service Tax Appellate Tribunal	October 2012 to March 2015	9.42	7.92*
			April 2012 to November 2015.	20.76	18.69**
		Commissioner Appeals	December 2015 to June 2017	9.38	9.38

\* Net of Rs. 1.5 lakhs paid under protest

\*\* Net of Rs. 2.07 lakhs paid under protest

There are no dues of Income-tax, Goods and Service Tax, Excise Duty and Customs Duty as on 31 March, 2019 on account of disputes.

- (viii) (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 (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us, the Company has made private placement of shares during the year under review.
- In respect of the above issue, we further report that:
- the requirement of Section 42 of the Companies Act, 2013, as applicable, have been complied with; and
  - 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)

**Kedar Raje**  
(Partner)  
(Membership No. 102637)

Place: Mumbai  
Date: 30 May, 2019

**BALANCE SHEET AS AT MARCH 31, 2019**
**(Rs. in Lakhs)**

	Particulars	Notes	As at March 31, 2019	As at March 31, 2018
<b>A</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non-current assets</b>			
	(a) Property, plant and equipment	6	8,961.62	9,707.87
	(b) Capital work-in-progress		271.69	169.63
	(c) Other Intangible assets	7	12.45	23.27
	(d) Financial assets			
	(i) Investments			
	(a) Investments in associates	8	525.00	420.00
	(ii) Trade Receivables	12	132.81	137.81
	(ii) Other financial assets	9	69.28	64.48
	(d) Non- Current tax assets (Net)	14	61.03	14.65
	(e) Other non-current assets	10	784.78	776.61
	<b>Total non - current assets</b>		<b>10,818.66</b>	<b>11,314.32</b>
<b>2</b>	<b>Current assets</b>			
	(a) Inventories	11	2,123.57	1,842.43
	(b) Financial Assets			
	(i) Trade receivables	12	1,115.72	1,011.14
	(ii) Cash and cash equivalents	13A	71.66	67.57
	(iii) Bank balances other than (ii) above	13B	5.45	15.45
	(iv) Other financial assets	9	9.68	1.49
	(c) Current tax assets (Net)	14	-	33.18
	(d) Other current assets	10	349.28	421.86
	<b>Total current assets</b>		<b>3,675.36</b>	<b>3,393.12</b>
	<b>Total assets (1+2)</b>		<b>14,494.02</b>	<b>14,707.44</b>
<b>B</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>Equity</b>			
	(a) Equity Share capital	15	484.61	484.61
	(b) Other Equity	16	(228.33)	287.62
	<b>Total equity</b>		<b>256.28</b>	<b>772.23</b>
	<b>Liabilities</b>			
<b>2</b>	<b>Non-current liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings	17A	5,604.08	4,716.07
	(ii) Trade payables			
	a) Total outstanding dues of Micro Enterprises and Small Enterprises		75.76	78.61
	b) Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises			
	(iii) Other financial liabilities	19	84.33	160.76
	(b) Deferred tax liabilities (Net)	15A	-	-
	(c) Provisions	21	41.97	48.20
	<b>Total non - current Liabilities</b>		<b>5,806.14</b>	<b>5,003.64</b>
<b>3</b>	<b>Current liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings	17B	5,523.56	7,348.47
	(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	1,930.20	1,272.55
	(iii) Other financial liabilities	19	834.55	178.79
	(b) Other current liabilities	20	93.88	99.69
	(c) Provisions	21	49.41	32.07
	<b>Total current liabilities</b>		<b>8,431.60</b>	<b>8,931.57</b>
	<b>Total liabilities (2+3)</b>		<b>14,237.73</b>	<b>13,935.21</b>
	<b>Total equity and liabilities (1+2+3)</b>		<b>14,494.02</b>	<b>14,707.44</b>

**See accompanying notes to the financial statements**

In terms of our report attached.

**For and on behalf of the Board of Directors**
**For Deloitte Haskins & Sells**
**Chartered Accountants**
**D. S. Sahney**
**Chairman and Managing Director**
**Kedar Raje**
**Partner**
**R. G. Mehendale**
**Chief Financial Officer**
**Ratika Gandhi**
**Company Secretary**
**Place : Mumbai**
**Date : 30 May, 2019**
**Place : Mumbai**
**Date : 30 May, 2019**



**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019**
**(Rs. in Lakhs)**

	Particulars	Notes	For the year ended March 31, 2019	For the year ended March 31, 2018
I	Revenue from operations	22	5,609.46	4,403.03
II	Other income	23	196.55	143.54
<b>III</b>	<b>Total Income (I + II)</b>		<b>5,806.01</b>	<b>4,546.57</b>
<b>IV</b>	<b>Expenses</b>			
	Cost of materials consumed	24	2,310.15	1,470.43
	Purchases of stock-in-trade	25	193.05	198.59
	Changes in inventories of finished goods and work-in-progress	26	(309.71)	152.75
	Excise duty on sale of goods		-	59.72
	Employee benefits expense	27	1,688.79	1,564.33
	Finance costs	28	801.30	855.67
	Depreciation and amortisation expense	29	881.93	892.28
	Other expenses	30	1,638.98	1,398.46
	<b>Total expenses (IV)</b>		<b>7,204.49</b>	<b>6,592.23</b>
<b>V</b>	<b>Loss before tax (III - IV)</b>		<b>(1,398.48)</b>	<b>(2,045.66)</b>
<b>VI</b>	<b>Tax Expense</b>			
	(1) Current tax		-	-
	(2) Deferred tax		-	-
	<b>Total tax expense</b>		<b>-</b>	<b>-</b>
<b>VII</b>	<b>Loss for the year (V - VI)</b>		<b>(1,398.48)</b>	<b>(2,045.66)</b>
	<b>Other comprehensive income</b>			
A	(i) Items that will not be reclassified to profit or loss			
	(a) Remeasurements of the defined benefit plans		9.84	11.92
	(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
<b>VIII</b>	<b>Total other comprehensive income (A (i-ii))</b>		<b>9.84</b>	<b>11.92</b>
<b>IX</b>	<b>Total comprehensive income for the year (VII+VIII)</b>		<b>(1,408.32)</b>	<b>(2,057.58)</b>
<b>X</b>	<b>Earnings per equity share</b>	31		
	(1) Basic (in Rs.)		(5.77)	(8.44)
	(2) Diluted (in Rs.)		(5.77)	(8.44)

**See accompanying notes to the financial statements**

In terms of our report attached.

**For Deloitte Haskins & Sells**  
**Chartered Accountants**
**For and on behalf of the Board of Directors**
**D. S. Sahney**  
**Chairman and Managing Director**
**Kedar Raje**  
**Partner**
**R. G. Mehendale**  
**Chief Financial Officer**
**Ratika Gandhi**  
**Company Secretary**
**Place : Mumbai**  
**Date : 30 May, 2019**
**Place : Mumbai**  
**Date : 30 May, 2019**

**STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**
**(Rs. in Lakhs)**

Particulars	For year ended March 31, 2019	For year ended March 31, 2018
<b>Cash flows from operating activities</b>		
Profit after tax	(1,398.48)	(2,045.66)
Adjustments for:		
Income tax (income)/expense recognised in statement of profit or loss	-	-
Finance costs	801.30	855.67
Allowance for doubtful debts	17.69	9.76
Bad debts / advances written off	5.81	-
Depreciation and amortisation expense	881.93	892.28
(Gain)/Loss arising on Financial Liabilities / assets designated at FVTPL	(38.22)	160.76
Loss on sale of Property, Plant & equipment	-	1.08
Liability no longer payable required written back	-	(14.53)
Interest Income	(6.70)	(17.39)
Foreign exchange loss/ (gain) unrealised	(46.22)	(0.81)
Operating profit before working capital changes	217.11	(158.84)
<b>Movements in working capital:</b>		
(Increase)/ decrease in trade receivables	(111.91)	(94.60)
(Increase)/decrease in inventories	(281.14)	138.63
(Increase)/decrease in other current assets	72.58	29.64
(Increase)/decrease in non current assets	(15.32)	7.97
(Increase)/decrease in other financial assets	(8.94)	-
Increase/(decrease) in trade payables	666.06	25.31
Increase/(decrease) in provisions	1.27	14.93
Increase/(decrease) in other liabilities	(0.45)	(5.63)
Cash generated from operations	539.26	(42.59)
Income taxes paid	(13.20)	(15.50)
<b>Net cash (used in)/ generated by operating activities</b>	<b>526.06</b>	<b>(58.09)</b>

## STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

(Rs. in Lakhs)

Particulars	For year ended March 31, 2019	For year ended March 31, 2018
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment	(230.92)	(207.80)
Proceeds from disposal of property, plant and equipment	-	2.74
Bank Balance not considered for cash and cash equivalents	10.00	-62.69
Interest Income	2.65	16.93
Investment in Associates	(105.00)	-
<b>Net cash used in/ investing activities</b>	<b>(323.27)</b>	<b>(250.82)</b>
<b>Cash flows from financing activities</b>		
Issue of Redeemable Preference Shares	1,350.00	2,000.00
Proceed from non current borrowings	1,050.00	3,150.00
Repayment of non current borrowings	(188.79)	(2,381.60)
Proceeds/(repayment) from/of current borrowings	(1,824.91)	(1,746.72)
Share Issue expenses paid	(9.59)	-
Interest paid	(575.41)	(656.14)
<b>Net cash generated by / (used in) financing activities</b>	<b>(198.70)</b>	<b>365.54</b>
<b>Net increase in cash and cash equivalents</b>	<b>4.09</b>	<b>56.63</b>
Cash and cash equivalents at the beginning of the year	67.57	10.94
<b>Cash and cash equivalents at the end of the year</b>	<b>71.66</b>	<b>67.57</b>

### See accompanying notes to the financial statements

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

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

**D. S. Sahney**  
**Chairman and Managing Director**

**Kedar Raje**  
**Partner**

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

**Ratika Gandhi**  
**Company Secretary**

**Place : Mumbai**  
**Date : 30 May, 2019**

**Place : Mumbai**  
**Date : 30 May, 2019**

**Statement of changes in equity for the year ended March 31, 2019**
**A) Equity Share Capital**
**(Rs. in Lakhs)**

Particulars	As at March 31, 2019	As at March 31, 2018
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	<b>484.61</b>	<b>484.61</b>

**B) Other equity**
**(Rs. in Lakhs)**

Particulars	Reserves and Surplus			Total
	Capital reserve	Deemed capital contribution	Retained earnings	
<b>Balance at March 31, 2017</b>	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)
<b>Total Comprehensive Income for the year</b>	-	<b>628.59</b>	<b>(2,057.58)</b>	<b>(2,057.58)</b>
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
<b>Balance at March 31, 2018</b>	<b>5,700.16</b>	<b>2,803.98</b>	<b>(8,216.52)</b>	<b>287.62</b>
Loss for the year	-	-	(1,398.48)	(1,398.48)
Other Comprehensive Income for the year - Remeasurement of net defined benefit obligation (net of taxes)	-	-	(9.84)	(9.84)
Share issue expenses for increase in authorised capital	-	-	(9.59)	(9.59)
<b>Total Comprehensive Income for the year</b>	-	<b>2,803.98</b>	<b>(1,417.91)</b>	<b>(1,417.91)</b>
Recognition of equity component on issue of redeemable preference shares	-	901.96	-	901.96
	<b>5,700.16</b>	<b>3,705.94</b>	<b>(9,634.43)</b>	<b>(228.33)</b>

**See accompanying notes to the financial statements**

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

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

**D. S. Sahney**  
**Chairman and Managing Director**

**Kedar Raje**  
**Partner**

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

**Ratika Gandhi**  
**Company Secretary**

**Place : Mumbai**  
**Date : 30 May, 2019**

**Place : Mumbai**  
**Date : 30 May, 2019**

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019****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**

These financial statements are the separate financial statements of the Company prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 read together with the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

The Company has a formal plan for improving the profitability of the Company, which mainly includes increase in sales and reduction in operating expenses which are based on board approved projections. Based on the above and commitment of financial support from its promoter director to meet financial obligations as they fall due over the next twelve months, the financial statements of the Company are prepared on a going concern basis.

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 30th May, 2019.

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.

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



**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

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.

<b>Assets</b>	<b>Useful life in years</b>
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). 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.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

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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 based on transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns and goods and service tax. Transaction price is recognised

based on the price specified in the contract, net of the estimated sales incentives/ discounts.

**Sale of goods**

Revenue from contract with customers is recognised when the Company satisfies performance obligation by transferring promised goods to the customer. Performance obligations are satisfied at the point of time when the customer obtains controls of the asset.

**Sale of services**

Sale of services are recognised at a point in time.

**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 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 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.

**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.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

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 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. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan.

**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.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

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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.

**l. 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 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

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

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 financial 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 similar 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.

**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.



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

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 Changes in Accounting Standard

On March 30, 2019 the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2019, notifying Ind AS 116 on Leases. Ind AS 116 would replace the existing leases standard Ind AS 17. The standard sets out the principles for the recognition, measurement, presentation and disclosures for both parties to a contract, i.e. the lessee and the lessor. Ind AS 116 introduces a single lease accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.

Currently for operating lease rentals are charged to the statement of profit and loss. The Company is currently evaluating the implications of Ind AS 116 on the financial statements.

### 5 Recent accounting pronouncements.

The Companies (Indian Accounting Standards) Amendment Rules, 2019 also notified amendments to the following accounting standards. The amendments would be effective from April 1, 2019.

1. Ind AS 12, Income taxes – Appendix C on uncertainty over income tax treatments
2. Ind AS 23, Borrowing costs
3. Ind AS 28 – Investment in associates and joint ventures
4. Ind AS 109 – Financial instruments
5. Ind AS 19 – Employee benefits

The Company is in the process of evaluating the impact of such amendments.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**
**NOTE 6 : Property, plant and equipment**

(Rs. in Lakhs)

Description	Cost or deemed cost				Accumulated depreciation and impairment				Net Carrying amount
	Balance As at 01.04.18	Additions	Deductions	Balance As at 31.03.19	Balance As at 01.04.18	For the year	On Deductions/Amortisation	Balance As at 31.03.19	As at 31.03.19
Buildings									
Own Use	3,409.43	-	-	3,409.43	625.01	113.29	-	738.30	2,671.13
	(3,409.43)	(-)	(-)	(3,409.43)	(511.72)	(113.29)	(-)	(625.01)	(2,784.42)
Given under operating lease	307.11	-	-	307.11	51.94	10.26	-	62.21	244.91
	(307.11)	(-)	(-)	(307.11)	(41.68)	(10.26)	(-)	(51.94)	(255.17)
	3,716.54	-	-	3,716.54	676.95	123.55	-	800.51	2,916.04
	(3,716.54)	(-)	(-)	(3,716.54)	(553.40)	(123.55)	(-)	(676.95)	(3,039.59)
Leasehold Improvement	154.00	0.51	-	154.51	27.40	12.79	-	40.19	114.32
	(148.04)	(5.96)	(-)	(154.51)	(14.98)	(12.42)	(-)	(27.39)	(126.60)
Plant and Machinery									
Own Use	7,154.39	81.18	-	7,235.57	1,286.97	648.52	-	1,935.49	5,300.08
	(7,107.43)	(46.96)	(-)	(7,154.39)	(642.78)	(644.19)	(-)	(1,286.97)	(5,867.42)
Given under operating lease	90.41	-	-	90.41	13.42	6.71	-	20.13	70.28
	(90.41)	(-)	(-)	(90.41)	(6.71)	(6.71)	(-)	(13.42)	(76.99)
	7,244.80	81.18	-	7,325.98	1,300.39	655.23	-	1,955.62	5,370.36
	(7,197.84)	(46.96)	(-)	(7,244.80)	(649.49)	(650.90)	(-)	(1,300.39)	(5,944.41)
Furniture and fixtures									
Own Use	249.42	0.96	-	250.38	78.35	15.85	-	94.20	156.18
	(241.58)	(7.84)	(-)	(249.42)	(62.98)	(15.37)	(-)	(78.35)	(171.07)
Given under operating lease	2.50	-	-	2.50	0.88	0.16	-	1.04	1.46
	(2.50)	(-)	(-)	(2.50)	(0.72)	(0.16)	(-)	(0.88)	(1.62)
	251.92	0.96	-	252.88	79.23	16.01	-	95.24	157.64
	(244.08)	(7.84)	(-)	(251.92)	(63.70)	(15.53)	(-)	(79.23)	(172.69)
Computers									
Own Use	73.50	2.24	-	75.74	51.06	7.96	-	59.02	16.73
	(67.02)	(6.48)	(-)	(73.50)	(39.70)	(11.36)	(-)	(51.06)	(22.44)
Given under operating lease	0.44	-	-	0.44	0.38	0.07	-	0.44	-
	(0.44)	(-)	(-)	(0.44)	(0.31)	(0.07)	(-)	(0.38)	(0.06)
	73.94	2.24	-	76.18	51.44	8.03	-	59.47	16.72
	(67.46)	(6.48)	(-)	(73.94)	(40.01)	(11.43)	(-)	(51.44)	(22.50)
Office equipments									
Own Use	73.61	4.46	-	78.07	65.23	3.69	-	68.92	9.15
	(71.44)	(2.17)	(-)	(73.61)	(50.89)	(14.34)	(-)	(65.23)	(8.38)
Given under operating lease	0.35	-	-	0.35	0.34	-	-	0.34	0.01
	(0.35)	(-)	(-)	(0.35)	(0.27)	(0.07)	(-)	(0.34)	(0.01)
	73.96	4.46	-	78.42	65.57	3.69	-	69.26	9.16
	(71.79)	(2.17)	(-)	(73.96)	(51.16)	(14.41)	(-)	(65.57)	(8.39)
Electrical installations									
Own Use	558.31	-	-	558.31	227.94	41.43	-	269.37	288.94
	(558.31)	(-)	(-)	(558.31)	(186.51)	(41.43)	(-)	(227.94)	(330.37)
Given under operating lease	36.09	-	-	36.09	14.73	2.68	-	17.41	18.68
	(36.09)	(-)	(-)	(36.09)	(12.05)	(2.68)	(-)	(14.73)	(21.36)
	594.40	-	-	594.40	242.67	44.11	-	286.78	307.62
	(594.40)	(-)	(-)	(594.40)	(198.56)	(44.11)	(-)	(242.67)	(351.73)
Vehicles	58.56	35.50	-	94.06	16.60	7.70	-	24.29	69.76
	(54.71)	(10.73)	(6.88)	(58.56)	(14.10)	(5.56)	(3.06)	(16.60)	(41.96)
<b>Sub Total (A)</b>	<b>12,168.12</b>	<b>124.85</b>	<b>-</b>	<b>12,292.98</b>	<b>2,460.25</b>	<b>871.11</b>	<b>-</b>	<b>3,331.36</b>	<b>8,961.62</b>
<b>Sub Total (B)</b>	<b>(12,094.86)</b>	<b>(80.14)</b>	<b>(6.88)</b>	<b>(12,168.13)</b>	<b>(1,585.40)</b>	<b>(877.91)</b>	<b>(3.06)</b>	<b>(2,460.25)</b>	<b>(9,707.87)</b>

**Notes:**
**1. Assets pledged as security**

Refer Note 17 on Borrowings.

2. Previous year figures are indicated in brackets

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

### NOTE 7 : Other Intangible Assets

(Rs. in Lakhs)

Particulars	Software
<b>I. Deemed cost</b>	
<b>Balance as at 1 April, 2018</b>	<b>52.01</b>
Additions	-
Disposals	-
<b>Balance as at 31 March, 2019</b>	<b>52.01</b>
<b>Balance as at 1 April, 2017</b>	<b>52.01</b>
Additions	-
Disposals	-
<b>Balance as at 31 March, 2018</b>	<b>52.01</b>
<b>II. Accumulated amortisation and impairment</b>	
<b>Balance as at 1 April, 2018</b>	<b>28.74</b>
Amortisation expense	10.82
Eliminated on disposal of assets	-
<b>Balance as at 31 March, 2019</b>	<b>39.56</b>
<b>Balance as at 1 April, 2017</b>	<b>14.37</b>
<b>Amortisation expense</b>	<b>14.37</b>
<b>Eliminated on disposal of assets</b>	<b>-</b>
<b>Balance as at 31 March, 2018</b>	<b>28.74</b>
<b>III. Net Carrying amount (I-II)</b>	
<b>Balance as at 31 March, 2019</b>	<b>12.45</b>
<b>Balance as at 31 March, 2018</b>	<b>23.27</b>

### NOTE 8 : Investments

(Rs.inLakhs)

Particular	As at March 31, 2019			As at March 31, 2018		
	No. of shares	Amounts		No. of shares	Amounts	
		Current	Non Current		Current	Non Current
<b>A. Investments carried at cost</b>						
<b>Unquoted Investments (fully paid)</b>						
<b>(a) Investments in equity instruments of Associate</b>						
Equity Shares (of Rs. 10 each) in NRB-IBC Bearings Private Limited (NIBC)	4,200,000	-	420.00	4,200,000	-	420.00
Equity Shares (of Rs. 10 each) in Korta Engineering India Private Limited ( Refer Note below)	1,050,000	-	105.00	-	-	-
<b>Investments carried at cost</b>	5,250,000	-	525.00	4,200,000	-	420.00
<b>Total investments at cost</b>	5,250,000	-	525.00	4,200,000	-	420.00
<b>Aggregate amount of unquoted investments</b>			525.00			420.00
<b>Aggregate amount of impairment in value of investments</b>		-	-		-	-

**Note :** The Company has entered into a share purchase agreement with Korta Inversiones, S. L of Spain ( Korta Spain), in respect to Korta Engineering India Private Limited (Korta India), which was then a subsidiary of Korta Spain, and Late Mr. Trilochan Singh Sahney as part of business strategy. The transfer of shares from Korta Spain to NIBL has been approved by the Board of Directors of the Korta India on 26th June, 2018 and all the terms and conditions precedent and subsequent along with their covenants of the share purchase agreement come into effect from the aforesaid date Pursuant to the share purchase agreement NIBL purchased 35% of the Paid up share capital of the Korta India.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**
**NOTE 9 : Other financial assets**
**(Rs. in Lakhs)**

Particulars	As at March 31, 2019		As at March 31, 2018	
	Current	Non-current	Current	Non-current
(a) Interest accrued on fixed deposits	0.74	6.59	1.49	1.79
(d) Advances to employees		-		-
(b) Fixed Deposits with a Bank and Financial Institution	-	62.69	-	62.69
(c) Receivable from related party	8.94	-	-	-
<b>Total</b>	<b>9.68</b>	<b>69.28</b>	<b>1.49</b>	<b>64.48</b>

**NOTE 10 : Other assets**
**(Rs. in Lakhs)**

Particulars	As at March 31, 2019		As at March 31, 2018	
	Current	Non-current	Current	Non-current
Security Deposits	-	47.17	-	46.62
Capital advances	-	3.51	-	4.85
GST Refund Receivable	39.47	-	50.35	-
VAT receivable	20.58	-	20.58	-
Balances with government authorities (other than income taxes):				
GST credit receivables	153.42	-	228.46	-
'Service tax / Exice deposit paid under protest	2.51	-	-	-
Others:				
(a) Export incentive	87.56	-	63.26	-
(b) Advances to employees	2.46	-	8.06	-
(c) Advances to suppliers	3.29	21.50	23.56	21.50
Less: Allowance for doubtful advances	-	(21.50)	-	(21.50)
Prepayments	39.99	734.10	27.59	725.14
<b>Total</b>	<b>349.28</b>	<b>784.78</b>	<b>421.86</b>	<b>776.61</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**
**NOTE 11 : Inventories**
**(Rs. in Lakhs)**

Particulars	As at March 31, 2019		As at March 31, 2018	
Inventories (lower of cost and net realisable value)				
(a) Raw materials	476.46		523.69	
- Goods in Transit	-	476.46	-	523.69
(b) Work-in-progress		827.12		673.85
(c) Finished goods		747.22		590.78
(d) Stores and spares		72.77		54.11
<b>Total</b>		<b>2,123.57</b>		<b>1,842.43</b>

**Notes:**

- 1 The cost of inventories recognised as an expense during the year was Rs. 2,347.11 lakhs (for the year ended March 31, 2018: Rs.1,892.55 lakhs).
- 2 The cost of inventories recognised as an expense includes Rs. 3.96 lakhs (during 2017-2018: Rs.Nil) in respect of write-downs of inventory to net realisable value, and has been reduced by Rs. Nil (during 2017-2018: Rs. 30.46 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, 2019				As at March 31, 2018			
	Current		Non Current		Current		Non Current	
Trade receivables outstanding for a period exceeding six months from the date they are due for payment:								
(a) Unsecured, considered good -(Refer Note 41)	113.63		132.81		111.04		137.81	
(b) Unsecured, credit impaired	147.50		-		129.81		-	
(c) Unsecured, significant increase in credit risk.	-		-		-		-	
	261.13		132.81		240.85		137.81	
Allowance for doubtful debts (expected credit loss allowance)	(147.50)	113.63	-	132.81	(129.81)	111.04	-	137.81
Other trade receivables:								
Secured, considered good	-		-		-		-	
(a) Unsecured, considered good	1,002.09		-		900.10		-	
(b) Unsecured, credit impaired	-		-		-		-	
(b) Unsecured, significant increase in credit risk.	-	1,002.09	-	-	-	900.10	-	-
<b>Total</b>		<b>1,115.72</b>		<b>132.81</b>		<b>1,011.14</b>		<b>137.81</b>

**Note: Trade receivables include debts due from:**

	As at March 31, 2019	As at March 31, 2018
Private company in which directors are directors		
NRB-IBC Bearings Private Limited (NIBC) (Refer note 37)	43.32	80.15
Korta Engineering India Private Limited (Refer note 37)	3.58	-
	<b>46.90</b>	<b>80.15</b>



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

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

At 31 March 2019 and as at 31 March 2018 ,the Company had no customer that owed the Company more than 10% of total receivables outstanding.

**Movement in the expected credit loss allowance**
**(Rs. in Lakhs)**

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
<b>Balance as at beginning of the year</b>	129.81	120.05
Movement in the expected credit loss allowance on trade receivables calculated at life time expected credit losses.	17.69	9.76
<b>Balance at end of the year</b>	<b>147.50</b>	<b>129.81</b>

**NOTE 13 : Cash and Cash equivalents and Other bank balances**
**(Rs. in Lakhs)**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>A. Cash and cash equivalents</b>		
(a) Cash on hand	1.20	0.53
(b) Balances with banks in current accounts	70.46	67.04
<b>Total</b>	<b>71.66</b>	<b>67.57</b>
<b>B. Other bank balances</b>		
Balances with banks in earmarked deposit account (held as security against the guarantees) exceeding three months but less than twelve months	5.45	15.45
<b>Total</b>	<b>5.45</b>	<b>15.45</b>

**NOTE 14 : Current tax assets and liabilities**
**(Rs. in Lakhs)**

Particulars	As at March 31, 2019		As at March 31, 2018	
	Current	Non- Current	Current	Non- Current
<b>Current tax assets</b>				
Tax refund receivable	-	61.03	-	47.83
<b>Total</b>	<b>-</b>	<b>61.03</b>	<b>-</b>	<b>47.83</b>

**NOTE 14A : Current Tax and Deferred Tax**
**(a) Income Tax recognised in profit or loss**
**(Rs. in Lakhs)**

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
<b>Current Tax</b>		
In respect of current year	-	-
In respect of previous years	-	-
<b>Deferred Tax</b>		
In respect of current year	-	-
In respect of previous years	-	-
<b>Total Income tax expense recognised in the current year (A+B)</b>	<b>-</b>	<b>-</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

### (b) Income Tax recognised in Other comprehensive income

(Rs. in Lakhs)

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
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, 2019	Year ended 31 March, 2018
<b>Profit before tax from continuing operations</b>	<b>(1,398.48)</b>	<b>(2,045.66)</b>
<b>Current Tax</b>		
Income Tax	-	-
Charge/(credit) in respect of previous years	-	-
<b>Current Tax Total</b>	-	-
<b>Deferred Tax</b>		
Effect of expenses that are allowable on payment basis	6.57	(1.79)
Depreciation	43.81	269.50
Fair valuation of derivative contracts	(9.54)	41.40
Unabsorbed Business Losses	(40.84)	(304.32)
Others	-	(4.78)
Income tax expense recognised In profit or loss from continuing operations	-	-

The tax rate used for the year 2018-19 is 26.00% (25% + health and education cess @ 4% ) and year 2017-18 is 25.75% (25% + education cess @ 2% + secondary and higher education cess @ 1%) and reconciliations payable on 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 Period ended 31 Mar 2019			
	Opening Balance	Recognised in profit and Loss	Recognised in OCI	Closing Balance
<b><u>Tax effect of items constituting deferred tax assets / (liabilities)</u></b>				
Property, Plant and Equipment	(1,142.16)	43.81	-	(1,098.35)
Provision for doubtful debts and advances	38.96	4.98	-	43.94
Provision for Employee Benefits	20.67	0.53	2.56	23.76
Fair valuation of derivative contracts	41.40	(9.54)	-	31.86
Effect of expenses that are allowable on payment basis	11.11	1.06	-	12.17
Unabsorbed Business Losses	1,030.02	(40.84)	(2.56)	986.63
<b>Net Tax Asset (Liabilities)</b>	-	-	-	-

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**
**(Rs. in Lakhs)**

Particulars	For the Year ended 31 March 2018			
	Opening Balance	Recognised in profit and Loss	Recognised in OCI	Closing Balance
<b>Tax effect of items constituting deferred tax assets / (liabilities)</b>				
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 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
<b>Net Tax Asset (Liabilities)</b>	-	-	-	-

**(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, 2019**
**(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	-	-	989.23	3,076.02	4,065.24
Unabsorbed depreciation	6,414.97	-	-	-	6,414.97
<b>Total</b>	<b>6,414.97</b>	-	<b>989.23</b>	<b>3,076.02</b>	<b>10,480.21</b>

**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
<b>Total</b>	<b>5,742.04</b>	-	-	<b>3,558.69</b>	<b>9,300.73</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

### NOTE 15 : Equity Share Capital

(Rs.in Lakhs)

	As at 31/03/19	As at 31/03/18
Equity share capital	484.61	484.61
	<b>484.61</b>	<b>484.61</b>

(Rs. in Lakhs)

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of shares	Amount	No. of shares	Amount
<b>Authorised:</b>				
Equity shares of Rs. 2/- each	25,000,000	500.00	25,000,000	500.00
<b>Issued, Subscribed and Fully Paid:</b>				
Equity shares of Rs. 2/- each	24,230,650	484.61	24,230,650	484.61
<b>Total</b>	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)
<b>Balance at April 1, 2018</b>	24,230,650	484.61
Movements	-	-
<b>Balance at March 31, 2019</b>	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, 2019		As at March 31, 2018	
	No. of shares	Perc-entage	No. of shares	Perc-entage
<b>Equity shares:</b>				
Trilochan Singh Sahney ( Refer Note below)	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%
ICICI Prudential Life Insurance Company Limited	1,326,786	5.48%	1,326,786	5.48%

Note : Consequent to the demise of Mr. Trilochan Singh Sahney, the Company has not received share transmission application from legal heirs of Late Mr. T.S. Sahney and accordingly the name of Late Mr. T.S. Sahney is still appearing in register of Members and is accordingly disclosed above.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

(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, 2019	As at March 31, 2018
	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

**NOTE 16 : Other equity**
**(Rs. in Lakhs)**

Particulars	As at March 31, 2019	As at March 31, 2018
(a) Capital reserve	5,700.16	5,700.16
(b) Deemed capital contribution	3,705.94	2,803.98
(c) Retained earnings	(9,634.43)	(8,216.52)
<b>Total</b>	<b>(228.33)</b>	<b>287.62</b>

**(i) Movement in other equity:**
**(Rs. in Lakhs)**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>(I) Capital Reserve (Refer Note 1)</b>		
Opening balance	5,700.16	5,700.16
Movement	-	-
<b>Closing balance</b>	<b>5,700.16</b>	<b>5,700.16</b>
<b>(II) Deemed capital contribution</b>		
Opening balance	2,803.98	628.59
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	901.96	1,332.82
<b>Closing balance</b>	<b>3,705.94</b>	<b>2,803.98</b>
<b>(III) Retained earnings</b>		
Opening balance	(8,216.52)	(6,158.94)
Loss for the year	(1,398.48)	(2,045.66)
"Other Comprehensive Income for the year - Remeasurement of net defined benefit obligation (net of taxes)"	(9.84)	(11.92)
Share issue expenses for increase in authorised capital	(9.59)	-
<b>Closing balance</b>	<b>(9,634.43)</b>	<b>(8,216.52)</b>

**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. NIL ( during 2017-2018 : 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, 2019

### (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, 2019	As at March 31, 2018
<b>I. Secured - at amortised cost</b>		
<b>Term loans:</b>		
<b>From bank</b>	1,415.56	1,631.12
Less: Current maturities of long term debt (refer note 19)	(108.83)	(160.83)
	<b>1,306.72</b>	<b>1,470.29</b>
<b>From others</b>	42.17	23.12
Less: Current maturities of long term debt (refer note 19)	(14.62)	(9.32)
	<b>27.55</b>	<b>13.80</b>
<b>II. Unsecured - at amortised cost</b>		
<b>Term loan:</b>		
<b>From others</b>	<b>2,667.19</b>	<b>1,639.06</b>
Less: Current maturities of long term debt (refer note 19)	<b>(665.63)</b>	-
	<b>2,001.56</b>	<b>1,639.06</b>
<b>Loans from related parties</b>		
Preference Shares	2,268.24	1,592.92
<b>Total</b>	<b>5,604.07</b>	<b>4,716.07</b>

#### Footnotes:

#### Secured

#### Term loans from Bank

- (a) Rs. Nil (March 31, 2018 Rs. 139.71 lakh ) 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 fully repaid in September 2018.
- (b) Rs. 1415.56 lakhs (March 31, 2018 Rs. 1491.41 lakhs ) secured by subservient charge on current assets and movable Property, plant and equipment and pledge of 1,958,350 shares (March 31, 2018 2,083,250 shares ) of NRB Bearings Limited held by a director of the Company . The working capital term loan is repayable in remaning 16 quaterly installments comprising of 4 Quaterly installment of Euro 0.38 lac each till 2nd March 2020 and 12 Quaterly 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.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**
**Term loan from Others**

- (c) Rs. 42.17 lakhs (March 31, 2018 Rs. 23.12 lakhs) secured by hypothecation of vehicles. Out of these, the term loan of Rs. Nil (March 31, 2018 Rs. 1.35 lakhs ) is fully repaid in September, 2018, the term loan of Rs. 7.88 lakhs (March 31, 2018 Rs. 14.25 lakhs ) carrying interest rate of 12.75 % is repayable in remaining 12 equal monthly instalments by April, 2020, the term loan of Rs. 5.92 lakhs (March 31, 2018 Rs. 7.52 lakhs) carrying interest rate of 8.82 % is repayable in remaining 37 equal monthly instalments by April, 2022 and the term loan of Rs. 29.04 lakhs (March 31, 2018 Rs. Nil) carrying interest rate of 8.63 % is repayable in remaining 53 equal monthly instalments by August, 2023.

**Unsecured**
**Term loans from others**

- (d) Rs. 2667.19 lakhs (March 31, 2018 Rs. 1639.06 lakhs) secured by pledge of 2,998,697 shares (March 31, 2018 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 quaterly installments of Rs. 334.38 lakhs starting from 6 Dec , 2019 and carries interest rate of 10.5 % to 11 % p.a.

**Loans from related parties**

- (e) 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 with redemption at the end of 5 years from the date of issue. During the year ended March 31,2018, 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. 100 lakhs and 35 lakhs 2 % Redeemable Cumulative Non -Convertible Preference shares of Rs. 10 each fully paid up were issued to a Promotor shareholder in January 2019 and in March 2019 respectively with redemption at the end of 10 years.

**(i) Preference Share Capital**

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of shares	Amount	No. of shares	Amount
<b>Authorised:</b>				
Redeemable cumulative non-convertible preference shares of Rs. 10/- each	60,000,000	6,000.00	50,000,000	5,000.00
<b>Total</b>	60,000,000	6,000.00	50,000,000	5,000.00
<b>Issued, Subscribed and Fully Paid:</b>				
Redeemable cumulative non-convertible preference shares of Rs. 10/- each	53,500,000	5,350.00	40,000,000	4,000.00
<b>Total</b>	53,500,000	5,350.00	40,000,000	4,000.00

**(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)
<b>Balance at March 31, 2018</b>	40,000,000	4,000.00
Issued during the year	13,500,000	1,350.00
<b>Balance at March 31, 2019</b>	53,500,000	5,350.00

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**
**iii) Details of shares held by each shareholder holding more than 5% shares**

Name of shareholders	As at March 31, 2019		As at March 31, 2018	
	No. of shares	Percentage	No. of shares	Percentage
<b>Equity shares:</b>				
Trilochan Singh Sahney ( Refer Note below)	40,000,000	74.77%	40,000,000	100.00%
Devesh Singh Sahney	13,500,000	25.23%	-	-
<b>Total</b>	<b>53,500,000</b>	<b>100%</b>	<b>40,000,000</b>	<b>100%</b>

Note : Consequent to the demise of Mr. Trilochan Singh Sahney, the Company has not received share transmission application from legal heirs of Late Mr. T.S. Sahney and accordingly the name of Late Mr. T.S. Sahney is still appearing in register of Members and is accordingly disclosed above.

**B. Current Borrowings**
**(Rs. in Lakhs)**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>I. Secured - at amortised cost</b>		
<b>(a) Loans repayable on demand</b>		
<b>From banks</b>	977.43	1,637.35
<b>II. Unsecured - at amortised cost</b>		
<b>(a) Loans repayable on demand</b>		
Interest free loan from Directors	4,546.13	5,711.12
<b>Total</b>	<b>5,523.56</b>	<b>7,348.47</b>

**Footnotes:**
**(i) Loans repayable on demand from banks**

Rs. 977.43 lakhs (March 31, 2018 Rs. 1,637.35 lakhs) secured by first pari passu charge on all present and future stock and book debts of the Company and second pari pasu charge over immovable 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 12 % p.a.

**NOTE 18 : Trade Payables**
**(Rs.in Lakhs)**

Particulars	As at March 31, 2019		As at March 31, 2018	
	Current	Non- Current	Current	Non- Current
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 (Refer Note 41)	1,930.20	75.76	1,272.55	78.61
<b>Total</b>	<b>1,930.20</b>	<b>75.76</b>	<b>1,272.55</b>	<b>78.61</b>

**Notes:**

- 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.
- The credit period ranges from 45 days to 90 days.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**
**NOTE 19 : Other financial liabilities**
**(Rs. in Lakhs)**

Particulars	As at March 31, 2019		As at March 31, 2018	
	Current	Non-Current	Current	Non-Current
<b>Other Financial Liabilities measured at amortised cost</b>				
(a) Current maturities of long-term debt	789.08	-	170.15	-
(b) Interest accrued	7.25	-	8.64	-
<b>Other Financial Liabilities measured at Fair Value</b>				
(a) Interest Rate Swap	38.22	84.33	-	160.76
<b>Total</b>	<b>834.55</b>	<b>84.33</b>	<b>178.79</b>	<b>160.76</b>

**NOTE 20 : Other current liabilities**
**(Rs. in Lakhs)**

Particulars	As at March 31, 2019	As at March 31, 2018
(a) Advances received from customers	39.10	43.01
(b) Security Deposits	4.50	3.50
(c) Payables for capital supplies	5.94	11.30
(d) Others		
Statutory remittances (Super annuation, Withholding tax, Service Tax, VAT etc.)	44.34	41.88
<b>Total</b>	<b>93.88</b>	<b>99.69</b>

**NOTE 21 : Provisions**
**(Rs. in Lakhs)**

Particulars	As at March 31, 2019		As at March 31, 2018	
	Current	Non-Current	Current	Non-Current
Provision for employee benefits				
1) Compensated absences	3.12	41.97	15.80	48.20
2) Gratuity	46.29	-	16.27	-
<b>Total</b>	<b>49.41</b>	<b>41.97</b>	<b>32.07</b>	<b>48.20</b>

- (i) As at 31 March 2019, the decrease in the carrying amount of the provision for compensated absences results from benefits being paid during the year ended March 31, 2019. 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.
- (ii) Refer note 35 for Employee Benefits related disclosures.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

### NOTE 22 : Revenue from Operations

(Rs. in Lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>Revenue from contract with customers</b>		
Sale of products ( including excise duty of Rs. Nil ( March 31, 2018 Rs. 59.72 lakhs) ( Refer Note 1 below)	5,252.52	4,114.53
Rendering of services		
(a) Agency Commission	26.49	22.17
(b) Job work charges	164.02	150.79
(c) Service Charges	33.93	24.00
Other operating revenues		
(d) Sale of scrap	38.63	20.16
(e) Export incentives	78.89	61.04
(f) Royalty Income	14.98	10.34
<b>Total</b>	<b>5,609.46</b>	<b>4,403.03</b>

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.
- Refer Note 36 for geography wise revenue from contracts with customers.
- The Company is engaged in the business of manufacturing and selling of all types of industrial bearings. Effective April 1, 2018, the Company adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method which is applied to contracts that were not completed as of April 1, 2018. In terms of Ind AS 115, the company is recognizing the revenue as and when it satisfies the performance obligation by transferring promised goods to a customer and customer obtains the benefit of the same. Hence the company recognised revenue at a point in time. The effect on adoption of Ind AS 115 does not have any material impact on the financial statements of the Company.

### NOTE 23 : Other Income

(Rs. in Lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b><u>Interest income on financial assets at amortised cost</u></b>		
(a) Interest income on bank deposits	6.32	4.23
(b) Other Interest income	0.38	13.16
<b><u>Other non-operating income</u></b>		
Rent income	84.48	76.80
<b><u>Other gains and losses</u></b>		
(a) Liability no longer payable required written back	-	14.53
(b) Foreign exchange fluctuation (gain) / loss	67.15	34.82
(c) Gain arising on financial liabilities / assets designated at FVTPL	38.22	-
<b>Total</b>	<b>196.55</b>	<b>143.54</b>

### NOTE 24 : Cost of material consumed

(Rs. in Lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Opening stock	523.69	345.37
Add: Purchases	2,262.92	1,648.75
Less: Closing stock	(476.46)	(523.69)
<b>Total</b>	<b>2,310.15</b>	<b>1,470.43</b>



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**
**NOTE 25 : Purchases of stock in trade**
**(Rs. in Lakhs)**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Purchases of stock in trade	193.05	198.59

**NOTE 26 : Changes in inventories of finished goods, work-in-progress and stock-in-trade**
**(Rs. in Lakhs)**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Opening stock		
- Work in progress	673.85	654.17
- Finished goods	590.78	946.49
Closing stock		
- Work in progress	(827.12)	(673.85)
- Finished goods	(747.22)	(590.78)
Excise Duty	-	(183.28)
<b>Net (increase)/ Decrease</b>	<b>(309.71)</b>	<b>152.75</b>

**NOTE 27 : Employee Benefits Expense**
**(Rs. in Lakhs)**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Salaries and wages	1,497.07	1,384.98
Contribution to provident and other funds (Refer note 35)	128.25	114.08
Staff welfare expenses	63.47	65.27
<b>Total</b>	<b>1,688.79</b>	<b>1,564.33</b>

**NOTE 28 : Finance Costs**
**(Rs. in Lakhs)**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
(a) Interest costs :-		
- Interest on borrowings from banks	516.81	496.24
- Interest on Preference shares	227.28	210.27
- Other interest expense	7.49	10.22
(b) Net loss on foreign currency transactions (considered as finance cost)	-	25.01
(c) Other borrowing cost	49.72	113.93
<b>Total</b>	<b>801.30</b>	<b>855.67</b>

**NOTE 29 : Depreciation and amortisation expense**
**(Rs. in Lakhs)**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Depreciation of property, plant and equipment	871.11	877.91
Amortisation of intangible assets	10.82	14.37
<b>Total depreciation and amortisation expense</b>	<b>881.93</b>	<b>892.28</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

### NOTE 30 : Other Expenses

(Rs. in Lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Consumption of Stores and spares parts	369.72	269.37
Power & Fuel	348.98	245.25
Rent	15.25	14.49
Repairs and maintenance:		
- Buildings	-	10.50
- Plant & machinery	11.91	14.60
- Others	51.17	30.54
Insurance	14.26	10.91
Rates and taxes	16.41	25.53
Travelling and Conveyance expense	136.57	99.91
Printing and stationary	14.46	13.00
Freight and Forwarding	153.65	135.38
Business Promotion	57.59	26.92
Legal and other professional expenses	58.53	62.34
Auditors remuneration (See Footnote below)	32.78	30.25
Allowance for doubtful debts	17.69	9.76
Loss arising on financial liabilities / assets designated at FVTPL	-	160.76
Security and houskeeping Charges	136.17	90.29
IT related expenses	62.87	55.66
Bank charges	8.90	7.31
Bad debts / advances written off	5.81	-
Loss on sale of property, plant and equipments	-	1.08
Miscellaneous expenses	126.26	84.60
<b>Total</b>	<b>1,638.98</b>	<b>1,398.46</b>

#### 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	24.25
Taxation matters	5.50	6.00
Other services	3.00	-
out-of-pocket expenses	0.03	-
<b>Total</b>	<b>32.78</b>	<b>30.25</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**
**NOTE 31 : Earing Per Share**

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

Particulars		Year ended March 31, 2019	Year ended March 31, 2018
<b>Basic &amp; Diluted</b>			
Loss after tax attributable to equity shares (Rs. in lakhs)	(A)	(1,398.48)	(2,045.66)
Weighted average number of Shares	(B)	24,230,650	24,230,650
<b>Basic &amp; Diluted EPS (in Rs.)</b>	<b>(A) / (B)</b>	<b>(5.77)</b>	<b>(8.44)</b>
<b>Nominal value of equity share (in Rs.)</b>		<b>2.00</b>	<b>2.00</b>

**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, 2019 15.25 lakhs (previous year Rs. 14.49 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 had 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. 84.48 lakhs (previous year 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. Further the Company has entered in to a new agreement with effect from 01 April 2018 for 5 years with same terms and conditions.

**NOTE 33 : Contingent liabilities not provided for:**

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
(i) Bank guarantees		
- To Maharashtra Pollution Control Board	5.00	15.00
- To President of India through Commissioner of Customs	0.45	0.45
(ii) Claims against the company not acknowledged as debt:-		
Matters decided against the company in respect of which the company has preferred an appeal		
Service tax matters	39.55	-
<b>Total</b>	<b>45.00</b>	<b>15.45</b>

**Footnote:** The Company did not expect any outflow of economic resources in respect of the above and therefore no provision was made in respect thereof.

**NOTE 34 : Commitments**

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
1. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	25.82	3.66
<b>Total</b>	<b>25.82</b>	<b>3.66</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

### 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. 93.84 lakhs (March 31, 2018 Rs. 87.70 lakhs) as expenses under defined contribution plans.

(Rs. in Lakhs)

Benefit (Contribution to)	Year ended 31 March 2019	Year ended 31 March 2018
i) Employer's Contribution to Provident Fund	40.50	37.74
ii) Employer's Contribution to Family Pension Fund	24.86	23.11
iii) Employer's Contribution to Superannuation Fund	28.48	26.85
<b>Total</b>	<b>93.84</b>	<b>87.70</b>

#### 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, 2019

### 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, 2019 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	Year ended 31 March 2019	Year ended 31 March 2018
Discount Rate	7.47% p.a.	7.56% p.a.
Expected return on plan assets	7.47% p.a.	7.56% p.a.
Salary escalation rate	7.00% p.a.	7.00% 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	Year ended 31 March 2019	Year ended 31 March 2018
Current Service Cost	18.95	16.95
Interest on net defined benefit liability/ (asset)	1.23	0.49
Expected Return on Plan Assets	-	-
<b>Total Expenses / (Income) recognised in the Statement of Profit And Loss*</b>	<b>20.18</b>	<b>17.44</b>

\* 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	Year ended 31 March 2019	Year ended 31 March 2018
Actual return on plan assets in excess of the expected return	0.52	1.05
Actuarial (Gain)/Loss on account of :		
- Financial Assumptions	1.09	5.63
- Experience Adjustments	8.23	5.24
<b>Net (Income)/Expense For the Period Recognized in OCI</b>	<b>9.84</b>	<b>11.92</b>



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

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

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Present Value of Defined Benefit Obligation as at the end of the year	187.39	157.67
Fair Value of plan assets	141.10	141.40
<b>Net asset/(liability) recognised in the Balance Sheet</b>	<b>(46.29)</b>	<b>(16.27)</b>

Recognised under	As at March 31, 2019	As at March 31, 2018
Long term provision (Refer note 21)	-	-
Short term provision (Refer note 21)	(46.29)	(16.27)
<b>Total</b>	<b>(46.29)</b>	<b>(16.27)</b>

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

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Present value of defined benefit obligation at the beginning of the year	157.67	128.99
Expenses Recognised in Profit and Loss Account:		
Current Service Cost	18.95	16.95
Interest cost	11.92	9.18
Recognised in Other Comprehensive Income		
Remeasurement (gains)/losses		
- Financial Assumptions	1.09	5.63
- Experience Adjustments	8.23	5.24
Benefit payments	(10.47)	(8.32)
<b>Present value of defined benefit obligation at the end of the year</b>	<b>187.39</b>	<b>157.67</b>

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

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Fair value of the plan assets at the beginning of the year	141.40	122.08
Contribution made	-	20.00
Income Recognised in Profit and Loss Account:		
Interest income	10.69	8.69
Recognised in Other Comprehensive Income		
Remeasurement gains/(losses)	(0.52)	(1.05)
- Actual Return on plan assets in excess of the expected return		
Benefits paid	(10.47)	(8.32)
<b>Fair value of the plan assets at the end of the year</b>	<b>141.10</b>	<b>141.40</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**
**G. The major categories of plan assets are as follows:**
**(Rs. in Lakhs)**

Particulars	As at March 31, 2019	As at March 31, 2018
Insurer managed funds (100%)	141.10	141.40

**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	2019	1%	(11.38)	12.97
	2018	1%	(9.61)	10.97
Salary escalation rate	2019	1%	12.90	(11.53)
	2018	1%	10.92	(9.74)

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, 2019	Estimated as at March 31, 2018
1st Following Year	29.25	17.67
2nd Following Year	14.01	25.10
3rd Following Year	14.86	11.16
4th Following Year	14.16	11.88
5th Following Year	18.90	11.43
Sum of Years 6 to 10	72.57	63.30
Sum of Years 11 and above	192.39	163.95

**J. Other Disclosures**

- The weighted average duration of the obligations as at March 31, 2019 is 8 years (March 31, 2018: 8 Years).
- The Company expects to contribute Rs. 45 lakhs to the plan during financial year 2019-20.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

### 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		Non-Current Assets	
	Year ended 31 March, 2019	Year ended 31 March, 2018	Year ended 31 March, 2019	Year ended 31 March, 2018
India	4,008.10	3,164.19	10,685.85	11,176.51
Outside India	1,601.35	1,238.84	132.81	137.81
	<b>5,609.46</b>	<b>4,403.03</b>	<b>10,818.66</b>	<b>11,314.32</b>

#### Revenue from major products and services

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
(a) Ball & roller bearings	4,626.35	3,526.32
(b) Roller	363.79	296.26
(c) Trading	262.38	291.95
<b>Total</b>	<b>5,252.52</b>	<b>4,114.53</b>

#### Information about major customers:

There is no customer to whom sales made by the Company for more than 10 % of total revenue from operation for the year ended 31 March 2019. Revenues of approximately Rs. 417.69 Lakhs arose from sales to one customer who contributed 10% or more to the Company's revenue for year ended March 31, 2018.

### 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 Korta Engineering India Private Limited
(b)	Key Management Personnel (KMP)	Mr. Devesh S. Sahney, Chairman and Managing Director
(c)	Relative of Key Management Personnel	Late Mr. Trilochan S. Sahney, Director ( upto October 15, 2018), Father of Mr. Devesh S. Sahney Mrs. Harshbeena S. Zaveri, Director, Sister of Mr. Devesh S. Sahney Ms. Mallika Sahney - AGM Strategy ( w.e.f. August 3, 2018), Daughter of Mr. Devesh S. Sahney
(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, 2019**
**B) Related Party Transactions:**
**(Rs. in Lakhs)**

Sr. No.	Nature of Transactions	Associate		A Company over which Mrs. Harshbeena S. Zaveri, Director is able to exercise significant influence.		Key Management Personnel and their Relative		Total	
		March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
<b>1</b>	<b>Sale of finished Goods</b>								
	NRB Bearings (Thailand) Limited	-	-	1.51	2.79	-	-	1.51	2.79
	NRB Bearings Limited	-	-	2.51	2.49	-	-	2.51	2.49
	Korta Engineering India Private Limited	0.08	-	-	-	-	-	0.08	-
<b>2</b>	<b>Sale of Semi Finished Material</b>								
	NRB IBC Bearings Private Limited	16.19	56.29	-	-	-	-	16.19	56.29
<b>3</b>	<b>Income from job work</b>								
	NRB Bearings Limited	-	-	0.85	1.97	-	-	0.85	1.97
	NRB IBC Bearings Private Limited	163.31	143.36	-	-	-	-	163.31	143.36
<b>4</b>	<b>Rent Income</b>								
	NRB IBC Bearings Private Limited	84.48	76.80	-	-	-	-	84.48	76.80
<b>5</b>	<b>Service Charges</b>								
	NRB IBC Bearings Private Limited	24.00	24.00	-	-	-	-	24.00	24.00
	Korta Engineering India Private Limited	9.93	-	-	-	-	-	9.93	-
<b>6</b>	<b>Royalty income</b>								
	NRB IBC Bearings Private Limited	14.98	10.34	-	-	-	-	14.98	10.34
<b>7</b>	<b>Payments made/ expenses incurred on behalf of related party</b>								
	NRB IBC Bearings Private Limited	85.24	65.06	-	-	-	-	85.24	65.06
<b>8</b>	<b>Purchase of material</b>								
	NRB Bearings Limited	-	-	138.99	125.36	-	-	138.99	125.36
	NRB IBC Bearings Private Limited	5.89	2.31	-	-	-	-	5.89	2.31
	Korta Engineering India Private Limited	1.20	-	-	-	-	-	1.20	-
<b>9</b>	<b>Payments made/ expenses incurred by related party</b>								
	NRB IBC Bearings Private Limited	4.83	-	-	-	-	-	4.83	-
<b>10</b>	<b>Job work charges</b>								
	Korta Engineering India Private Limited	0.02	-	-	-	-	-	0.02	-
<b>11</b>	<b>Loan taken</b>								
	Mr. D. S. Sahney	-	-	-	-	70.00	-	70.00	-
	The Estate of Mr. T. S. Sahney	-	-	-	-	175.00	613.65	175.00	613.65
<b>12</b>	<b>Loan repayment</b>								
	Mr. D. S. Sahney	-	-	-	-	1,380.00	-	1,380.00	-
	The Estate of Mr. T. S. Sahney	-	-	-	-	30.00	2,100.00	30.00	2,100.00
<b>13</b>	<b>Issue of Preference shares</b>								
	Mr. D. S. Sahney	-	-	-	-	1,350.00	-	1,350.00	-
	Late Mr. T. S. Sahney ( Refer foot note to Note 17 (A) (iii) )	-	-	-	-	-	2,000.00	-	2,000.00
<b>14</b>	<b>Remuneration to relative of KMP</b>								
	Ms. Mallika Sahney	-	-	-	-	17.91	-	17.91	-
<b>15</b>	<b>Guarantee by NRB bearings Limited to third party for loan taken by the Company and outstanding as at the year end Rs. Nil (previous year Rs. 139.71 lakhs)</b>								

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

### Amounts outstanding with related parties

(Rs. in Lakhs)

Sr. No.	Nature of Outstanding Balances	Associate		A Company over which Mrs. Harshbeena S. Zaveri, Director is able to exercise significant influence.		Key Management Personnel and their Relative		Total	
		March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
<b>1</b>	<b>Trade Receivables</b>								
	NRB Bearings (Thailand) Limited	-	-	4.16	3.57	-	-	4.16	3.57
	NRB IBC Bearings Private Limited	34.38	80.15	-	-	-	-	34.38	80.15
	Korta Engineering India Private Limited	3.58	-	-	-	-	-	3.58	-
<b>2</b>	<b>Other Receivables</b>								
	NRB IBC Bearings Private Limited	8.94	-	-	-	-	-	8.94	-
<b>3</b>	<b>Trade Payables</b>								
	NRB Bearings Limited	-	-	40.37	45.94	-	-	40.37	45.94
	Korta Engineering India Private Limited	0.75	-	-	-	-	-	0.75	-
<b>4</b>	<b>Loan outstanding</b>								
	Mr. D. S. Sahney	-	-	-	-	1,637.63	2,947.63	1,637.63	2,947.63
	The Estate of Mr. T. S. Sahney	-	-	-	-	2,908.50	2,763.49	2,908.50	2,763.49

#### Footnote:

- No amounts pertaining to related parties have been provided for as doubtful debts. Further, no amounts have either been written off or written back during the period.
- Outstanding balances (other than borrowings) at the year-end are unsecured and interest free and settlement occurs in cash.
- 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, 2019	Year ended 31 March, 2018
Short-term benefits	77.40	74.85
Post-employment benefits @	13.93	12.31
Other long-term benefits	-	-
Termination benefits	-	-
<b>Total</b>	<b>91.33</b>	<b>87.16</b>

@ 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 : Expenditure on Research and Development ( R & D)

(Rs. in Lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
a) Charged to Statement of Profit and Loss	118.35	136.66
b) Capitalized to Fixed Assets	-	-
<b>Total</b>	<b>118.35</b>	<b>136.66</b>

#### Footnote:

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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

### NOTE 39 : 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.

(Rs. in Lakhs)

Maturities of Financial Liabilities	Weighted average effective interest rate	March 31, 2019				Total	Carrying amount
		Upto 1 year	1 to 3 years	3 to 5 years	Above 5 years		
Non-interest bearing		6,483.58	75.76	-	-	6,559.34	6,559.34
Variable interest rate instruments	3%	-	-	-	-	-	-
Fixed interest rate instruments	10%	2,242.49	3,174.24	465.03	5,350.00	11,231.77	7,370.59
		<b>8,726.07</b>	<b>3,250.00</b>	<b>465.03</b>	<b>5,350.00</b>	<b>17,791.11</b>	<b>13,929.93</b>



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

(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		6,992.31	78.61	-	-	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	9,703.37	6,383.86
		<b>9,192.61</b>	<b>2,321.19</b>	<b>1,414.30</b>	<b>4,000.00</b>	<b>16,928.11</b>	<b>13,594.49</b>

**Interest Rate sensitivity**

Interest rate risk is the risk that the fair value of future cash flows of a financial instruments will fluctuate because of changes in market interest rate. As at March 31, 2019 the Company does not have significant interest rate risk as the Company's debt obligations are with fixed interest rates. 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. 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.

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 2019**

		In foreign currency in lakhs	Equivalent Rs in lakhs
Financial Assets	EURO	6.36	493.87
Trade Receivables	USD	0.30	20.63
	GBP	0.09	8.22
Advance to suppliers	EURO	0.01	1.11
	JPY	1.68	1.06
Financial Liabilities			
Term loan from Bank	EURO	18.54	1,415.56
Trade Payables	EURO	1.04	81.02
	USD	0.01	0.82
Interest accrued on borrowings	EURO	0.10	7.25
Advance from customers	EURO	0.49	37.74

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**
**As at 31 March 2018**

		<b>In foreign currency in lakhs</b>	<b>Equivalent Rs in lakhs</b>
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
	USD	2.15	139.71
Trade Payables	EURO	1.10	88.60
Interest accrued on borrowings	USD	0.01	0.39
Advance from customers	EURO	0.44	35.30

**(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 40 : 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 financials 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)**

<b>Financial assets/ financial liabilities</b>	<b>Fair value hierarchy as at March 31, 2019</b>			
	<b>Level-1</b>	<b>Level-2</b>	<b>Level-3</b>	<b>Total</b>
<b>Financial assets</b>				
Financial assets carried at amortised cost				
Trade Receivables	-	1,248.53	-	1,248.53
Cash and cash equivalents	-	71.66	-	71.66
Other Bank balances	-	5.45	-	5.45
Other Financial Assets	-	78.96	-	78.96
<b>Total</b>	-	<b>1,404.60</b>	-	<b>1,404.60</b>
<b>Financial liabilities</b>				
Financial liabilities held at amortised cost				
Borrowings	-	11,916.72	-	11,916.72
Trade Payables	-	2,005.96	-	2,005.96
Other financial liabilities	-	7.25	-	7.25
<b>Total</b>	-	<b>13,929.93</b>	-	<b>13,929.93</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(Rs. in Lakhs)

Financial assets/ financial liabilities	Fair value hierarchy as at March 31, 2018			
	Level-1	Level-2	Level-3	Total
<b>Financial assets</b>				
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
<b>Total</b>	-	<b>1,297.94</b>	-	<b>1,297.94</b>
<b>Financial liabilities</b>				
Financial liabilities held at amortised cost				
Borrowings	-	12,234.70	-	12,234.70
Trade Payables	-	1,351.16	-	1,351.16
Other financial liabilities	-	8.64	-	8.64
<b>Total</b>	-	<b>13,594.50</b>	-	<b>13,594.50</b>

**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, 2019

(Rs. in Lakhs)

Financial assets/ (Financial liabilities)	Fair value hierarchy	Valuation technique(s) and key input(s)	31 March 2019	31 March 2018
<b>Derivative Assets / (Liabilities) measured at FVTPL:</b>				
(i) Interest rate swap	Level 2	Discounted Cash Flow based on prevailing / forward interest rates in market	(122.54)	(160.76)
<b>Total</b>			<b>(122.54)</b>	<b>(160.76)</b>

### 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 FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

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**NOTE 41 :**

The Company and NRB IBC Bearings Private Limited (NIBC) have transactions with IBC INDUSTRIAL BEARINGS AND COMPONENTS AG (IBC AG) and IBC Walzlager, GmbH ( IBC GmbH) in nature of export of goods and import of raw materials since December 2013. For transactions held between December 2013 and August 2015, IBC AG and IBC GmbH has netted off the outstanding receivables and payables in their books of accounts and remitted Euro 28,079 in October 2015 for the same.

As per RBI Circular RBI/2014-15/5 Master Circular No.14/2014-15 dated July 1, 2014 Clause C.25, RBI had delegated the powers to accept the application for set-off of export receivables against import payables to Authorised Dealer bank (AD) on behalf of RBI based on some terms and conditions which the Company must seek the approval with prior application to their respective AD Banks.

The Company had made the statutory application to its AD bank along with all the necessary documents seeking approval for set off of export receivables against import payables in the books of the Company. Pending approval the Company has disclosed receivables of Rs. 132.81 lakhs ( March 31, 2018 Rs. 137.81 lakhs ) as Non current Trade Receivable in Note 12 and payable of Rs. 75.76 lakhs ( March 31, 2018 Rs. 78.61 lakhs) as non current trade payable in Note 18.

**NOTE 42 :**

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

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

**D. S. Sahney**

**Chairman and Managing Director**

**Place : Mumbai**  
**Date : 30 May, 2019**

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

**Ratika Gandhi**  
**Company Secretary**

## INDEPENDENT AUDITOR'S REPORT

**TO THE MEMBERS OF  
NRB INDUSTRIAL BEARINGS LIMITED**

### **Report on the Consolidated Ind AS Financial Statements**

#### **Opinion**

We have audited the accompanying consolidated financial statements of **NRB Industrial Bearings Limited** ("the Parent") and the Parent's share of profit in its associates, which comprise the Consolidated Balance Sheet as at 31st March 2019, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of the associate referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS') and other accounting principles generally accepted in India, of the consolidated state of affairs of the Parent as at 31st March 2019, and their consolidated loss their consolidated total comprehensive loss, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Parent in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the sub-paragraph of the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	<p><b>Inventory - Provision for slow and non-moving inventory of finished goods.</b></p> <p>The Parent is in the business of manufacturing of industrial bearings. The inventory of the company includes Raw Materials, Work-in- Progress, and Finished goods are stated at lower of cost and net realisable value. Determination of slow moving and non-moving inventory involves significant management judgment and estimate.</p> <p>The Parent has certain non-moving finished goods inventory as at March 31, 2019 lying at factory. This inventory is physically verified quarterly by the Parent. Management applies judgment in determining the appropriate provisions for such slow, damaged &amp; non-moving inventory based upon its detailed analysis of old inventory, net realizable value, quarterly movement of such inventory, its physical condition and future use. Accordingly determining slow, damaged and non-moving items of such inventory including assessment of their physical condition and consequent amount of provision required for such inventory requires the Parent to make significant judgment and estimates about their recoverable value and future use.</p> <p>Refer to Note 2(e) and 11 of the consolidated financial statements for the above matter.</p>	<ol style="list-style-type: none"> <li>Review of accounting policies established by the Parent with reference to the requirements of Ind AS 2, the process followed by the management, control environment and control procedures in place. We have ensured that the procedures were appropriately structured to obtain all necessary information for accounting and disclosures.</li> <li>We have evaluated the design and tested the implementation of internal controls on the judgements exercised for provisions made and underlying data, assumption used and record maintained;</li> <li>We have tested the operating effectiveness of internal controls relating to provisions made, (i.e. underlying data and related information used in recording of the provision) in accordance with the Parent's policies and requirement of Ind AS 2.</li> <li>We have observed physical verification of inventory conducted by the Parent as at March 31, 2019 and on a test check basis, verified the samples of provisions made with basis, assumptions, approval and supporting documents used by the management.</li> </ol>

**Information Other than the Financial Statements and Auditor's Report Thereon**

- The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report, but does not include the financial statements and our auditor's report thereon.
- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available, compare with the financial statements of the associate audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to associate, is traced from their financial statements audited by the other auditors.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Management's Responsibility for the Consolidated Financial Statements**

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Parent including its Associates in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the Parent and of its associates 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 associates and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the Board of Directors of the Parent and of its associates are responsible for assessing the ability of the Parent and of its associates to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate or cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Parent and of its associates are also responsible for overseeing the financial reporting process of the Parent and of its associates.

**Auditor's Responsibility for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Parent



and its associates to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Parent and its associates to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Parent and its associates to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced.

We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial

statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Other Matters**

- (a) The consolidated financial statements include the Parent's share of net profit of Rs. 17.97 Lakhs and total comprehensive income of Rs. 0.45 Lakh for the year ended 31st March, 2019, as considered in the consolidated financial statements, in respect of one associate whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this associate, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid associate is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

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

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements of the associate referred to in the Other Matters section above 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 financial statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books, returns and the reports of the other auditors.
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the 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 financial statements.

- d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified 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, 2019 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its associate companies incorporated in India, none of the directors of the Company and its associate companies incorporated in India is disqualified as on 31st March, 2019 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 companies 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 companies in terms of the notification no. G.S.R. 583(E) dated 13th June 2017 issued by the Ministry of Corporate Affairs, Government of India, read with general circular No. 08/2017 dated 25th July 2017.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,
- In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Parent and its associates. – Refer Note 33 to the financial statements.
  - ii) The Parent audits associates 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 companies incorporated in India.

**For DELOITTE HASKINS & SELLS**

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

**Kedar Raje**

(Partner)

(Membership No. 102637)

Place: Mumbai

Date : 30 May, 2019

## **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, 2019)

### **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 Ind AS financial statements of the Company as of and for the year ended 31st March, 2019, we have audited the internal financial controls over financial reporting of **NRB Industrial Bearings Limited** (hereinafter referred to as "the Parent") as of that date.

### **Management's Responsibility for Internal Financial Controls**

The Board of Directors of the Parent, 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 Parent 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 Parent'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 Parent'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, 2019, 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)

**Kedar Raje**

(Partner)

(Membership No. 102637)

Place: Mumbai

Date : 30 May, 2019

**CONSOLIDATED BALANCE SHEET AS ON MARCH 31, 2019**
**(Rs. in Lakhs)**

	Particulars	Notes	As at March 31, 2019	As at March 31, 2018
<b>A</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non-current assets</b>			
	(a) Property, plant and equipment	6	8,961.62	9,707.87
	(b) Capital work-in-progress		271.68	169.63
	(c) Other Intangible assets	7	12.45	23.27
	(d) Financial assets			
	(i) Investments			
	(a) Investments in associates	8	123.43	-
	(ii) Trade Receivables	12	132.81	137.81
	(ii) Other financial assets	9	69.28	64.48
	(d) Non- Current tax assets (Net)	14	61.03	14.65
	(e) Other non-current assets	10	784.78	776.61
	<b>Total non - current assets</b>		<b>10,417.08</b>	<b>10,894.32</b>
<b>2</b>	<b>Current assets</b>			
	(a) Inventories	11	2,123.57	1,842.43
	(b) Financial Assets			
	(i) Trade receivables	12	1,115.72	1,011.14
	(ii) Cash and cash equivalents	13A	71.66	67.57
	(iii) Bank balances other than (ii) above	13B	5.45	15.45
	(iv) Other financial assets	9	9.68	1.49
	(c) Current tax assets (Net)	14	-	33.18
	(d) Other current assets	10	349.28	421.86
	<b>Total current assets</b>		<b>3,675.36</b>	<b>3,393.12</b>
	<b>Total assets (1+2)</b>		<b>14,092.44</b>	<b>14,287.44</b>
<b>B</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>Equity</b>			
	(a) Equity Share capital	15	484.61	484.61
	(b) Other Equity	16	(629.91)	(132.38)
	<b>Total equity</b>		<b>(145.30)</b>	<b>352.23</b>
<b>2</b>	<b>Non-current liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings	17A	5,604.08	4,716.07
	(ii) Trade payables			
	a) Total outstanding dues of Micro Enterprises and Small Enterprises		75.76	78.61
	b) Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises			
	(iii) Other financial liabilities	19	84.33	160.76
	(b) Deferred tax liabilities (Net)	15A	-	-
	(c) Provisions	21	41.97	48.20
	<b>Total non - current Liabilities</b>		<b>5,806.14</b>	<b>5,003.64</b>
<b>3</b>	<b>Current liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings	17B	5,523.56	7,348.47
	(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	1,930.20	1,272.55
	(iii) Other financial liabilities	19	834.55	178.79
	(b) Other current liabilities	20	93.88	99.69
	(c) Provisions	21	49.41	32.07
	<b>Total current liabilities</b>		<b>8,431.60</b>	<b>8,931.57</b>
	<b>Total liabilities (2+3)</b>		<b>14,237.74</b>	<b>13,935.21</b>
	<b>Total equity and liabilities (1+2+3)</b>		<b>14,092.44</b>	<b>14,287.44</b>

**See accompanying notes to the financial statements**

In terms of our report attached.

**For Deloitte Haskins & Sells**  
**Chartered Accountants**
**For and on behalf of the Board of Directors**
**D. S. Sahney**  
**Chairman and Managing Director**
**Kedar Raje**  
**Partner**
**R. G. Mehendale**  
**Chief Financial Officer**
**Ratika Gandhi**  
**Company Secretary**
**Place : Mumbai**  
**Date : 30 May, 2019**
**Place : Mumbai**  
**Date : 30 May, 2019**

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019**

(Rs. in Lakhs)

	Particulars	Notes	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>I</b>	Revenue from operations	22	5,609.46	4,403.03
<b>II</b>	Other Income	23	196.55	143.54
<b>III</b>	<b>Total Income (I + II)</b>		<b>5,806.01</b>	<b>4,546.57</b>
<b>IV</b>	<b>Expenses</b>			
	Cost of materials consumed	24	2,310.15	1,470.43
	Purchases of stock-in-trade	25	193.05	198.59
	Changes in inventories of finished goods and work-in-progress	26	(309.71)	152.75
	Excise duty on sale of goods		-	59.72
	Employee benefits expense	27	1,688.79	1,564.33
	Finance costs	28	801.30	855.67
	Depreciation and amortisation expense	29	881.93	892.28
	Other expenses	30	1,638.98	1,398.46
	<b>Total expenses (IV)</b>		<b>7,204.49</b>	<b>6,592.23</b>
<b>V</b>	<b>Loss before tax (III - IV)</b>		<b>(1,398.48)</b>	<b>(2,045.66)</b>
<b>VI</b>	<b>Tax Expense</b>			
	(1) Current tax		-	-
	(2) Deferred tax		-	-
	<b>Total tax expense</b>		-	-
<b>VII</b>	<b>Loss for the year (V - VI)</b>		<b>(1,398.48)</b>	<b>(2,045.66)</b>
<b>VIII</b>	Share of Loss of associates		17.97	-
<b>XI</b>	<b>Loss after tax and after share of loss of associate (VII-VIII)</b>		<b>(1,380.51)</b>	<b>(2,045.66)</b>
	<b>Other comprehensive income</b>			
	A (i) Items that will not be reclassified to profit or loss			
	(a) Remeasurements of the defined benefit plans		9.84	11.92
	(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
	(iii) Share of other comprehensive income in associates, to the extent not to be reclassified to profit and loss.		(0.45)	-
<b>X</b>	<b>Total other comprehensive income (A (i-ii))</b>		<b>9.39</b>	<b>11.92</b>
<b>XI</b>	<b>Total comprehensive income for the year (VII+VIII)</b>		<b>(1,389.90)</b>	<b>(2,057.58)</b>
<b>XI</b>	<b>Earnings per equity share</b>	31		
	(1) Basic (in Rs.)		(5.70)	(8.44)
	(2) Diluted (in Rs.)		(5.70)	(8.44)

See accompanying notes to the financial statements

In terms of our report attached.

**For Deloitte Haskins & Sells**  
**Chartered Accountants**

For and on behalf of the Board of Directors

**D. S. Sahney**  
**Chairman and Managing Director**
**Kedar Raje**  
**Partner**
**R. G. Mehendale**  
**Chief Financial Officer**
**Ratika Gandhi**  
**Company Secretary**
**Place : Mumbai**  
**Date : 30 May, 2019**
**Place : Mumbai**  
**Date : 30 May, 2019**

**CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2019**
**(Rs. in Lakhs)**

Particulars	For year ended March 31, 2019	For year ended March 31, 2018
<b>Cash flows from operating activities</b>		
Loss after tax	(1,380.51)	(2,045.66)
Adjustments for:		
Income tax (income)/expense recognised in statement of profit or loss	-	-
Finance costs	801.30	855.67
Allowance for doubtful debts	17.69	9.76
Bad debts / advances written off	5.81	-
Depreciation and amortisation expense	881.93	892.28
Loss arising on Financial Liabilities / assets designated at FVTPL	(38.22)	160.76
Loss on sale of Property, Plant & equipment	-	1.08
Liability no longer payable required written back	-	(14.53)
Interest Income	(6.68)	(17.39)
Net loss/(gain) on foreign exchange transactions and translations	(46.22)	(0.81)
Share of Profit of associates	(17.97)	-
Operating profit before working capital changes	217.11	(158.84)
<b>Movements in working capital:</b>		
(Increase)/ decrease in trade receivables	(111.91)	(94.60)
(Increase)/decrease in inventories	(281.14)	138.63
(Increase)/decrease in other current assets	72.58	29.64
(Increase)/decrease in non current assets	(15.32)	7.97
(Increase)/decrease in other financial assets	(8.94)	-
Increase/(decrease) in trade payables	666.06	25.31
Increase/(decrease) in provisions	1.27	14.93
Increase/(decrease) in other liabilities	(0.44)	(5.63)
Cash generated from operations	539.26	(42.59)
Income taxes paid	(13.20)	(15.50)
<b>Net cash generated by operating activities</b>	<b>526.06</b>	<b>(58.09)</b>



## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2019

(Rs. in Lakhs)

Particulars	For year ended March 31, 2019	For year ended March 31, 2018
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment	(230.92)	(207.80)
Proceeds from disposal of property, plant and equipment	-	2.74
Bank Balance not considered for cash and cash equivalents	10.00	(62.69)
Interest Income	2.65	16.93
Investment in Associates	(105.00)	-
<b>Net cash (used in)/generated by investing activities</b>	<b>(323.27)</b>	<b>(250.82)</b>
<b>Cash flows from financing activities</b>		
Issue of compounded financial instrument	1,350.00	2,000.00
Proceed from non current borrowings	1,050.00	3,150.00
Repayment of non current borrowings	(188.79)	(2,381.60)
Proceeds/(repayment) from/of current borrowings	(1,824.91)	(1,746.72)
Share issue expenses paid	(9.59)	-
Interest paid	(575.40)	(656.14)
<b>Net cash used in financing activities</b>	<b>(198.70)</b>	<b>365.54</b>
Net increase in cash and cash equivalents	4.09	56.63
<b>Cash and cash equivalents at the beginning of the year</b>	<b>67.57</b>	<b>10.94</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>71.66</b>	<b>67.57</b>

See accompanying notes to the financial statements

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

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

**D. S. Sahney**  
**Chairman and Managing Director**

**Kedar Raje**  
**Partner**

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

**Ratika Gandhi**  
**Company Secretary**

**Place : Mumbai**  
**Date : 30 May, 2019**

**Place : Mumbai**  
**Date : 30 May, 2019**

## Consolidated Statement of changes in equity for the year ended March 31, 2019

### A) Equity Share Capital

Particulars	As at March 31, 2019	As at March 31, 2018
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	
<b>Balance at April 1, 2017</b>	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)
<b>Total Comprehensive Income for the year</b>	-	<b>628.59</b>	<b>(2,057.58)</b>	<b>(2,057.58)</b>
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
<b>Balance at April 1, 2018</b>	<b>5,700.16</b>	<b>2,803.98</b>	<b>(8,636.52)</b>	<b>(132.38)</b>
- Loss for the year	-	-	(1,380.51)	(1,380.51)
Other Comprehensive Income for the year	-	-	(9.84)	(9.84)
- Remeasurement of net defined benefit obligation (net of taxes)	-	-	(9.59)	(9.59)
- Share issue expenses for increase in authorised capital	-	-	0.45	0.45
- Share of other comprehensive & income in associates, to the extent not to be reclassified to profit and loss.	-	-	-	-
<b>Total Comprehensive Income for the year</b>	-	<b>2,803.98</b>	<b>(1,399.49)</b>	<b>(1,399.49)</b>
Recognition of equity component on issue of redeemable preference shares	-	901.96	-	901.96
<b>Balance at March 31, 2019</b>	<b>5,700.16</b>	<b>3,705.94</b>	<b>(10,036.01)</b>	<b>(629.91)</b>

See accompanying notes to the financial statements

In terms of our report attached.

**For Deloitte Haskins & Sells**  
**Chartered Accountants**

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

**D. S. Sahney**  
**Chairman and Managing Director**

**Kedar Raje**  
**Partner**

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

**Ratika Gandhi**  
**Company Secretary**

**Place : Mumbai**  
**Date : 30 May, 2019**

**Place : Mumbai**  
**Date : 30 May, 2019**

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

The consolidated financial statements of the NRB Industrial Bearing Limited (the Company/Parent) comprising of Balance Sheet, Statement of Profit and 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.

The Company has a formal plan for improving the profitability of the Company, which mainly includes increase in sales and reduction in operating expenses which are based on board approved projections. Based on the above and commitment of financial support from it's promoter director to meet financial obligations as they fall due over the next twelve months, the financial statements of the Company are prepared on a going concern basis.

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 30 May , 2019.

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 associates. 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 companies 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 companies (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.

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

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

**ii. About the holding company:**

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

The 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 and 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.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

### 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 and 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 and Loss.

### d. 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 and 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 based on transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns and goods and service tax. Transaction price is recognised based on the price specified in the contract, net of the estimated sales incentives/ discounts.

### Sale of goods

Revenue from contract with customers is recognised

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

when the Company satisfies performance obligation by transferring promised goods to the customer. Performance obligations are satisfied at the point of time when the customer obtains controls of the asset.

**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 g. 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 Statement of Profit and 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 and Loss. Past service cost is recognised in Statement of Profit and 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 and 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



**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

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. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan.

**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 and 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 and 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.

**l. 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.

**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.

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS****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 Statement of Profit and 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 Statement of Profit and Loss if such gain or loss would have otherwise been recognised in the Statement of Profit and 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 and 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 financial 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 similar 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.

**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 and Loss.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 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 and Loss immediately.

### p. Investment in Associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with Ind AS 105. Under the equity method, an investment in an associate is initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. Distributions received from an associate reduce the carrying amount of the investment. When the Group's share of losses of an associate exceeds the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the group's share of the net value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the investment, after reassessment, is recognised directly in equity as capital reserve in the period which the investment is acquired.

After application of the equity method of accounting, the Group determines whether there is any objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment in an associate and that event (or events) has an impact on the estimated future cash flow from the net investment that can be reliably estimated. If there exists such an objective evidence of impairment, then it is necessary to recognise impairment loss with respect to the Group's investment in an associate.

### 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 Changes in Accounting Standard

On March 30, 2019 the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2019, notifying Ind AS 116 on Leases. Ind AS 116 would replace the existing leases standard Ind AS 17. The standard sets out the principles for the recognition, measurement, presentation and disclosures for both parties to a contract, i.e. the lessee and the lessor. Ind AS 116 introduces a single lease accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently for operating lease rentals are charged to the statement of profit and loss. The Company is currently evaluating the implications of Ind AS 116 on the financial statements.

### 5 Recent accounting pronouncements

The Companies (Indian Accounting Standards) Amendment Rules, 2019 also notified amendments to the following accounting standards. The amendments would be effective from April 1, 2019.

1. Ind AS 12, Income taxes – Appendix C on uncertainty over income tax treatments
2. Ind AS 23, Borrowing costs
3. Ind AS 28 – Investment in associates and joint ventures
4. Ind AS 109 – Financial instruments
5. Ind AS 19 – Employee benefits

The Company is in the process of evaluating the impact of such amendments.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**
**NOTE 6 : Property, plant and equipment**

(Rs. in Lakhs)

Description	Cost or deemed cost				Accumulated depreciation and impairment				Net Carrying amount
	Balance As at 01.04.18	Additions	Deductions	Balance As at 31.03.19	Balance As at 01.04.18	For the year	On Deductions/Amortisation	Balance As at 31.03.19	As at 31.03.19
Buildings									
Own Use	3,409.43	-	-	3,409.43	625.01	113.29	-	738.30	2,671.13
	(3,409.43)	(-)	(-)	(3,409.43)	(511.72)	(113.29)	(-)	(625.01)	(2,784.42)
Given under operating lease	307.11	-	-	307.11	51.94	10.26	-	62.21	244.91
	(307.11)	(-)	(-)	(307.11)	(41.68)	(10.26)	(-)	(51.94)	(255.17)
	3,716.54	-	-	3,716.54	676.95	123.55	-	800.51	2,916.04
	(3,716.54)	(-)	(-)	(3,716.54)	(553.40)	(123.55)	(-)	(676.95)	(3,039.59)
Leasehold Improvement	154.00	0.51	-	154.51	27.40	12.79	-	40.19	114.32
	(148.04)	(5.96)	(-)	(154.00)	(14.98)	(12.42)	(-)	(27.40)	(126.60)
Plant and Machinery									
Own Use	7,154.39	81.18	-	7,235.57	1,286.97	648.52	-	1,935.49	5,300.08
	(7,107.43)	(46.96)	(-)	(7,154.39)	(642.78)	(644.19)	(-)	(1,286.97)	(5,867.42)
Given under operating lease	90.41	-	-	90.41	13.42	6.71	-	20.13	70.28
	(90.41)	(-)	(-)	(90.41)	(6.71)	(6.71)	(-)	(13.42)	(76.99)
	7,244.80	81.18	-	7,325.98	1,300.39	655.23	-	1,955.62	5,370.36
	(7,197.84)	(46.96)	(-)	(7,244.80)	(649.49)	(650.90)	(-)	(1,300.39)	(5,944.41)
Furniture and fixtures									
Own Use	249.42	0.96	-	250.38	78.35	15.85	-	94.20	156.18
	(241.58)	(7.84)	(-)	(249.42)	(62.98)	(15.37)	(-)	(78.35)	(171.07)
Given under operating lease	2.50	-	-	2.50	0.88	0.16	-	1.04	1.46
	(2.50)	(-)	(-)	(2.50)	(0.72)	(0.16)	(-)	(0.88)	(1.62)
	251.92	0.96	-	252.88	79.23	16.01	-	95.24	157.64
	(244.08)	(7.84)	(-)	(251.92)	(63.70)	(15.53)	(-)	(79.23)	(172.69)
Computers									
Own Use	73.50	2.24	-	75.74	51.06	7.96	-	59.02	16.73
	(67.02)	(6.48)	(-)	(73.50)	(39.70)	(11.36)	(-)	(51.06)	(22.44)
Given under operating lease	0.44	-	-	0.44	0.38	0.07	-	0.44	-
	(0.44)	(-)	(-)	(0.44)	(0.31)	(0.07)	(-)	(0.38)	(0.06)
	73.94	2.24	-	76.18	51.44	8.03	-	59.47	16.72
	(67.46)	(6.48)	(-)	(73.94)	(40.01)	(11.43)	(-)	(51.44)	(22.50)
Office equipments									
Own Use	73.61	4.46	-	78.07	65.23	3.69	-	68.92	9.15
	(71.44)	(2.17)	(-)	(73.61)	(50.89)	(14.34)	(-)	(65.23)	(8.38)
Given under operating lease	0.35	-	-	0.35	0.34	-	-	0.34	0.01
	(0.35)	(-)	(-)	(0.35)	(0.27)	(0.07)	(-)	(0.34)	(0.01)
	73.96	4.46	-	78.42	65.57	3.69	-	69.26	9.16
	(71.79)	(2.17)	(-)	(73.96)	(51.16)	(14.41)	(-)	(65.57)	(8.39)
Electrical installations									
Own Use	558.31	-	-	558.31	227.94	41.43	-	269.37	288.94
	(558.31)	(-)	(-)	(558.31)	(186.51)	(41.43)	(-)	(227.94)	(330.37)
Given under operating lease	36.09	-	-	36.09	14.73	2.68	-	17.41	18.68
	(36.09)	(-)	(-)	(36.09)	(12.05)	(2.68)	(-)	(14.73)	(21.36)
	594.40	-	-	594.40	242.67	44.11	-	286.78	307.62
	(594.40)	(-)	(-)	(594.40)	(198.56)	(44.11)	(-)	(242.67)	(351.73)
Vehicles	58.56	35.50	-	94.06	16.60	7.70	-	24.29	69.76
	(54.71)	(10.73)	(6.88)	(58.56)	(14.10)	(5.56)	(3.06)	(16.60)	(41.96)
<b>Sub Total (A)</b>	<b>12,168.12</b>	<b>124.85</b>	<b>-</b>	<b>12,292.98</b>	<b>2,460.25</b>	<b>871.11</b>	<b>-</b>	<b>3,331.36</b>	<b>8,961.62</b>
<b>Sub Total (B)</b>	<b>(12,094.86)</b>	<b>(80.14)</b>	<b>(6.88)</b>	<b>(12,168.12)</b>	<b>(1,585.40)</b>	<b>(877.91)</b>	<b>(3.06)</b>	<b>(2,460.25)</b>	<b>(9,707.87)</b>

**Notes:**
**1. Assets pledged as security**

Refer Note 17 on Borrowings.

2. Previous year figures are indicated in brackets

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**
**NOTE 7 : Other Intangible Assets**
**(Rs. in Lakhs)**

Particulars	Software
<b>I. Deemed cost</b>	
<b>Balance as at 1 April, 2018</b>	<b>52.01</b>
Additions	-
Disposals	-
<b>Balance as at 31 March, 2019</b>	<b>52.01</b>
<b>Balance as at 1 April, 2017</b>	<b>52.01</b>
<b>Additions</b>	-
<b>Disposals</b>	-
<b>Balance as at 31 March, 2018</b>	<b>52.01</b>
<b>II. Accumulated amortisation and impairment</b>	
<b>Balance as at 1 April, 2018</b>	<b>28.74</b>
Amortisation expense	10.82
Eliminated on disposal of assets	-
<b>Balance as at 31 March, 2019</b>	<b>39.56</b>
<b>Balance as at 1 April, 2017</b>	<b>14.37</b>
Amortisation expense	14.37
Eliminated on disposal of assets	-
<b>Balance as at 31 March, 2018</b>	<b>28.74</b>
<b>III. Net Carrying amount (I-II)</b>	
<b>Balance as at 31 March, 2019</b>	<b>12.45</b>
<b>Balance as at 31 March, 2018</b>	<b>23.27</b>

**NOTE 8 : Investments**
**(Rs. in Lakhs)**

Particular	As at March 31, 2019			As at March 31, 2018		
	No. of shares	Amounts		No. of shares	Amounts	
		Current	Non Current		Current	Non Current
<b>A. Investments</b>						
<b>Unquoted Investments (fully paid)</b>						
<b>(a) Investments in equity instruments of Associates (carrying amount determined using the equity method of accounting)</b>						
Equity Shares (of Rs. 10 each) in NRB-IBC Bearings Private Limited (NIBC) (Refer Note below)	4,200,000	-	-	4,200,000	-	-
Equity Shares (of Rs. 10 each) in Korta Engineering India Private Limited (Korta India) (Refer Note below)	1,050,000	-	123.42	-	-	-
<b>Total aggregate unquoted investments</b>	<b>5,250,000</b>	-	<b>123.42</b>	<b>4,200,000</b>	-	-
<b>Aggregate carrying amount of unquoted investments</b>			<b>123.42</b>			-
<b>Aggregate amount of impairment in value of investments in associates</b>		-	-		-	-

**Notes:**

- a The Company has entered into a share purchase agreement with Korta Inversiones, S. L of Spain ( Korta Spain), in respect to Korta Engineering India Private Limited (Korta India), which was then a subsidiary of Korta Spain, and Late Mr. Trilochan Singh Sahney as part of business strategy. The transfer of shares from Korta Spain to NIBL has been approved by the Board of Directors of the Korta India on 26th June, 2018 and all the terms and conditions precedent and subsequent along with their covenants of the share purchase agreement come into effect from the aforesaid date. Pursuant to the share purchase agreement NIBL purchased 35% of the Paid up share capital of the Korta India.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

- b The Company's share of profit in an associate NRB-IBC Bearings Private Limited (NIBC) for the year ended March 31, 2019 is restricted to the extent of its share of losses not recognised earlier. The unrecognised share of losses of NIBC as at March 31, 2019 is Rs. 69.09 lakhs.
- c Rs. 123.42 lakhs disclosed above includes the Company's share of net profit of Rs. 17.97 lakhs and other comprehensive income of Rs. 0.45 lakhs in associate Korta Engineering India Private Limited for the year ended March 31, 2019 as recognised in Consolidated Statement of Profit and Loss for the year ended March 31, 2019.
- d

Name of Associate	Contry of Incorporation	Year	Ownership Interest (%)	Original Cost of Investment	Amount of Goodwill / (Capital reserve in original cost)
NRB-IBC Bearings Private Limited	India	March 31, 2019	35	420.00	420.00
	India	March 31, 2018	35	420.00	420.00
Korta Engineering India Private Limited	India	March 31, 2019	35	105.00	170.69

**NOTE 9 : Other financial assets**
**(Rs. in Lakhs)**

Particulars	As at March 31, 2019		As at March 31, 2018	
	Current	Non-current	Current	Non-current
(a) Interest accrued on fixed deposits	0.74	6.59	1.49	1.79
(b) Fixed Deposits with a Bank and Financial Institution	-	62.69	-	62.69
(c) Receivable from related party	8.94	-	-	-
<b>Total</b>	<b>9.68</b>	<b>69.28</b>	<b>1.49</b>	<b>64.48</b>

**NOTE 10 : Other assets**
**(Rs. in Lakhs)**

Particulars	As at March 31, 2019		As at March 31, 2018	
	Current	Non-current	Current	Non-current
Security Deposits	-	47.17	-	46.62
Capital advances	-	3.51	-	4.85
GST Refund Receivable	39.47	-	50.35	-
VAT receivable	20.58	-	20.58	-
Balances with government authorities (other than income taxes):				
GST credit receivables	153.42	-	228.46	-
'Service tax / Excise deposit paid under protest	2.51	-	-	-
Others:				
(a) Export incentive	87.56	-	63.26	-
(b) Advances to employees	2.46	-	8.06	-
(c) Advances to suppliers	3.29	21.50	23.56	21.50
Less: Allowance for doubtful advances	-	(21.50)	-	(21.50)
Prepayments	39.99	734.10	27.59	725.14
<b>Total</b>	<b>349.28</b>	<b>784.78</b>	<b>421.86</b>	<b>776.61</b>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

### NOTE 11 : Inventories

(Rs. in Lakhs)

Particulars	As at March 31, 2019		As at March 31, 2018	
Inventories (lower of cost and net realisable value)				
(a) Raw materials	476.46		523.69	
- Goods in Transit	-	476.46	-	523.69
(b) Work-in-progress		827.12		673.85
(c) Finished goods		747.22		590.78
(d) Stores and spares		72.77		54.11
<b>Total</b>		<b>2,123.57</b>		<b>1,842.43</b>

#### Notes:

- The cost of inventories recognised as an expense during the year was Rs. 2,347.11 lakhs (for the year ended March 31, 2018: Rs.1,892.55 lakhs).
- The cost of inventories recognised as an expense includes Rs. 3.96 lakhs (during 2017-2018: Rs.Nil) in respect of write-downs of inventory to net realisable value, and has been reduced by Rs. Nil (during 2017-2018: Rs. 30.46 lakhs) in respect of the reversal of such write-downs.
- The mode of valuation of inventories has been stated in note 2 (e).
- 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, 2019				As at March 31, 2018			
	Current		Non Current		Current		Non Current	
Trade receivables outstanding for a period exceeding six months from the date they are due for payment:								
(a) Unsecured, considered good	113.63		132.81		111.04		137.81	
(b) Unsecured, credit impaired	147.50		-		129.81		-	
(c) Unsecured, significant increase in credit risk.	-		-		-		-	
	261.13		132.81		240.85		137.81	
Allowance for doubtful debts (expected credit loss allowance)	(147.50)	113.63	-	132.81	(129.81)	111.04	-	137.81
Other trade receivables:								
(a) Unsecured, considered good	1,002.09		-		900.10		-	
(b) Unsecured, credit impaired	-		-		-		-	
(c) Unsecured, significant increase in credit risk.	-	1,002.09	-	-	-	900.10	-	-
<b>Total</b>		<b>1,115.72</b>		<b>132.81</b>		<b>1,011.14</b>		<b>137.81</b>

#### Note: Trade receivables include debts due from:

	As at March 31, 2019	As at March 31, 2018
Private company in which directors are directors		
NRB-IBC Bearings Private Limited (NIBC) (Refer note 37)	43.32	80.15
Korta Engineering India Private Limited (Refer note 37)	3.58	-
	<b>46.90</b>	<b>80.15</b>

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

At 31 March 2019 and as at 31 March 2018, the Company had no customer that owed the Company more than 10% of total receivables outstanding.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**
**Movement in the expected credit loss allowance**
**(Rs. in Lakhs)**

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
<b>Balance as at beginning of the year</b>	129.81	120.05
Movement in the expected credit loss allowance on trade receivables calculated at life time expected credit losses.	17.69	9.76
<b>Balance at end of the year</b>	<b>147.50</b>	<b>129.81</b>

**NOTE 13 : Cash and Cash equivalents and Other bank balances**
**(Rs. in Lakhs)**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>A. Cash and cash equivalents</b>		
(a) Cash on hand	1.20	0.53
(b) Balances with banks in current accounts	70.46	67.04
<b>Total</b>	<b>71.66</b>	<b>67.57</b>
<b>B. Other bank balances</b>		
Balances with banks in earmarked deposit account (held as security against the guarantees) exceeding three months but less than twelve months	5.45	15.45
<b>Total</b>	<b>5.45</b>	<b>15.45</b>

**NOTE 14 : Current tax assets and liabilities**
**(Rs. in Lakhs)**

Particulars	As at March 31, 2019		As at March 31, 2018	
	Current	Non-Current	Current	Non-Current
<b>Current tax assets</b>				
Tax refund receivable	-	61.03	-	47.83
<b>Total</b>	-	61.03	-	<b>47.83</b>

**NOTE 14A : Current Tax and Deferred Tax**
**(a) Income Tax recognised in profit or loss**
**(Rs. in Lakhs)**

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
<b>Current Tax</b>		
In respect of current year	-	-
In respect of previous years	-	-
<b>Deferred Tax</b>		
In respect of current year	-	-
In respect of previous years	-	-
<b>Total Income tax expense recognised in the current year (A+B)</b>	<b>-</b>	<b>-</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

### (b) Income Tax recognised in Other comprehensive income

(Rs. in Lakhs)

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
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, 2019	Year ended 31 March, 2018
<b>Profit before tax from continuing operations</b>	<b>(1,398.48)</b>	<b>(2,045.66)</b>
<b>Current Tax</b>		
Income Tax	-	-
Charge/(credit) in respect of previous years	-	-
<b>Current Tax Total</b>	<b>-</b>	<b>-</b>
<b>Deferred Tax</b>		
Effect of expenses that are allowable on payment basis	6.57	(1.79)
Depreciation	43.81	269.50
Fair valuation of derivative contracts	(9.54)	41.40
Unabsorbed Business Losses	(40.84)	(304.32)
Others	-	(4.78)
Income tax expense recognised In profit or loss from continuing operations	-	-

The tax rate used for the year 2018-19 is 26.00% (25% + health and education cess @ 4% ) and year 2017-18 is 25.75% (25% + education cess @ 2% + secondary and higher education cess @ 1%) and reconciliations payable on 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 2019			
	Opening Balance	Recognised in profit and Loss	Recognised in OCI	Closing Balance
<b><u>Tax effect of items constituting deferred tax assets / (liabilities)</u></b>				
Property, Plant and Equipment	(1,142.16)	43.81	-	(1,098.35)
Provision for doubtful debts and advances	38.96	4.98	-	43.94
Provision for Employee Benefits	20.67	0.53	2.56	23.76
Fair valuation of derivative contracts	41.40	(9.54)	-	31.86
Effect of expenses that are allowable on payment basis	11.11	1.06	-	12.17
Unabsorbed Business Losses	1,030.02	(40.84)	(2.56)	986.63
<b>Net Tax Asset (Liabilities)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**
**(Rs. in Lakhs)**

Particulars	For the Year ended 31 March 2018			
	Opening Balance	Recognised in profit and Loss	Recognised in OCI	Closing Balance
<b>Tax effect of items constituting deferred tax assets / (liabilities)</b>				
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 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
<b>Net Tax Asset (Liabilities)</b>	-	-	-	-

**(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, 2019**
**(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	-	-	989.23	3,076.02	4,065.24
Unabsorbed depreciation	6,414.97	-	-	-	6,414.97
<b>Total</b>	<b>6,414.97</b>	<b>-</b>	<b>989.23</b>	<b>3,076.02</b>	<b>10,480.21</b>

**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
<b>Total</b>	<b>5,742.04</b>	<b>-</b>	<b>-</b>	<b>3,558.69</b>	<b>9,300.73</b>

**NOTE 15 : Equity Share Capital**
**(Rs.inLakhs)**

	As at March 31,2019	As at March 31,2018
Equity share capital	484.61	484.61
	<b>484.61</b>	<b>484.61</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(Rs. in Lakhs)

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of shares	Amount	No. of shares	Amount
<b>Authorised:</b>				
Equity shares of Rs. 2/- each	25,000,000	500.00	25,000,000	500.00
<b>Issued, Subscribed and Fully Paid:</b>				
Equity shares of Rs. 2/- each	24,230,650	484.61	24,230,650	484.61
<b>Total</b>	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)
<b>Balance at April 1, 2018</b>	24,230,650	484.61
Movements	-	-
<b>Balance at March 31, 2019</b>	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, 2019		As at March 31, 2018	
	No. of shares	Perc- entage	No. of shares	Perc- entage
<b>Equity shares:</b>				
Trilochan Singh Sahney ( Refer Note below)	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%
ICICI Prudential Life Insurance Company Limited	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, 2019	As at March 31, 2018
	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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**
**NOTE 16 : Other equity**
**(Rs. in Lakhs)**

Particulars	As at March 31, 2019	As at March 31, 2018
(a) Capital reserve	5,700.16	5,700.16
(b) Deemed capital contribution	3,705.94	2,803.98
(c) Retained earnings	(10,036.01)	(8,636.52)
<b>Total</b>	<b>(629.91)</b>	<b>(132.38)</b>

**(i) Movement in other equity:**
**(Rs. in Lakhs)**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>(I) Capital Reserve (Refer Note 1)</b>		
Opening balance	5,700.16	5,700.16
Movement	-	-
<b>Closing balance</b>	<b>5,700.16</b>	<b>5,700.16</b>
<b>(II) Deemed capital contribution</b>		
Opening balance	2,803.98	628.59
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	901.96	1,332.82
<b>Closing balance</b>	<b>3,705.94</b>	<b>2,803.98</b>
<b>(III) Retained earnings</b>		
Opening balance	(8,636.52)	(6,578.94)
Loss for the year	(1,380.51)	(2,045.66)
"Other Comprehensive Income for the year - Remeasurement of net defined benefit obligation (net of taxes)"	(9.84)	(11.92)
Share issue expenses for increase in authorised capital	(9.59)	-
Share of other comprehensive income in associates, to the extent not to be reclassified to profit and loss.	0.45	-
<b>Closing balance</b>	<b>(10,036.01)</b>	<b>(8,636.52)</b>

**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. NIL ( during 2017-2018 : 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, 2019**
**NOTE 17 : Borrowings**
**A. Non-Current Borrowings**
**(Rs. in Lakhs)**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>I. Secured - at amortised cost</b>		
<b>Term loans:</b>		
<b>From bank</b>	1,415.56	1,631.12
Less: Current maturities of long term debt (refer note 19)	(108.83)	(160.83)
	<b>1,306.73</b>	<b>1,470.29</b>
<b>From others</b>	42.17	23.12
Less: Current maturities of long term debt (refer note 19)	(14.62)	(9.32)
	<b>27.55</b>	<b>13.80</b>
<b>II. Unsecured - at amortised cost</b>		
<b>Term loan:</b>		
<b>From others</b>	<b>2,667.19</b>	<b>1,639.06</b>
Less: Current maturities of long term debt (refer note 19)	<b>(665.63)</b>	-
	<b>2,001.56</b>	<b>1,639.06</b>
<b>Loans from related parties</b>		
Preference Shares	2,268.24	1,592.92
<b>Total</b>	<b>5,604.08</b>	<b>4,716.07</b>

**Footnotes:**
**Secured**
**Term loans from Bank**

- (a) Rs. Nil (March 31, 2018 Rs. 139.71 lakhs) 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 fully repaid in September 2018.
- (b) Rs. 1415.56 lakhs (March 31, 2018 Rs. 1491.41 lakhs ) secured by subservient charge on current assets and movable Property, plant and equipment and pledge of 1,958,350 shares (March 31, 2018 2,083,250 shares ) of NRB Bearings Limited held by a director of the Company . The working capital term loan is repayable in remaining 16 quarterly installments comprising of 4 Quaterly installment of Euro 0.38 lakh each till 2nd March 2020 and 12 Quaterly 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.

**Term loan from Others**

- (c ) Rs. 42.17 lakhs (March 31, 2018 Rs. 23.12 lakhs) secured by hypothecation of vehicles. Out of these , the term loan of Rs. Nil (March 31, 2018 Rs. 1.35 lakhs ) is fully repaid in September, 2018, the term loan of Rs. 7.88 lakhs (March 31, 2018 Rs. 14.25 lakhs ) carrying interest rate of 12.75 % is repayable in remaining 12 equal monthly instalments by April, 2020, the term loan of Rs. 5.92 lakhs (March 31, 2018 Rs. 7.52 lakhs) carrying interest rate of 8.82 % is repayable in remaining 37 equal monthly instalments by April, 2022 and the term loan of Rs. 29.04 lakhs (March 31, 2018 Rs. Nil) carrying interest rate of 8.63 % is repayable in remaining 53 equal monthly instalments by August, 2023.

**Unsecured**
**Term loans from others**

- (d ) Rs. 2667.19 lakhs (March 31, 2018 Rs. 1639.06 lakhs) secured by pledge of 2,998,697 shares (March 31, 2018 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. 334.38 lakhs starting from 6 December , 2019 and carries interest rate of 10.5 % to 11 % p.a.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**
**Loans from related parties**

- (e) 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 with redemption at the end of 5 years from the date of issue. During the year ended March 31, 2018, 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.

100 lakhs and 35 lakhs 2 % Redeemable Cumulative Non -Convertible Preference shares of Rs. 10 each fully paid up were issued to a Promotor shareholder in January 2019 and in March 2019 respectively with redemption at the end of 10 years.

**(i) Preference Share Capital**
**(Rs. in Lakhs)**

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of shares	Amount	No. of shares	Amount
<b>Authorised:</b>				
Redeemable cumulative non-convertible preference shares of Rs. 10/- each	60,000,000	6,000.00	50,000,000	5,000.00
<b>Total</b>	60,000,000	6,000.00	50,000,000	5,000.00
<b>Issued, Subscribed and Fully Paid:</b>				
Redeemable cumulative non-convertible preference shares of Rs. 10/- each	53,500,000	5,350.00	40,000,000	4,000.00
<b>Total</b>	53,500,000	5,350.00	40,000,000	4,000.00

**(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)
<b>Balance at March 31, 2018</b>	40,000,000	4,000.00
Issued during the year	13,500,000	1,350.00
<b>Balance at March 31, 2019</b>	53,500,000	5,350.00

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

Name of Shareholders	As at March 31, 2019		As at March 31, 2018	
	No. of shares	Perce- ntage	No. of shares	Perce- ntage
<b>Preference shares:</b>				
Trilochan Singh Sahney ( Refer Note below)	40,000,000	74.77%	40,000,000	100.00%
Devesh Singh Sahney	13,500,000	25.23%	-	-
<b>Total</b>	53,500,000	100%	40,000,000	100%

Note : Consequent to the demise of Mr. Trilochan Singh Sahney, the Company has not received share transmission application from legal heirs of Late Mr. T.S. Sahney and accordingly the name of Late Mr. T.S. Sahney is still appearing in register of Members and is accordingly disclosed above.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**
**B. Current Borrowings**
**(Rs. in Lakhs)**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>I. Secured - at amortised cost</b>		
<b>(a) Loans repayable on demand</b>		
From banks	977.43	1,637.35
<b>(b) Loans repayable on demand</b>		
Interest free loan from Directors	4,546.13	5,711.12
<b>Total</b>	<b>5,523.56</b>	<b>7,348.47</b>

**Footnotes:**
**(i) Loans repayable on demand from banks**

Rs. 977.43 lakhs (March 31, 2018 Rs. 1,637.35 lakhs ) secured by first pari passu charge on all present and future stock and book debts of the Company and second pari pasu charge over immovable 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 12 % p.a.

**NOTE 18 : Trade Payables**
**(Rs.inLakhs)**

Particulars	As at March 31, 2019		As at March 31, 2018	
	Current	Non- Current	Current	Non- Current
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	1,930.20	75.76	1,272.55	78.61
<b>Total</b>	<b>1,930.20</b>	<b>75.76</b>	<b>1,272.55</b>	<b>78.61</b>

**Notes:**

- 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.
- The credit period ranges from 45 days to 90 days .

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**
**NOTE 19 : Other financial liabilities**
**(Rs. in Lakhs)**

Particulars	As at March 31, 2019		As at March 31, 2018	
	Current	Non- Current	Current	Non- Current
<b>Other Financial Liabilities measured at amortised cost</b>				
(a) Current maturities of long-term debt	789.08	-	170.15	-
(b) Interest accrued	7.25	-	8.64	-
<b>Other Financial Liabilities measured at Fair Value</b>				
(a) Interest Rate Swap	38.22	84.33	-	160.76
<b>Total</b>	<b>834.55</b>	<b>84.33</b>	<b>178.79</b>	<b>160.76</b>

**NOTE 20 : Other current liabilities**
**(Rs. in Lakhs)**

Particulars	As at March 31, 2019	As at March 31, 2018
(a) Advances received from customers	39.10	43.01
(b) Security Deposits	4.50	3.50
(c) Payables for capital supplies	5.94	11.30
(d) Others		
Statutory remittances (Super annuation, Withholding tax, Service Tax, VAT etc.)	44.34	41.88
<b>Total</b>	<b>93.88</b>	<b>99.69</b>

**NOTE 21 : Provisions**
**(Rs. in Lakhs)**

Particulars	As at March 31, 2019		As at March 31, 2018	
	Current	Non- Current	Current	Non- Current
Provision for employee benefits				
1) Compensated absences	3.12	41.97	15.80	48.20
2) Gratuity	46.29	-	16.27	-
<b>Total</b>	<b>49.41</b>	<b>41.97</b>	<b>32.07</b>	<b>48.20</b>

- (i) As at 31 March 2019, the decrease in the carrying amount of the provision for compensated absences results from benefits being paid during the year ended March 31, 2019. 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 .
- (ii) Refer note 35 for Employee Benefits related disclosures.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**
**NOTE 22 : Revenue from Operations**
**(Rs. in Lakhs)**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>Revenue from contract with customers</b>		
Sale of products ( including excise duty of Rs. Nil ( March 31, 2018 Rs. 59.72 lakhs) (Refer Note 1 below)	5,252.52	4,114.53
<b>Rendering of services</b>		
(a) Agency Commission	26.49	22.17
(b) Job work charges	164.02	150.79
(c) Service Charges	33.93	24.00
<b>Other operating revenues</b>		
(d) Sale of scrap	38.63	20.16
(e) Export incentives	78.89	61.04
(f) Royalty Income	14.98	10.34
<b>Total</b>	<b>5,609.46</b>	<b>4,403.03</b>

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.
- Refer Note 36 for geography wise revenue from contracts with customers.
- The Company is engaged in the business of manufacturing and selling of all types of industrial bearings. Effective April 1, 2018, the Company adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method which is applied to contracts that were not completed as of April 1, 2018. In terms of Ind AS 115, the company is recognizing the revenue as and when it satisfies the performance obligation by transferring promised goods to a customer and customer obtains the benefit of the same. Hence the company recognised revenue at a point in time. The effect on adoption of Ind AS 115 does not have any material impact on the financial statements of the Company.

**NOTE 23 : Other Income**
**(Rs. in Lakhs)**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b><u>Interest income on financial assets at amortised cost</u></b>		
(a) Interest income on bank deposits	6.32	4.23
(b) Other Interest income	0.38	13.16
<b>Other non-operating income</b>		
Rent income	84.48	76.80
<b>Other gains and losses</b>		
(a) Liability no longer payable required written back	-	14.53
(b) Foreign exchange fluctuation (gain) / loss	67.15	34.82
(c) Gain arising on financial liabilities / assets designated at FVTPL	38.22	-
<b>Total</b>	<b>196.55</b>	<b>143.54</b>

**NOTE 24 : Cost of material consumed**
**(Rs. in Lakhs)**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Opening stock	523.69	345.37
Add: Purchases	2,262.92	1,648.75
Less: Closing stock	(476.46)	(523.69)
<b>Total</b>	<b>2,310.15</b>	<b>1,470.43</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**
**NOTE 25 : Purchases of stock in trade**
**(Rs. in Lakhs)**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Purchases of stock in trade	193.05	198.59

**NOTE 26 : Changes in inventories of finished goods, work-in-progress and stock-in-trade**
**(Rs. in Lakhs)**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Opening stock		
- Work in progress	673.85	654.17
- Finished goods	590.78	946.49
Closing stock		
- Work in progress	(827.12)	(673.85)
- Finished goods	(747.22)	(590.78)
Excise Duty	-	(183.28)
<b>Net (increase)/Decrease</b>	<b>(309.71)</b>	<b>152.75</b>

**NOTE 27 : Employee Benefits Expense**
**(Rs. in Lakhs)**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Salaries and wages	1,497.07	1,384.98
Contribution to provident and other funds (Refer note 35)	128.25	114.08
Staff welfare expenses	63.47	65.27
<b>Total</b>	<b>1,688.79</b>	<b>1,564.33</b>

**NOTE 28 : Finance Costs**
**(Rs. in Lakhs)**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
(a) Interest costs :-		
- Interest on borrowings from banks	516.81	496.24
- Interest on Preference shares	227.28	210.27
- Other interest expense	7.49	10.22
(b) Net loss on foreign currency transactions (considered as finance cost)	-	25.01
(c) Other borrowing cost	49.72	113.93
<b>Total</b>	<b>801.30</b>	<b>855.67</b>

**NOTE 29 : Depreciation and amortisation expense**
**(Rs. in Lakhs)**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Depreciation of property, plant and equipment	871.11	877.91
Amortisation of intangible assets	10.82	14.37
<b>Total depreciation and amortisation expense</b>	<b>881.93</b>	<b>892.28</b>



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**
**NOTE 30 : Other Expenses**
**(Rs. in Lakhs)**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Consumption of Stores and spares parts	369.72	269.37
Power & Fuel	348.98	245.25
Rent	15.25	14.49
Repairs and maintenance:		
- Buildings	-	10.50
- Plant & machinery	11.91	14.60
- Others	51.17	30.54
Insurance	14.26	10.91
Rates and taxes	16.41	25.53
Travelling and Conveyance expense	136.57	99.91
Printing and stationary	14.46	13.00
Freight and Forwarding	153.65	135.38
Business Promotion	57.59	26.92
Legal and other professional expenses	58.53	62.34
Auditors remuneration (See Footnote below)	32.78	30.25
Allowance for doubtful debts	17.69	9.76
Loss arising on financial liabilities / assets designated at FVTPL	-	160.76
Security and houskeeping Charges	136.17	90.29
IT related expenses	62.87	55.66
Bank charges	8.90	7.31
Bad debts / advances written off	5.81	-
Loss on sale of property, plant and equipments	-	1.08
Miscellaneous expenses	126.26	84.60
<b>Total</b>	<b>1,638.98</b>	<b>1,398.46</b>

**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	24.25
Taxation matters	5.50	6.00
Other services	3.00	-
out-of-pocket expenses	0.03	-
<b>Total</b>	<b>32.78</b>	<b>30.25</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**
**NOTE 31 : Earnings per share**

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

Particulars		Year ended March 31, 2019	Year ended March 31, 2018
<b>Basic / Diluted</b>			
Loss after tax attributable to equity shares (Rs. in lakhs)	(A)	(1,380.51)	(2,045.66)
Weighted average number of Shares	(B)	24,230,650	24,230,650
<b>Basic &amp; Diluted EPS (in Rs.)</b>	<b>(A) / (B)</b>	<b>(5.70)</b>	<b>(8.44)</b>
<b>Nominal value of equity share (in Rs.)</b>		<b>2.00</b>	<b>2.00</b>

**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 Consolidated Statement of Profit and Loss for the year ended 31 March, 2019 15.25 lakhs (previous year Rs. 14.49 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 had 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. 84.48 lakhs (previous year Rs. 76.80 lakhs) recognised as rental income in the 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. Further the Company has entered in to a new agreement with effect from 01 April 2018 for 5 years with same terms and conditions.

**NOTE 33 : Contingent liabilities not provided for:**
**(Rs. in Lakhs)**

Particulars	As at March 31, 2019	As at March 31, 2018
(i) Bank guarantees		
- To Maharashtra Pollution Control Board	5.00	15.00
- To President of India through Commissioner of Customs	0.45	0.45
(ii) Claims against the company not acknowledged as debt:-		
Service tax matters		
Matters decided against the company in respect of which the company has preferred an appeal	39.55	-
(iii) Share of Company in contingent liabilities of associate	6.46	-

**Footnote:**

The Company and its associate did not expect any outflow of economic resources in respect of the above and therefore no provision was made in respect thereof.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

### NOTE 34 : Commitments

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
1. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	25.82	3.66
<b>Total</b>	<b>25.82</b>	<b>3.66</b>

### 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 Consolidated Statement of profit and loss for the year, an amount of Rs. 93.84 lakhs ( March 31, 2018 Rs. 87.70 lakhs) as expenses under defined contribution plans.

(Rs. in Lakhs)

Benefit (Contribution to)	For the year ended 31 March 2019	For the year ended 31 March 2018
i) Employer's Contribution to Provident Fund	40.50	37.74
ii) Employer's Contribution to Family Pension Fund	24.86	23.11
iii) Employer's Contribution to Superannuation Fund	28.48	26.85
<b>Total</b>	<b>93.84</b>	<b>87.70</b>

#### 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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**
**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.

**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, 2019 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 2019	For the year ended 31 March 2018
Discount Rate	7.47% p.a.	7.56% p.a.
Expected return on plan assets	7.47% p.a.	7.56% p.a.
Salary escalation rate	7.00% p.a.	7.00% 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 2019	For the year ended 31 March 2018
Current Service Cost	18.95	16.95
Interest on net defined benefit liability/ (asset)	1.23	0.49
Expected Return on Plan Assets	-	-
<b>Total Expenses / (Income) recognised in the Consolidated Statement of Profit And Loss*</b>	<b>20.18</b>	<b>17.44</b>

\* The current service cost and the net interest expenses for the year are included in the 'Employee benefits expenses' Note : 27

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

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Actual return on plan assets in excess of the expected return	0.52	1.05
Actuarial (Gain)/Loss on account of :		
- Financial Assumptions	1.09	5.63
- Experience Adjustments	8.23	5.24
<b>Net (Income)/Expense For the Period Recognized in OCI</b>	<b>9.84</b>	<b>11.92</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**
**D. Net Asset/(Liability) recognised in the Consolidated Balance Sheet**
**(Rs. in Lakhs)**

Particulars	As at March 31, 2019	As at March 31, 2018
Present Value of Defined Benefit Obligation as at the end of the year	187.39	157.67
Fair Value of plan assets	141.10	141.40
<b>Net asset/(liability) recognised in the Balance Sheet</b>	<b>(46.29)</b>	<b>(16.27)</b>

Recognised under	As at March 31, 2019	As at March 31, 2018
Long term provision (Refer note 21)	-	-
Short term provision (Refer note 21)	(46.29)	(16.27)
<b>Total</b>	<b>(46.29)</b>	<b>(16.27)</b>

**E. Movements in the present value of defined benefit obligation are as follows:**
**(Rs. in Lakhs)**

Particulars	As at March 31, 2019	As at March 31, 2018
Present value of defined benefit obligation at the beginning of the year	157.67	128.99
Expenses Recognised in Profit and Loss Account:		
Current Service Cost	18.95	16.95
Interest cost	11.92	9.18
Recognised in Other Comprehensive Income		
Remeasurement (gains)/losses		
- Financial Assumptions	1.09	5.63
- Experience Adjustments	8.23	5.24
Benefit payments	(10.47)	(8.32)
<b>Present value of defined benefit obligation at the end of the year</b>	<b>187.39</b>	<b>157.67</b>

**F. Movements in the fair value of the plan assets are as follows:**
**(Rs. in Lakhs)**

Particulars	As at March 31, 2019	As at March 31, 2018
Fair value of the plan assets at the beginning of the year	141.40	122.08
Contribution made	-	20.00
Income Recognised in Profit and Loss Account:		
Interest income	10.69	8.69
Recognised in Other Comprehensive Income		
Remeasurement gains/(losses)	(0.52)	(1.05)
- Actual Return on plan assets in excess of the expected return		
Benefits paid	(10.47)	(8.32)
<b>Fair value of the plan assets at the end of the year</b>	<b>141.10</b>	<b>141.40</b>

**G. The major categories of plan assets are as follows:**
**(Rs. in Lakhs)**

Particulars	As at March 31, 2019	As at March 31, 2018
Insurer managed funds (100%)	141.10	141.40

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**
**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	2019	1%	(11.38)	12.97
	2018	1%	(9.61)	10.97
Salary escalation rate	2019	1%	12.90	(11.53)
	2018	1%	10.92	(9.74)

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 Consolidated 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, 2019	Estimated as at March 31, 2018
1st Following Year	29.25	17.67
2nd Following Year	14.01	25.10
3rd Following Year	14.86	11.16
4th Following Year	14.16	11.88
5th Following Year	18.90	11.43
Sum of Years 6 to 10	72.57	63.30
Sum of Years 11 and above	192.39	163.95

**J. Other Disclosures**

- The weighted average duration of the obligations as at March 31, 2019 is 8 years (March 31, 2018: 8 Years).
- The Company expects to contribute Rs. 45 lakhs to the plan during financial year 2019-20.

**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, 2019**
**Geographic information**
**(Rs. in Lakhs)**

Particulars	Revenue from operations		Non-current assets	
	Year ended 31 March 2019	Year ended 31 March 2018	Year ended 31 March 2019	Year ended 31 March 2018
India	4,008.10	3,164.19	10,160.85	10,756.51
Outside India	1,601.36	1,238.84	132.81	137.81
	<b>5,609.46</b>	<b>4,403.03</b>	<b>10,293.66</b>	<b>10,894.32</b>

**Revenue from major products and services**

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
(a) Ball & roller bearings	4,626.35	3,526.32
(b) Roller	363.79	296.26
(c) Trading	262.38	291.95
<b>Total</b>	<b>5,252.52</b>	<b>4,114.53</b>

**Information about major customers:**

There is no customer to whom sales made by the Company for more than 10 % of total revenue from operation for the year ended 31 March 2019. Revenues of approximately Rs. 417.69 Lakhs arose from sales to one customer who contributed 10% or more to the Company's revenue for year ended March 31, 2018.

**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 Korta Engineering India Private Limited
(b)	Key Management Personnel (KMP)	Mr. Devesh S. Sahney, Chairman and Managing Director
(c)	Relative of Key Management Personnel	i) Late Mr. Trilochan S. Sahney, Director (upto October 15, 2018) ii) Mrs. Harshbeena S. Zaveri, Director, Sister of Mr. Devesh S. Sahney iii) Ms. Mallika Sahney - AGM Strategy (w.e.f. August 3, 2018) Daughter of Mr. Devesh S. Sahney
(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, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
<b>1</b>	<b>Sale of finished Goods</b>								
	NRB Bearings (Thailand) Limited	-	-	1.51	2.79	-	-	1.51	2.79
	NRB Bearings Limited	-	-	2.51	2.49	-	-	2.51	2.49
	Korta Engineering India Private Limited	0.08	-	-	-	-	-	0.08	-
<b>2</b>	<b>Sale of Semi Finished Material</b>								
	NRB IBC Bearings Private Limited	16.19	56.29	-	-	-	-	16.19	56.29
<b>3</b>	<b>Income from job work</b>								
	NRB Bearings Limited	-	-	0.85	1.97	-	-	0.85	1.97
	NRB IBC Bearings Private Limited	163.31	143.36	-	-	-	-	163.31	143.36

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**
**(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, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
<b>4</b>	<b>Rent Income</b>								
	NRB IBC Bearings Private Limited	84.48	76.80	-	-	-	-	84.48	76.80
<b>5</b>	<b>Service Charges</b>								
	NRB IBC Bearings Private Limited	24.00	24.00	-	-	-	-	24.00	24.00
	Korta Engineering India Private Limited	9.93	-	-	-	-	-	9.93	-
<b>6</b>	<b>Royalty income</b>								
	NRB IBC Bearings Private Limited	14.98	10.34	-	-	-	-	14.98	10.34
<b>7</b>	<b>Payments made/ expenses incurred on behalf of related party</b>								
	NRB IBC Bearings Private Limited	85.24	65.06	-	-	-	-	85.24	65.06
<b>8</b>	<b>Purchase of material</b>								
	NRB Bearings Limited	-	-	138.99	125.36	-	-	138.99	125.36
	NRB IBC Bearings Private Limited	5.89	2.31	-	-	-	-	5.89	2.31
	Korta Engineering India Private Limited	1.20	-	-	-	-	-	1.20	-
<b>9</b>	<b>Payments made/ expenses incurred by related party</b>								
	NRB IBC Bearings Private Limited	4.83	-	-	-	-	-	4.83	-
<b>10</b>	<b>Job work charges</b>								
	Korta Engineering India Private Limited	0.02	-	-	-	-	-	0.02	-
<b>11</b>	<b>Loan taken</b>								
	Mr. D. S. Sahney	-	-	-	-	70.00	-	70.00	-
	The Estate of Mr. T. S. Sahney	-	-	-	-	175.00	613.65	175.00	613.65
<b>12</b>	<b>Loan repayment</b>								
	Mr. D. S. Sahney	-	-	-	-	1,380.00	-	1,380.00	-
	The Estate of Mr. T. S. Sahney	-	-	-	-	30.00	2,100.00	30.00	2,100.00
<b>13</b>	<b>Issue of Preference shares</b>								
	Mr. D. S. Sahney	-	-	-	-	1,350.00	-	1,350.00	-
	Late Mr. T. S. Sahney ( Refer foot note to Note 17 (A) (iii) )	-	-	-	-	-	2,000.00	-	2,000.00
<b>14</b>	<b>Remuneration to relative of KMP</b>								
	Ms. Mallika Sahney	-	-	-	-	17.91	-	17.91	-
<b>15</b>	<b>Guarantee by NRB bearings Limited to third party for loan taken by the Company and outstanding as at the year end Rs. Nil (previous year Rs. 139.71 lakhs)</b>								

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**
**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, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
<b>1</b>	<b>Trade Receivables</b>								
	NRB Bearings (Thailand) Limited	-	-	4.16	3.57	-	-	4.16	3.57
	NRB IBC Bearings Private Limited	34.38	80.15	-	-	-	-	34.38	80.15
	Korta Engineering India Private Limited	3.58	-	-	-	-	-	3.58	-
<b>2</b>	<b>Other Receivables</b>								
	NRB IBC Bearings Private Limited	8.94	-	-	-	-	-	8.94	-
<b>3</b>	<b>Trade Payables</b>								
	NRB Bearings Limited	-	-	40.37	45.94	-	-	40.37	45.94
	Korta Engineering India Private Limited	0.75	-	-	-	-	-	0.75	-
<b>4</b>	<b>Loan outstanding</b>								
	Mr. D. S. Sahney	-	-	-	-	1,637.63	2,947.63	1,637.63	2,947.63
	The Estate of Mr. T. S. Sahney	-	-	-	-	2,908.50	2,763.49	2,908.50	2,763.49

**Footnote:**

- No amounts pertaining to related parties have been provided for as doubtful debts. Further, no amounts have either been written off or written back during the period.
- Outstanding balances (other than borrowings) at the year-end are unsecured and interest free and settlement occurs in cash.
- 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, 2019	Year ended 31 March, 2018
Short-term benefits	77.40	74.85
Post-employment benefits @	13.93	12.31
Other long-term benefits	-	-
Termination benefits	-	-
<b>Total</b>	<b>91.33</b>	<b>87.16</b>

@ 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 : Expenditure on Research and Development ( R & D )**
**(Rs.inLakhs)**

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
a) Charged to Consolidated Statement of Profit and Loss	118.35	136.66
b) Capitalized to Fixed Assets	-	-
<b>Total</b>	<b>118.35</b>	<b>136.66</b>

**Footnote:**

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019****NOTE 39 : 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, 2019

(Rs. in Lakhs)

Maturities of Financial Liabilities	Weighted average effective interest rate	March 31, 2019				Total	Carrying amount
		Upto 1 year	1 to 3 years	3 to 5 years	5 years & above		
Non-interest bearing		6,483.58	75.76	-	-	6,559.34	6,559.34
Variable interest rate instruments	3%	-	-	-	-	-	-
Fixed interest rate instruments	10%	2,242.49	3,174.24	465.03	5,350.00	11,231.77	7,370.59
		<b>8,726.07</b>	<b>3,250.00</b>	<b>465.03</b>	<b>5,350.00</b>	<b>17,791.11</b>	<b>13,929.93</b>

(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		6,992.31	78.61	-	-	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	6,383.86
		<b>9,271.23</b>	<b>2,242.59</b>	<b>1,414.30</b>	<b>4,000.00</b>	<b>16,928.12</b>	<b>13,594.49</b>

### Interest Rate sensitivity

Interest rate risk is the risk that the fair value of future cash flows of a financial instruments will fluctuate because of changes in market interest rate. As at March 31, 2019 the Company does not have significant interest rate risk as the Company's debt obligations are with fixed interest rates. 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. 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, 2019**

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:

<b>As at 31 March 2019</b>		<b>In foreign currency in lakhs</b>	<b>Equivalent Rs in lakhs</b>
Financial Assets			
Trade Receivables	EURO	6.36	493.87
	USD	0.30	20.63
	GBP	0.09	8.22
Advance to suppliers	EURO	0.01	1.11
	JPY	1.68	1.06
Financial Liabilities			
Term loan from Bank	EURO	18.54	1,415.56
Trade Payables	EURO	1.04	81.02
	USD	0.01	0.82
Interest accrued on borrowings	EURO	0.10	7.25
Advance from customers	EURO	0.49	37.74
<b>As at 31 March 2018</b>			
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
	USD	2.15	139.71
Trade Payables	EURO	1.10	88.60
Interest accrued on borrowings	USD	0.01	0.39
Advance from customers	EURO	0.44	35.30

**(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.



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**
**NOTE 40 : 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 Consolidated financials 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, 2019			
	Level-1	Level-2	Level-3	Total
<b>Financial assets</b>				
Financial assets carried at amortised cost				
Trade Receivables	-	1,248.53	-	1,248.53
Cash and cash equivalents	-	71.66	-	71.66
Other Bank balances	-	5.45	-	5.45
Other Financial Assets	-	78.96	-	78.96
<b>Total</b>	<b>-</b>	<b>1,404.60</b>	<b>-</b>	<b>1,404.60</b>
<b>Financial liabilities</b>				
Financial liabilities held at amortised cost				
Borrowings	-	11,916.72	-	11,916.73
Trade Payables	-	2,005.96	-	2,005.96
Other financial liabilities	-	7.25	-	7.25
<b>Total</b>	<b>-</b>	<b>13,929.93</b>	<b>-</b>	<b>13,929.93</b>

**(Rs. in Lakhs)**

Financial assets/ financial liabilities	Fair value hierarchy as at March 31, 2018			
	Level-1	Level-2	Level-3	Total
<b>Financial assets</b>				
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
<b>Total</b>	<b>-</b>	<b>1,297.94</b>	<b>-</b>	<b>1,297.94</b>
<b>Financial liabilities</b>				
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
<b>Total</b>	<b>-</b>	<b>13,594.49</b>	<b>-</b>	<b>13,594.49</b>

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**
**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, 2019

(Rs. in Lakhs)

Financial assets/ (Financial liabilities)	Fair value hierarchy	Valuation technique(s) and key input(s)	31 March 2019	31 March 2018
<b>Derivative Assets / (Liabilities) measured at FVTPL:</b>				
(i) Interest rate swap	Level 2	Discounted Cash Flow based on prevailing / forward interest rates in market	(122.55)	(160.76)
<b>Total</b>			<b>(122.55)</b>	<b>(160.76)</b>

**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 41 :**

The Company and NRB IBC Bearings Private Limited (NIBC) have transactions with IBC INDUSTRIAL BEARINGS AND COMPONENTS AG (IBC AG) and IBC Walzlager, GmbH ( a related party of IBC AG) in nature of export of goods and import of raw materials since December 2013. For transactions held between the Company and NIBC with IBC AG and IBC Walzlager GmbH during the period December 2013 and August 2015, IBC AG and IBC Walzlager GmbH had set off (netted off) the outstanding receivables and payables balances in their books of accounts pertaining to the Company and NIBC and remitted Euro 28,079 in October 2015.

As per RBI Circular RBI/2014-15/5 Master Circular No.14/2014-15 dated July 1, 2014 Clause C.2 5, RB I had delegated the powers to accept the application for set-off of export receivables against import payables to Authorised Dealer bank (AD) on behalf of RBI based on some terms and conditions which the Company must seek the approval with prior application to their respective AD Banks.

The Company had made the statutory application to its AD bank along with all the necessary documents seeking approval for set off of export receivables against import payables in the books of the Company. Pending approval the Company has disclosed receivables of Rs. 132.81 lakhs ( March 31, 2018 Rs. 137.81 lakhs) as Non current Trade Receivable in Note 12 and payable of Rs. 75.76 lakhs ( March 31,2018 Rs. 78.61 lakhs) as non current trade payable in Note 18.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

**NOTE 42 :** 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 2019		As at 31 March 2018		Year ended March 31, 2019		Year ended March 31, 2018	
	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	(112.68%)	(163.72)	100%	352.23	(101.33%)	(1,408.32)	100.00%	(2,057.58)
Associates								
Indian								
NRB-IBC Bearings Private Limited	-	-	-	-	-	-	-	-
Korta Engineering India Private Limited	12.68%	18.42	-	-	1.33%	18.42	-	-
<b>Total</b>	<b>(100.00%)</b>	<b>145.30</b>	<b>100.00%</b>	<b>352.23</b>	<b>100.00%</b>	<b>(1,389.90)</b>	<b>100.00%</b>	<b>(2,057.58)</b>

### NOTE 43 :

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

### Signatures to Notes 1 to 44 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

**D. S. Sahney**

Chairman and Managing Director

**R. G. Mehendale**

Chief Financial Officer

**Ratika Gandhi**

Company Secretary

Place : Mumbai

Date : 30 May, 2019

[illegible]

**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 8th Annual General Meeting of the Company, to be held on Wednesday, August 14, 2019 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
1	<b>ORDINARY BUSINESS</b> <b>To receive, consider and adopt:</b> a. the Audited Financial Statements of the Company for the financial year ended March 31, 2019, together with the Reports of the Board of Directors and the Auditors thereon; and b. the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2019, together with the Report of the Auditors thereon.
2	To appoint a Director in place of Mrs. Harshbeena Zaveri (DIN No: 00003948), who retires by rotation at this Annual General meeting and being eligible, has offered herself for re-appointment.
3	<b>SPECIAL BUSINESS:</b> Appointment of Mr. Nikhilesh Panchal as an Independent director: <i>To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:</i> <b>"RESOLVED THAT</b> Mr. Nikhilesh Panchal (DIN 00041080), who was appointed by the Board of Directors as an Additional Director of the Company with effect from February 4, 2019 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161(1) of the Companies Act, 2013 ("Act") and Article 114 of the Articles of Association of the Company but who is eligible for appointment, be and is hereby appointed as Director of the Company. <b>RESOLVED FURTHER THAT</b> pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Act and the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act, as amended from time to time, the appointment of Mr. Nikhilesh Panchal, who meets the criteria for Independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and who has submitted a declaration to that effect, and who is eligible for appointment as an Independent Director of the Company, not liable to retire by rotation, for a term of five years from the conclusion of 8th Annual General Meeting until the conclusion of 13th Annual General Meeting, be and is hereby approved."

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2019

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): 190717010

-----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: \_\_\_\_\_

hereby record my presence at the Eight Annual general Meeting of NRB Industrial Bearings Limited held on Wednesday, August 14, 2019 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.

### Product Portfolio



**Angular Contact  
Ball Bearings**

**Contact Angle : 40°**  
**Range :**  
 7203 to 7212  
 7303 to 7312  
 3202 to 3212  
 3302 to 3312



**Deep Groove  
Ball Bearings**

**Range :**  
 6000 – 6018  
 6200 – 6218  
 6300 – 6313  
 Available in open and  
 sealed version



**Wide Inner Ring  
Ball Bearings**

**Range :**  
 YAS, YCR, YTU, YCJ, YCJT  
 ID : 20 mm to 65 mm  
 Insert – GY, GYE, GRE, GE,  
 GKE, RAE, GRAE series



**Cam Followers**

**Range :**  
 Stud Type: KR, KRV series  
 Yoke Type: NATV, NATR,  
 NUTR series



**Bottom Roller  
Bearings**

**Range :**  
 UN 2803 TO  
 UN 3235



**Cylindrical Roller  
Bearings**

**Range :**  
 N, NU, NJ, NUP Design  
 Series : 200 – 300,  
 2200 – 2300



**Needle Roller  
Bearings**

**Range :**  
 NB, NBI  
 NA-49, NA-69



**Spherical Roller  
Bearing**

**Range :**  
 22205 – 22228  
 22308 – 22322



**Full Complement  
Needle Roller Bearings**

**Range :**  
 RNA, NA  
 Series : 1000, 2000,  
 3000



**Needle & Roller  
Thrust Bearings**

**Series :**  
 Thrust Bearings :  
 AX Thin, AX Thick  
 Thrust Plates :  
 CP Thin, CP Thick



**Needle Bushes**

**Series :**  
 DB, DL, JL



**Combined Bearings**

**Range :**  
 RAX 700 & RAXF 700



# 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 ::**

Dhannur, 2<sup>nd</sup> Floor, 15, Sir P.M.Road, Fort, Mumbai - 400 001. India

Tel : (022) 4541 7500 • Fax : (022) 2270 4207

Email : [investorcare@nibl.in](mailto:investorcare@nibl.in)

### **:: Plant ::**

Plot No. B-18, Five Star M.I.D.C. Area, D-Zone, Shendra, Aurangabad - 431 154.

Tel : (0240) 2629100

**[www.nrbindustrialbearings.com](http://www.nrbindustrialbearings.com)**