

NRB
BEARINGS THE ORIGINAL

NRB BEARINGS LIMITED
Dhannur, 15, Sir P.M. Road, Fort, Mumbai- 400001, India.
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W: www.nrbbearings.com
CIN: L29130MH1965PLC013251

August 20, 2018

BSE Ltd
Corporate Relationship Department
1st Floor, New Trading Ring
Rotunda Building, P.J Towers, Dalal Street
Mumbai 400 001

Listing Department-Corporate Services
National Stock Exchange of India Ltd
Exchange Plaza, 5th Floor, Plot No.C/1
G Block, Bandra Kurla Complex
Bandra (E), Mumbai 400 051

Code No. 530367/ NRBBEARING

Dear Sirs,

Sub: Submission of Annual Report

In accordance with the requirement of the Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 we are submitting the soft copy of the approved and adopted Annual Report in the 53rd Annual General Meeting of the Members of NRB Bearings Ltd. held on 9th August, 2018.

Kindly take the same on record.

Thanking you,

Yours truly,
For NRB BEARINGS LTD


SHRUTI JOSHI
COMPANY SECRETARY

Encl: as above



NRB
BEARINGS
THE ORIGINAL

THE ORIGINAL



53rd ANNUAL REPORT
2017-18

TO BE THE RECOGNIZED LEADER IN THE DESIGN AND PRODUCTION OF CUSTOMIZED FRICTION SOLUTIONS, WITH A PRESENCE IN EVERY VEHICLE IN THE WORLD.

CERTIFICATIONS:

ISO 9001 : 2008

ISO/TS 16949:2009

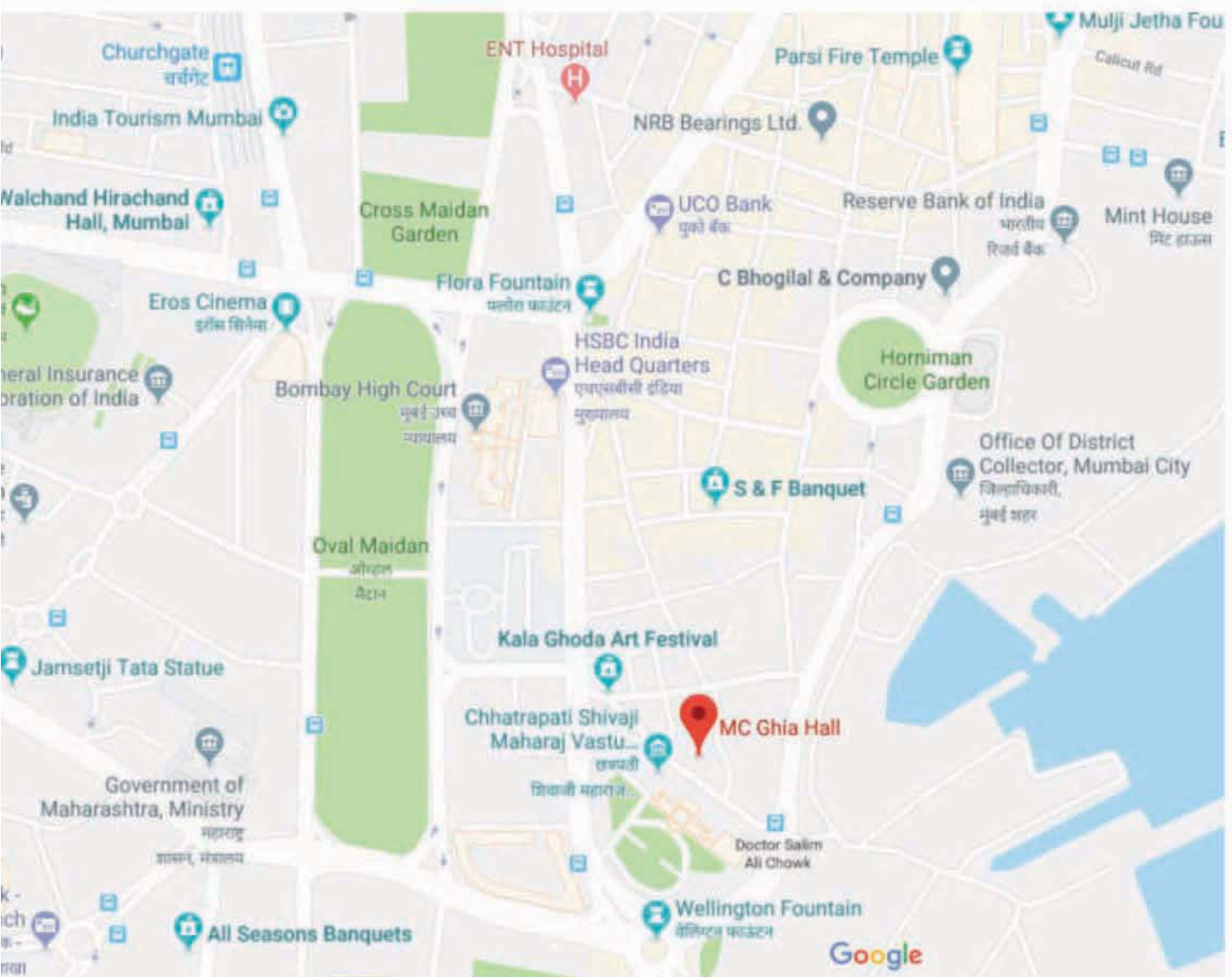
ISO 14001:2004

OHSAS 18001:2007

REACH COMPLIANT

ELV COMPLIANT

Route Map to the AGM Venue



CIN : L29130MH1965PLC013251

Directors	: Trilochan Singh Sahney, Chairman Harshbeena S Zaveri – Vice Chairman & Managing Director Tashwinder Singh Aslesha A Gowariker Devesh S Sahney Ashank D Desai Rustom J Desai Satish C Rangani - Executive Director & Company Secretary
Bankers	: BNP Paribas Citibank N.A. HDFC Bank DBS Bank Kotak Mahindra Bank
Debenture Trustees	: IDBI Trusteeship Services Ltd.
Auditors	: Walker Chandiok & Co. LLP
Solicitors	: AZB Partners & Co.
Registered Office	: Dhannur, 15 Sir. P M Road, Fort Mumbai 400 001
Works	: Pokhran Road No.2, Majiwade Thane 400 606 E-40, M.I.D.C. Industrial Area, Chikalthana Aurangabad 431 010 C-6, Additional M.I.D.C. Industrial Area Jalna 431 203 E-72, (I) & (II) M.I.D.C., Waluj Aurangabad 431 133 A-5, Uppal Industrial Estate Hyderabad 500 039 Plot No.33, Sector –II, SIDCUL IIE Panthnagar Udhamsingh Nagar, Uttarakhand 263153
Website	: www.nrbbearings.com
Investorcare	: investorcare@nrbbearings.co.in
Registrar & Share Transfer Agent	: Universal Capital Securities Pvt.td. (Formerly known as M/s.Mondkar Computers Pvt.Ltd.) 21, Shakil Niwas, Mahakali Caves Road Andheri (East), Mumbai 400 093 Tel: 2836 66 20, 28207203-05 Fax: 2836 9704, 28207207

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AGM NOTICE

The Members,
NRB BEARINGS LIMITED

NOTICE IS HEREBY GIVEN that the 53rd Annual General Meeting of the members of the Company will be held at M C Ghia Hall, Dubash Marg, Mumbai 400 001 on Thursday, 9th August, 2018 at 3.30 p.m to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2018 and the reports of the Board of Directors and the Auditors thereon.
2. To declare Final dividend on Equity Share Capital for the year ended 31st March, 2018
3. To appoint a Director in place of Mr. D S Sahney (DIN 00003956) who retires by rotation in terms of section 152(6) of Companies Act, 2013 and being eligible, seeks re-appointment.
4. To consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:

"RESOLVED THAT M/s. Walker Chandio & Co., LLP, Chartered Accountants, (Firm No. 001076N/N500013) be and are hereby appointed as statutory auditors, to hold office until the conclusion of the Annual General meeting to be held for the Financial Year ending 31st March, 2023, on such remuneration plus out-of-pocket expenses as may be mutually agreed upon between the Board of Directors and the Auditors.

RESOLVED FURTHER THAT the Audit Committee and / or Board of Directors be and is hereby authorized to fix their remuneration according to the scope of their services as Statutory Auditors and other permissible assignments, if any, in line with prevailing rules and regulations made in this regard."

SPECIAL BUSINESS

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

Re-appointment of Mr.Satish Rangani as Whole-Time Director

"RESOLVED THAT in accordance with the provisions of sections 196, 197 and 203 read with schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (appointment and qualifications of Directors) Rules 2014, approval of the Company be and is hereby accorded to the re-appointment of Mr. Satish Rangani (DIN 00209069), for a further period of 12 months from the date of his appointment i.e. 24th January, 2018 as a Whole-Time Director, designated Executive Director & Company Secretary, of the Company, on the same terms and conditions as his previous term, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013; with liberty to the Board of Directors, including the nomination and remuneration committee of the board, to alter and vary the terms and conditions of the remuneration as it may deem fit and as may be acceptable to Mr. Satish Rangani.

RESOLVED FURTHER THAT the consent of the members be and is hereby accorded that Mr. Satish Rangani shall hold office as a Whole time director, of the Company up to the close of working hours on 23rd January, 2019 and ratify his tenure as Company Secretary up to the close of working hours on 14th August, 2018."

RESOLVED FURTHER THAT the board be and is hereby authorised to take all steps as may be necessary, proper and expedient to give effect to the Resolution.

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

Remuneration to the Cost Auditors

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) the Company hereby ratifies the remuneration of Rs. 98,000/- plus applicable taxes and out of pocket expenses to M/s Nanabhoy and Co., Cost Accountants (Firm Registration No.:7464) who have been appointed by the Board of Directors of the Company, on the recommendation of the Audit Committee as Cost Auditors to conduct the audit of the cost records maintained by the Company for the financial year ending March, 2019

May 21, 2018

By Order of the Board
S C Rangani
Executive Director & Company Secretary

Notes

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

Proxies in order to be effective, must be received by the Company not less than 48 hours before the meeting.

2. **A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING 50 AND HOLDING IN THE AGGREGATE NOT MORE THAN 10 PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY. HOWEVER, 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 Register of Members of the Company and Transfer Books thereof will be closed from 3rd August, 2018 to 9th August, 2018 (both days inclusive), for the purpose of AGM and Final dividend for FY 2017-18.

4. E-voting facility to all members has been provided through the e-voting platform of CDSL and the Company has appointed Mr. Upendra Shukla, practicing Company Secretary, as Scrutiniser for the e-voting process. Instructions and manner of the process have been detailed in the para 8 below. The Scrutiniser will make a report to the Chairman of the Company, of the votes cast in favour and against and the results on the resolutions alongwith the scrutiniser's report will be available on the website of the Company within two working days of the same being passed. The Chairman or a person authorized by him in writing shall declare the results of voting forth with.

5. The dividend after declaration, will be paid to those shareholders whose names appear in the Register of Members after giving effect to all valid share transfers in physical form lodged with the Company on or before 2nd August, 2018 and to the shareholders holding shares in demat form whose names appear in the Register of Members beneficiary position with NSDL and CDSL as on 2nd August, 2018.

The shareholders whose names appear in the Register of Members after giving effect to all valid share transfers in physical form lodged with the Company on or before 2nd August, 2018 shall be entitled to participate in evoting/ballot at the AGM.

Members and all others concerned are requested to lodge transfer deeds, change of address communication, mandates (if any) with the Company's Share Transfer Agents Universal Capital Securities Pvt. Ltd. (Formerly known as M/s. Mondkar Computers Pvt. Ltd.) 21, Shakil Niwas, Mahakali Caves Road, Andheri (East), Mumbai 400 093 before 2nd August, 2018.

6. The Securities and Exchange Board of India has made it mandatory for all companies to use the bank account details furnished by the depositories for depositing dividend through National Electronic Clearing Service (NECS) to investors wherever NECS and bank details are available. In the absence of NECS facilities, the Company will print the bank account details if available, on the payment instrument for distribution of dividend. SEBI has also mandated the submission of PAN by every participant in the securities market. Members holding shares in electronic form are requested to submit their PAN to the DPs with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the Company.

7. The Company has transferred on due dates, the unpaid/unclaimed Final dividends (interim and final) for the financial year ended 31st March, 2010 to the IEPF. Pursuant to the provisions of IEPF (uploading of information regarding unpaid and unclaimed amounts lying with Companies) Rules 2012 the Company has uploaded such details as on 11th August, 2017 (date of last AGM) on the website of the Company.

Adhering to the various requirements set out in the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the Company has, during financial year 2017-18, transferred to the IEPF Authority all shares in respect of which dividend had remained unpaid or unclaimed for seven consecutive years or more as on the due date of transfer, i.e. October 31, 2017. Details of shares transferred to the IEPF Authority are available on the website of the Company and the same can be accessed through the website www.nrbbearings.com. The said details have also been uploaded on the website of the IEPF Authority and the same can be accessed through the link: www.iepf.gov.in.

Members may note that shares as well as unclaimed dividends transferred to IEPF Authority can be claimed back from them. Concerned members/investors are advised to visit the weblink: <http://iepf.gov.in/IEPFA/refund.html> or contact RTA M/s. Universal Capital Securities Pvt. Ltd. for lodging claim for refund of shares and / or dividend from the IEPF Authority.

SEBI has decided that securities of listed companies can be transferred only in dematerialised form from a cut-off date December, 2018, to be notified. In view of the above and to avail various benefits of dematerialisation, members are advised to dematerialise shares held by them in physical form.

8. PROCESS FOR MEMBERS OPTING FOR E-VOTING

- (i) The voting period begins on Monday 6th August, 2018 at (9.00 am IST) and ends on Wednesday 8th August, 2018 at (5.00 pm IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 2nd August, 2018, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) A member can opt for only one mode of voting i.e. either through e-voting or in physical form. If a member casts his vote by both modes, then voting done through e-voting shall prevail and the vote by ballot shall be treated as invalid.

In case of members receiving e-mail:

In case of members receiving e-mail:

- (iii) Log on to the e-voting website www.evotingindia.com
- (iv) Click on "Shareholders" tab.
- (v) Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"
- (vi) 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.
- (vii) Next enter the Image Verification as displayed and Click on Login.
- (viii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.
- (ix) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form

PAN Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)

- Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.
- In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field. Please enter your sequence number as Sr.No. which is mentioned in the EVSN covering letter.

DOB Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.

Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio.

- Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or Company please enter the member id / folio number in the Dividend Bank details field.

- (x) After entering these details appropriately, click on "SUBMIT" tab.
- (xi) Members holding shares in physical form will then reach directly 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.
- (xii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xiii) Click on the EVSN for the relevant <Company Name> on which you choose to vote
- (xiv) 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.

- (xv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xvi) 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.
- (xvii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xviii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xix) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xx) 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. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
 - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as corporates.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

- (A) Please follow all steps from sl. no. (i) to sl. no. (xx) above to cast vote.
 - (B) 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.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.
9. Members/Proxies are requested to bring their attendance slip duly filled in and their copy of the Annual Report for the meeting.

By Order of the Board

S C Rangani

Executive Director & Company Secretary

May 21, 2018

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

Item No:5

Appointment of Mr.Satish Rangani as Wholetime Director

The term of Mr. Rangani, DIN00209069 as Wholetime Director, designated as Executive Director & Company Secretary expired on 23rd January, 2018 and his term was extended for a further period of 12 months from 24th January, 2018 by the Board of Directors in its meeting held on 23rd January, 2018, on the same terms and conditions as the earlier contract, subject to approval of Shareholders. These terms, including remuneration had been approved by the General Body at the meeting held on 11th August, 2018 with liberty to the Board to alter and vary the terms and conditions, subject to the same not exceeding the limits specified under Schedule V of the Companies Act, 2013.

The profile and areas of expertise of Mr. Rangani are provided as Annexure to this Notice.

The Board considers that his association as Director will be beneficial and in the interest of the Company. The Directors recommend passing of the resolution set out at item no. 5 of the accompanying notice. Except Mr. S C Rangani, none of the other Directors, key management personnel and their relatives are interested or concerned with the resolution.

Copy of the appointment letter shall be available for inspection on all working days between 11.00 a.m. and 3.00 p.m.

Item No:6

Remuneration to the Cost Auditors

Upon the recommendation of the Audit Committee, the Board of Directors of the Company in its meeting held on May 21, 2018 has, based upon the eligibility and consent to act as such, re-appointed M/s Nanabhoy & Co, Cost Accountants (Firm Registration No: 7464) as the Cost Auditor of the Company for the financial year 2018-19 at a remuneration of Rs. 98,000/- (Rupees Ninety Eight Thousand only), excluding all taxes and reimbursement of out of pocket expenses.

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, Members of the Company are required to ratify the remuneration to be paid to the cost auditors of the Company.

Accordingly, consent of the members is sought by way of an Ordinary Resolution as set out at Item No. 6 of the Notice.

None of the Directors, Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out in Item No. 6 of the Notice.

The Board recommends the Resolution under Item No. 6 of the Notice for approval of the Members as an Ordinary Resolution.

Name of Director	Mr. D S Sahney	Mr. S C Rangani
DIN	00003956	00209069
Date of Birth	17.11.1968	13.11.1948
Nationality	Indian	Indian
Date of appointment on Board	May 2001	October 2012
Qualification and Areas of Expertise	BA (Business Administration & Economics) from Richmond College, London and MBA (General management) from the Asian Institute of Management (Phillipines). Experienced in the areas of Sourcing, Business Process Re-Engineering, Business Development. His general business acumen and knowledge of operational issues in the bearings industry would be useful in Board proceedings.	B Com, MMS, ACS Extensive experience across strategy and execution covering a wide range of Industries. His understanding of financial and legal & governance issues would be useful in Board proceedings.
Shareholding in Company	3634583	4000
List of Directorships held in other companies (excluding foreign, private and section 8 companies)	NRB Industrial Bearings Ltd	SNL Bearings Ltd
Memberships/Chairmanships of Audit and Stakeholders Relationship Committees across public companies	None	SNL Bearings Ltd- Stakeholders Relationship Committee

By Order of the Board

S C Rangani

Executive Director & Company Secretary

May 21, 2018

BOARD'S REPORT

To
The Members
NRB BEARINGS LIMITED
Mumbai

Your Directors have pleasure in presenting their Fiftythird Annual Report together with Audited Accounts for the year ended 31st March, 2018.

1. Financial Resultss

Year ended	Consolidated		Standalone	
	31.03.2018 Rs. lakhs	31.03.2017 Rs. lakhs	31.03.2018 Rs. lakhs	31.03.2017 Rs. lakhs
Revenue from operations (Net)	85507.11	72554.03	83056.21	70669.11
Profit before tax	13528.93	7531.93	12030.96	6757.66
Provision for taxation				
Current (net)	4163.52	2216.22	3739.98	1886.33
In respect of earlier years	--	(42.12)		(44.76)
Deferred tax	76.83	52.68	99.64	(16.81)
Profit after taxation	9070.72	5165.36	8191.34	4932.90
Add: Balance brought forward	14634.84	12241.24	17558.67	15387.60
Add: Other Comprehensive Income for the year	67.00	91.40	55.56	94.76
	23772.56	17498.00	25805.57	20415.26
Appropriation:				
Dividend	1356.92	1332.64	1356.92	1356.92
Tax on distributed profits	276.24	271.72	276.24	249.66
General Reserve	--	--	--	--
Debenture Redemption Reserve	1250.00	1250.00	1250.00	1250.00
Capital Redemption Reserve	--	25.00	--	--
Outside basis Tax	--	16.20	--	--
Profit & Loss Account	20890.40	14634.84	22,922.41	17558.67
	23772.56	17498.00	25805.57	20415.26

2. Dividend

On 20th March'2018, Directors have declared interim dividend for financial year 2017-18 of Rs.1.40/-per equity share of Rs.2/- (Rs.1.40 per share for previous year) paid to the members/beneficial owners as per the Register of Members as on 3rd April, 2018 aggregating Rs. 1633.16 lacs. Further to the declaration of Interim Dividend, Directors recommend the final dividend of Rs. 1.20 per Equity Share of Rs. 2/- (previous year Interim dividend of Rs.1.40/- was confirmed as final dividend) payable to members/ beneficial owners as per the Register of Members as applicable aggregating to Rs.1402.14 lacs.

3. Operations/Outlook

FY 2017-18 started on a weak note with the market trimming purchases in anticipation of GST which was to become effective 1st July 2017. Thereafter, the good monsoons gave a boost to the rural economy, the global environment turned positive and with the increased government spend on infrastructure upgradation, consumer demand revived resulting in manufacturing activity accelerating. During the year, all vehicle segments witnessed robust growth in double digits, except the passenger car segment which showed growth, albeit at a lower rate. Overall, industry growth has been 15% with growth in production driven by economic activity. Your company growth at 17% has been higher than industry growth, with passenger car, commercial vehicle and farm equipment segments growing faster. Global

demand in the European & American automotive markets helped exports grow by 32% to Rs 169 crores (previous year Rs 133 crores) and domestic sales up by 13% to Rs 650 crores (previous year Rs 576 crores). Improved overall sales at Rs 819 crores (previous year Rs 708 crores) have also helped improve Profit after tax (PAT) to Rs 81.9 crores (previous year Rs 49.32 crores) – the highest ever achieved by the company.

As the private sector investment cycle gains strength with the expected growth in demand in almost all segments of the Indian automotive industry, aided by the "Make in India" initiative with its boost for manufacturing for defence, aerospace, etc and concrete measures to improve 'ease of doing business', India has emerged as one of the most preferred locations in the world for manufacturing high quality auto components and vehicles of all kinds. The Indian automotive industry and the bearings industry are expected to be major beneficiaries of this expected growth.

Globally, elevated crude prices, rising protectionism and geopolitical risks remain a threat during FY 2018-19. The Indian economy outlook is optimistic considering IMD forecasts of a second year of normal monsoon, average inflation down to 4.5%, interest rates remaining soft, increased government spends for expanding the public transport systems and building dedicated freight corridors for movement of farm produce and goods from and to the rural areas. Strong FDI inflows continuing at \$ 60 billion and continuing IIP growth momentum have led to expectations that GDP growth will rise to 7.4 % and 7.8% in the next two years from the FY18 estimate of 6.7%. Growth estimates for 2018-19 projected by the Company, after assessing demand forecasts with all major OEMs, also highlight the optimism about another year of good all round growth.

To retain India's position as one of the most preferred locations in the world for manufacturing high quality auto components, the bearings industry has to be equally relentless in its pursuit of economies of scale and in scope of design and engineering of automobiles and components, while also pursuing low cost manufacturing processes. Your Company continues to invest in building its R&D capabilities to develop not only product lines with improved performance and margins, and at its Innovation Centre, on identifying and developing disruptive manufacturing processes for long term competitive advantage

4. Finance

The company has been rated by Crisil A1+ for short term and AA- (stable) for long term borrowings.

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

a. Public Deposits

The Company has not taken fixed deposits during the year. There are no unclaimed deposits.

b. Non convertible debentures

During the year the Company has not raised the funds by way of non convertible debentures/ any private placement issues.

c. Particulars loans, guarantees or investments

During the year under review, the company has advanced fresh loan of THB 80 million to its wholly owned foreign subsidiary NRB Bearings (Thailand) Ltd @ 6.5% interest, scheduled to be repaid as a bullet payment in April 2019. The Board has also approved further investment of THB 36.67million (approx. INR 7.25 crores) in the Equity Capital of NRB Bearings (Thailand) Ltd on Rights basis 1:3 – one additional share for every three shares held, at par. This will support the subsidiary to further expand its business as planned for FY 2018-19. As on March 31, 2018 the outstanding principal amount is USD 12,83,508 and outstanding Interest is USD 1,51,811.

Details of loans, guarantees and investments covered under the provisions of section 186 of the Companies Act, 2013 are given in the notes to the financial statements.

5. Directors

The Board of Directors has, on the recommendation of the Nomination & Remuneration Committee re-appointed Mr. S C Rangani as Additional Director (Executive Director & Company Secretary) w.e.f. 24th January, 2018. In the case of Mr. S C Rangani, the notice for the forthcoming Annual General Meeting (AGM) includes his appointment as Executive Director & Company Secretary under the Companies Act, 2013 for a period of one year w.e.f. 23rd January, 2018.

All independent Directors have given declarations that they meet the criteria of independence as laid down under section 149(6) of the Companies Act, 2013 and the provisions of the Listing Agreement.

Mr. D.S Sahney retires by rotation pursuant to Article 111 of the Articles of Association and is eligible for reappointment

Familiarisation Programme for Independent Directors

In order to familiarize the Independent Directors with the business, the Company makes a presentation covering nature and scope of business, nature of industry in which Company operates, profitability and future scope. Regularly at meetings updates are given to the Board, by the Company's Senior Management in areas of operations, industry and regulatory trends, competition and future outlook.

Board evaluation

The Board has carried out an annual performance evaluation of its own performance and the Directors individually. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report. The process endorsed the Board Members confidence in the ethical standards of the Company and its strategies for growth. In the coming year, the Board intends to enhance focus on exploring new drivers for continuing growth.

The independent Directors have also met separately on 28th March, 2018

Remuneration policy

The Board has on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, senior management and their remuneration. As part of its policy the company strives to ensure that the Remuneration to Directors, KMP's and Senior Management involves a balance between fixed and incentive pay, reflecting short and long term performance objectives appropriate to the working of the Company and its goals. The remuneration policy is posted on the company website www.nrbbearings.com. Details of remuneration paid to Executive Directors and KMP and the independent Directors form part of the Corporate Governance Report attached to this Report.

Meetings

During the year 6 Board meetings and 4 Audit committee meetings were convened and held (details in Corporate Governance Report). The intervening gap between the meetings was less than 120 days. The date for the next meeting is fixed in advance at the previous meeting both for board and committee meetings.

6. Subsidiaries

As of 31st March, 2018, the Company has three subsidiaries viz. SNL Bearings Ltd, NRB Bearings (Thailand) Ltd and NRB Bearings Europe GmbH. The consolidated results include the working of these subsidiaries.

SNL Bearings Ltd (SNL), in which your Company holds 73.45% equity, has reported PAT of Rs. 822.02 lacs (IND AS) (previous year Rs. 661.60 lacs IND AS) an increase of 24% on account of higher volumes and helped by lower tax rates. Dividend at Rs 5 per share has been enhanced by 67% over the dividend of Rs 3 per share paid in previous year. Net Sales during the year at Rs. 3831 lacs are higher by 14% over the previous year. With India's industrial production displaying a welcome growth revival, supported by the global economic recovery and with the Government's thrust on rural spending and infrastructure creation, there is optimism that there will be continued growth in the automotive segments during the current year. SNL expects to further capitalize on the positive environment by enhancing operational efficiencies and scaling up manufacturing capacities.

NRB Bearings (Thailand) Ltd (NRBT), a wholly owned subsidiary, has increased its sales by 22% to THB 193.23 million (Rs. 40.33 crores) (previous year THB 158.82 million – Rs.30.35 crores). The share of manufacturing revenues out of total revenues has increased to at THB 130.00 million (Rs.27.13 crores) (previous year at THB 115.25 million) and trading revenues are at THB 63.23 mill (Rs.13.20 crores) (previous year at THB 45.35 million). Consequently, the Company's EBITDA has grown from THB 27.82 million to THB 40.89 million (Rs.8.17 crores). The company has recorded a jump in profit for the year at THB 15.82 million (Rs.3.30 crores) from THB 4.55 million (Rs. 0.87 crores) in previous year, mainly due to higher manufacturing volumes and lower exchange losses. New business is being finalized with global Japanese customers and manufacture of new products as well as enhanced production of needle & other rollers, planned during FY 2018-19 will help in further improving the financial results during the coming years.

NRB Bearings Europe GmbH, a wholly owned subsidiary was set up to support increasing exports to Europe. The Company provides marketing and customer support services. The income during the year is EURO 208122 (Rs.1.58 crores) and the resultant profit after tax is EURO 6725 (Rs. 5.41 lacs).

Pursuant to section 129 (3) read with rule 5 of Companies (Accounts) Rules, 2014 details of financial statements of subsidiary companies has been given in **Annexure 1 (AOC1)** forming part of this statement.

7. Conservation of energy, technology absorption, foreign exchange earnings and outgo

Information pursuant to Section 134 (3) (m) of the Companies Act, 2013 and Rule no. 8 of Companies (Accounts) Rules 2014 has been given in the **Annexure 2** forming part of this report.

8. Industrial Relations/Vigil Mechanism and Whistle Blower Policy

During the year, the Company maintained cordial relations with the workmen's unions at all plants. There have been settlements with the Workmen Unions at Thane, Waluj and Jalna Plants, all with wage increases linked to productivity improvements, multi machine working and with penalties for non-achievement of quality and productivity as agreed. The settlements, all valid for 3 years, will expire between July and November 2020 and involve a financial impact of Rs. 10.3 crores annually from FY 2018-19. These settlements, with committed productivity increases of 18-20% were an enabling factor in the management drive for higher outputs during FY 2017-18, and are expected to help sustain the higher outputs during FY 2018-19.

Our people approach is reflected in the team work and the implementation of the number of initiatives involving employees and their families to share and promote organizational values. Regular training programmes are conducted for imparting understanding of bearing and engineering principles, modern manufacturing practices and in attitudinal and behavioral aspects.

The Company has a Vigil Mechanism and Whistle Blower Policy which provides for adequate safeguards to employees using such mechanism. It also allowed direct access to the Audit committee in appropriate cases. Details of the same, given in **Annexure 3** forming part of this report, are posted on the website of the Company.

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

9. Safety, Health and Environment

The Company is committed to establish and maintain safe working environment that promotes good health and high performance of the employees, and simultaneously takes measures to protect the environment. We also ensure that safety behavior is well demonstrated by our employees while working on the shop floor by using personal protective equipments as required.

Company has been accredited with internationally acclaimed certification viz. ISO 14001:2004 to identify and control environmental impact and constantly improve the environmental performance; OHSAS: 18001:2007 occupational health and safety management systems; and ISO/TS: 16949:2009 for Quality Management Systems. Company has been recently audited and recommended for ISO 14001:2015, ISO 9001:2015 and IATF 16949:2016.

The commitment towards the environment preservation extends beyond regulatory compliances as per MPCB norms and ambient, air and noise levels, waste monitoring through ETP/STP treatment is being done. Initiatives are taken across the Company to conserve natural resources by reduction & recycling of wastes and adherence to emission norms.

There have been numerous initiatives by NRB towards safety and environment awareness among employees:

1. Awareness on environment preservation and protection through regular monitoring of environment parameters and employees engagement activities like environment sensitization programs, drawing competitions, tree plantation and landscape development are some of the key initiatives undertaken last year in association with local government bodies and NGOs. 1000 + trees were planted at our manufacturing units at different locations.
2. "Safety first and always first" is the highest priority of the Company. The Safety policy inter alia ensures safety of public, employees, plant, equipment and business associates, ensuring compliance with all statutory rules and regulations as an on-going process.

Special initiatives have been taken up such as mock drills, up-gradation of Fire protection systems, safety training to employees, organizing safety awareness week, conducting regular mock drills, reporting of near-miss incidents and first aid awareness. We strive to achieve "Zero-Accident Tolerance".

3. Setting up of Solar Lights and LED lights to replace existing CFLs in factory premises and air ventilators on factory roof to save electricity, improve air quality and protect usage of natural resources. Waluj Plant has installed / replaced 300 LED lights as a energy saving initiative, achieving significant saving in energy cost.
4. Significant reductions have been achieved across all locations in minimizing the requirement of electricity, use of less petrochemicals, grease, turpentine, etc. Turpentine has been replaced with stansol to prevent vapour spreading for improved health of employees.

5. Water conservation through re-use of waste water and rain water harvesting at plants – capacity to harvest upto 50 lac ltrs rain water every year to increase ground water levels
6. Vermiculture for making Vermicompost as nutrient-rich organic fertilizer and soil conditioner.
7. Strict policy for non-consumption of tobacco and intoxicating materials to protect the mental and physical health of employees. Regular awareness programs like "Vyasana Mukti" & "Yoga Classes" conducted to educate employees to get rid of evils of intoxication and stressful work life; and embrace good health and work-life balance.

10. Corporate social responsibility

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

Promotion of education
Promoting gender equality and empowering woman
Employment enhancing vocational skills
Promotion of social business projects

Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, conservation of natural resources

In terms of the above the Company has been contributing for primary education, secondary education (study of sciences, maths and engineering) and to engineering colleges.

The Company has continued its support to the Ashoka University which is devoted to transforming Indian higher education based on the principles of multidisciplinary education delivered by exceptional faculty members and providing ivy-league quality education at an affordable price. The liberal education helps develop intellect, nurture critical thinking and provides specialisation with a broader foundation of knowledge.

The Company extended further support to Aseema, an NGO, to encourage expression and creativity in the children studying in municipal schools in Mumbai and make the curriculum more meaningful and fun. Aseema's centre at Igatpuri set up for development of tribal children learning needs, also provides vocational training to help them join mainstream society.

The Company also extended support to 321 Foundation. They are currently present in Hyderabad, Bangalore and Mumbai, and offer 2 year-long programs to school teachers/ Management staff with their training skills to achieve their goal of creating model schools. They train teachers through a systematic program with workshops, coaching sessions, prestige & motivation events.

The company supported social causes and impactful projects like Indian Cancer Society, Akshay Patra Foundation for mid-day meal for school children and the H. M. Seervai Memorial Trust.

NRB has always believed in and worked towards "inclusive growth" - improving the quality of life of the people in the communities where we operate and has on a regular basis conducted Blood Donation camps across locations. As part of its "Go Green" policy, NRB has initiated tree planting drives in and around its factories.

The average of the last 3 years profits works out to Rs.6815.67 lacs and @ 2% the amount to be spent by the Company on CSR activities works out to Rs. 136.31 lacs during FY 2017-18. The Company has actually spent Rs. 143.16 lacs during FY 2017-18 on the identified activities. The requisite format for such expenditure has been enclosed as **Annexure 4** to the Directors' Report.

11. Corporate governance

Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 Management Discussion and Analysis, Corporate Governance Report and Auditors' Certificate regarding compliance of conditions of Corporate Governance are made part of the Annual Report. Details of Board meetings held during the year under review and the composition of the various committees are included therein.

The Code of Conduct for Directors and Senior Management personnel of the Company, as approved by the Board, has been affirmed on an annual basis by all the Directors and the Senior Management personnel of the Company.

The relevant certification on the various matters specified under Regulation 17(8) of SEBI (LODR) Regulations, 2015 has been done by the Vice Chairman & Managing Director and the CFO of the Company.

Members desirous of receiving the full Report and Accounts of the subsidiaries will be provided the same on receipt of a written request from them or on submission of their e-mail IDs for forwarding documents through electronic mode. This will help save considerable cost in connection with printing and mailing of the Report and Accounts. This

measure would be in line with the MCAs Green initiative for paperless communications. The same shall also be kept for inspection by any Members at the registered office of the Company and of the respective subsidiary Company concerned and shall also be posted on the web site of the Company viz. www.nrbbearings.com.

12. Directors' responsibility statement

In accordance with Section 134 of the Companies Act, 2013, the Directors state that:

- i. in the preparation of annual accounts, all applicable accounting standards have been followed and no material departures have been made from the same;
- ii. accounting policies selected were consistently applied. Reasonable and prudent judgements and estimates have been made so as to give a true and fair view of the state of affairs of the Company as on 31st March, 2018 and of the profit of the Company for the accounting year ended on that day;
- iii. proper and sufficient care for maintenance of adequate accounting records has been taken in accordance with the provisions of the Act so as to safeguard the assets of the Company and to prevent and detect fraud and other irregularities;
- iv. the Annual Accounts have been prepared on a going concern basis.
- v. the internal financial controls to be followed by the Company have been laid down and are adequate and were operating effectively.
- vi. proper systems have been devised to ensure compliance with the provisions of all applicable laws and all such systems were adequate and operating effectively.

13. Related Party transactions (RPT)

All RPT that were entered into during the financial year were on an arms length basis and were in the ordinary course of business. In March 2018, based on valuation by registered valuers, the board approved sale of residential flat in Company owned property at Carmichael Road, Mumbai 400 026 to the Vice- Chairman & Managing Director. There are no materially significant RPT by the Company with promoters, Directors, key managerial personnel or other designated persons, other than the same.

All RPT are placed before the audit committee as also the board for approval. Prior approval of the audit committee is obtained on periodic basis for transactions which are foreseen and repetitive in nature. The compliance of the transfer pricing norms in relation to such transactions is certified by the tax advisors.

The policy on RPTs as approved by the board is uploaded on the Company's website. Form for disclosure of particulars of contracts has been enclosed as **Annexure 5**.

14. Auditors

Statutory Auditors

Appointment of M/s Walker Chandiok & Co. LLP, Chartered Accountants as auditors was approved to fill the casual vacancy till the conclusion of the Annual General Meeting to be held for Financial Year ended 31st March, 2018.

The Audit Committee and the Board of Directors recommends the appointment of M/s. Walker Chandiok & Co., LLP, Chartered Accountants, (Firm No. 001076N/N500013) as statutory auditors, to hold office until the conclusion of the annual general meeting to be held for the Financial Year ending 31st March, 2023.

A certificate from the auditors has been received to the effect that their appointment, if made, would be within the limits prescribed under section 139 of the Companies Act, 2013.

Cost Auditors

Pursuant to the Rules issued by MCA under Companies (Cost records and Audit) Amendment Rules 2014, your Company is subject to cost audit during the year and M/s. R Nanabhoy & Co, Cost Accountants was appointed to undertake the same. The cost audit report for the year ended 31st March, 2017 was filed with MCA on 11th September, 2017.

Secretarial Audit

Pursuant to the provisions of section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. U C Shukla, Practising Company Secretary to undertake the Secretarial Audit of the Company. The report is annexed as **Annexure 6**.

Explanation or Comments on disqualifications, reservations, adverse remarks or disclaimers in the auditors' reports

There have been no disqualifications, reservations, adverse remarks or disclaimers in the auditors' reports.

15. Extract of Annual Return

The details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith as **Annexure 7**.

16. Particulars of employees

The information required pursuant to section 197(12) read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, in respect of employees of the Company will be provided upon request. In terms of Section 136 of the Act the Report and Accounts are being sent to the Members excluding this information.

17. Acknowledgement

The Directors wish to record their appreciation of the contribution made by employees at all the levels by their hard work, solidarity and support, and for the confidence and loyalty shown by our customers. The Directors also wish to thank the shareholders, suppliers, bankers and all other business associates for the continuous support given by them to the Company and for their confidence in its management.

On behalf of the Board

(Ms) H S Zaveri

Vice Chairman & Managing Director

S C Rangani

Executive Director & Co.Secretary

Mumbai: May 21, 2018

ANNEXURE 1

Form AOC-1

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

Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures

Part "A": Subsidiaries

Name of the subsidiary	NRB Bearings (Thailand) Ltd	NRB Bearings Europe GmbH	SNL Bearings Ltd. (Rs. in lakhs)
1. Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A.	N.A.	N.A.
2. Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	THB USD - 32.02 THB	EURO EURO - 80.45	INR
3. Share capital (Rs.)	THB 110 million	EURO 25000	361.15
4. Reserves & surplus	(THB 144 million)	EURO 30175	2467.51
5. Total assets	THB 225 million	EURO 122856	3395.63
6. Total Liabilities	THB 259 million	EURO 72681	566.97
7. Investments	--	--	871.99
8. Turnover	THB193.23 mill	EURO 208122	3928.15
9. Profit before taxation	THB 15.83 mill	EURO 9917	1137.04
10.Provision for taxation	--	EURO 3192	315.02
11.Profit after taxation	THB 15.83 mill	EURO 6725	822.02
12.Proposed Dividend	--	--	180.58
13.% of shareholding	100	100	73.45

The following information shall be furnished:-

- Names of subsidiaries which are yet to commence operations – N.A.
- Names of subsidiaries which have been liquidated or sold during the year- N.A.

Part "B": Associates and Joint Ventures –

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

The company has no Associate or Joint Venture Companies

The following information shall be furnished:-

- Names of associates or joint ventures which are yet to commence operations – N.A.**
- Names of associates or joint ventures which have been liquidated or sold during the year. – N.A.**

For NRB Bearings Limited

Ms. H S Zaveri

Vice Chairman & Managing Director

Date: May 21, 2018

Mr. S C Rangani

Executive Director & Co. Secretary

ANNEXURE 2

Particulars under the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988.

A. Measures taken for Conservation of Energy

The Company has always been conscious of the need for conservation of energy. Efforts for conservation of energy in all areas are made on a continuous basis with energy audits highlighting areas for the same - maximizing use of daylight, using energy efficient lamps, optimum utilization of furnaces, providing variable speed drive for motors on machines, arresting leakages in compressed air piping and electrical systems, upgrading old machines and moving to automated assembly lines. The major areas where specific energy conservation measures have been implemented during the year are :-

- At all plants the power factor is continually monitored and maintained in the range of 0.98 to 1.00 resulting in substantial savings in energy bills by way of rebates from the State Electricity Boards, aggregating over Rs. 100 lakhs.

- At Jalna, replaced high capacity motors and pumps with energy efficient compressed air driers, submersible pumps, and machine panels / conventional tube lights with LED panels and lights to save energy costs and give higher illumination.
- At Waluj, installed Split VRF Air conditioning system with 2 outdoor units controlling all ACs and contributing to 30% cost savings compared to duct based centralized Air Conditioning system. Distilled drain water from all split AC in PISCD shop collected in a chamber of 100 Ltrs., and used for machine coolant preparation.
- At Hyderabad, installed LED lights in shop floor for better illumination, VFD's for majorload machines and transferred calibration process of weld cage on Pneumatic Press to save 9 H.P. of load
- At Pantnagar, installed infrared motion sensor lights and replaced conventional lights with LED lights at assembly work stations for better illumination.

B. Technology Absorption, Research & Development (R & D)

During the year, your Company has focused more on technology development of light weight, fuel efficient, reduced noise bearings with enhanced product life and identification and testing of 'Wear Resistant' Tool Materials.

There is a continuing programme to enhance its range of products & allied parts to meet the future needs of the evolving market by providing a strong proposition for its customers & aiming to be global player in mobility business and by providing multiple solutions for customer requirements. As part of this business programme, its engineering and technology development centers have carried out improvements as detailed below:

1. Enhancing robustness of drawn cup CRB for low stiffness application housing, by reducing excessive misalignments, deshaping / deformation of supporting housing and stringent controls on reliability parameters to enhance bearing life.
2. Friction reduction and reliability improvement in engine bearings by introduction of "DESIGN FOR PERFORMANCE (DFP)" concept. This concept has given rise to build robust QA checks with focused attention to product kinematics in the application at running conditions.
3. Company has done and still continuing extensive studies in engine bearings in developing benchmark standards and acceptance criteria for specific post test visual patterns of the bearings.
4. Identification and development of bearings for new focused areas like Railways, Off high way applications and for defence applications under "Make in India" movement.
5. Development of tools to understand bearing performance with effect of contamination and thus reduce the sensitivity of the bearings towards contamination.
6. Company continued exploring set of non-conventional manufacturing processes.

Specific areas in which R&D is carried out by the Company	<p>Prime focus throughout the year was on :</p> <ul style="list-style-type: none"> • Process Innovation for Sustainable development(PISD)-Non cubicle, non hierarchical, research oriented space • Tool validation prior to mass manufacturing • Process design to make the products 'First Time Right' • Process optimization to get precise parts at economical cost • Evolving solutions with a structured method-'The NRB Way' • Generating High Definition Surface finish on Rolling elements, for specific applications • Pressure velocity studies through application specific tests for gyroscopic and centrifugal effect. • Study of micro impacts due to high radial clearance in bearings • Enhancing Supplier capability both for Quality and quantity
Benefits derived as a result of the above R&D	<ul style="list-style-type: none"> • Enabling current workforce to develop cognitive out of the box modes of manufacturing • Faster product development with reduced time to market • Prevention of defect In-Process, even before it is generated. Sure shot solutions for every problem, by following a systematic process • Range Expansion.

Future plan of action	<ul style="list-style-type: none"> • IOT based manufacturing for Real time Production tracking, and monitoring Machine performance and utilization • Academia-Industry tie up to co create neo-lean and sustainable product designs • Use of wind and solar energy for generating power to drive Equipment in the Process Innovation Centre • Launching new series of Unitized bearing, detent pin • Precision transmission & engine components • REACH compliance
Expenditure on R&D	During the year an amount of Rs.1246 lacs has been incurred on revenue and capital account for R & D expenses.

C. Foreign exchange earnings and outgo

Foreign exchange earnings	Rs. 17019.23 lacs
Foreign exchange outgo	Rs. 2528.96 lacs

On behalf of the Board

Mumbai : May 21, 2018

(Ms) H S Zaveri
 Vice Chairman & Managing Director

S C Rangani
 Executive Director & Co.Secretary

ANNEXURE 3

VIGIL MECHANISM/WHISTLE BLOWER POLICY

1. Introduction

While every employee's contract of employment stipulates that he will not disclose confidential information about the employer's affairs, in order to bring about accountability and transparency, there should be a mechanism to enable employees to voice their concerns where they discover information which they believe shows serious malpractice, impropriety, abuse or wrongdoing within the organization. The employees should be encouraged and assisted to raise concerns without any fear of victimization, subsequent discrimination or disadvantage. If the employee has acted in good faith it does not matter if one is mistaken and the Company shall ensure protection from any harassment or victimization of/against the disclosing employee.

2. Applicability of the policy

This policy applies to all permanent employees of the Company including those who are on probation and is in effect from April 1, 2014.

3. Policy and Procedure for disclosure, enquiry and disciplinary action

3.1 Concerns which may be raised -illustrative list

A whole variety of issues could fall under malpractice, impropriety, abuse and wrongdoing, some of which are listed below:

- Breach of any Policy or Manual or Code adopted by the Company
- Fraud and corruption (eg receiving bribes)
- Health and safety risks, including risks to the public as well as other employees (eg. faulty electrical equipment)
- Any sort of financial malpractice
- Abuse of power (eg. Bullying/harassment)
- Any unlawful act, including failure to comply with legal or statutory obligation for and on behalf of the Company
- Any other unethical or improper conduct

3.2 Concerns – how to raise/whom to disclose

The concern should be disclosed through letter, e-mail, telephone, fax or any other method to any of the following persons, who shall comprise the Corporate Compliance Committee, headed by the Vice chairman & Managing Director reporting directly to the Audit Committee of the Board.

The Corporate Compliance Committee comprises the Vice Chairman & Managing Director, the Executive Director & Company Secretary, the CFO and the VP-HR.

All relevant information regarding the Concern should be disclosed not later than 1 year from the date on which the employee came to know of the Concern. Upon receipt of the disclosure, the member of the Compliance Committee receiving the same shall furnish a copy to the Vice Chairman & Managing Director who shall decide which member shall be responsible for the investigation.

3.3 Procedure for investigation

- Obtain full details and clarifications of the complaint
- Consider the involvement of the Company's Auditors or any other external investigation agency or person
- Fully investigate into the allegation with the assistance where appropriate of other individuals/bodies
- Prepare a detailed written report and submit the same to the Compliance Committee not later than 30 days from the date of disclosure of the Concern.

Based on the findings in the written report and after conduct of such further investigation as it may deem fit, the Compliance Committee shall take a decision in the matter not later than 30 days from the date of the written report. If the complaint is shown to be justified then they shall invoke disciplinary or other appropriate action against the defaulting employee.

All decisions of the Committee shall be by way of simple majority. In case of a tie the matter shall be referred to the Audit Committee for a final decision in the matter.

A copy of all decisions of the Compliance Committee shall be placed before the Audit Committee at the meeting held immediately after such final decision.

If the Complainant or the person complained against is not satisfied with the decision of the Compliance Committee, then either of the parties could prefer an appeal against this decision before the Audit Committee whose decision in the matter will be final and binding on all the parties.

The employee making the disclosure as well as all other persons involved in the investigation and the members of the Compliance Committee shall not make public the Concern disclosed except with the prior written permission of the Audit Committee, except where the employee is called upon to disclose this by any judicial process.

If an employee believes there has been a retaliation against him for disclosing Concern under this policy by way of an adverse personnel action (which may include a disciplinary suspension, unsatisfactory performance evaluation which results in loss of promotion or normal salary increase, rejection during probation, involuntary reassignment to a position with demonstrably less responsibility or status as compared to the present position, or an unfavourable change in the general terms and conditions of employment) he may file a written complaint to the Audit Committee requesting suitable remedy.

ANNEXURE 4

Annual Report on Corporate Social Responsibility (CSR) activities

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

Sr. No.	Particulars	Remarktt
1.	A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	Promotion of education, Promoting gender equality and empowering women, Employment enhancing vocational skills, Promoting social business projects. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, conservation of natural resources.
2.	The Composition of the CSR Committee.	1) Ms. H S Zaveri – Chairman, (E/MD) 2) Mr. Ashank Desai – Member (NE/ID) 3) Mr. S C Rangani – Member (E/WTd)
3.	Average net profit of the company for last three financial years	Rs. 6815.67 lacs
4.	Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)	Rs. 136.31 lacs
5.	Details of CSR spent during the financial year. (a) Total amount to be spent for the financial year; (b) Amount unspent, if any; (c) Manner in which the amount spent during the financial year is detailed below.	Rs. 136.31 lacs Nil

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local Area or other (2) Specify the state and district where projects or programs was undertaken	Amount out-lay (budget) project or programs wise (Rs. in lakhs)	Amount spent on the projects or programs Sub –heads: (1) Direct expenditure on projects or programs (2) Over-heads (Rs. in lakhs)	Cumulative expenditure upto to the reporting period (Rs. in lakhs)	Amount spent : Direct or through implementing agency*
1.	Ashoka University	Promotion of education	NCR, Haryana	75.00	75.00	75.00	Direct
2.	IIT Bombay	Promotion of education	Mumbai, Maharashtra	8.80	8.80	8.80	Direct
3.	Aseema Charitable Trust	Promoting education & employment enhancing vocational skills of under privileged children	Mumbai, Igatpuri, Maharashtra	25.00	25.00	25.00	Direct
4.	321 Education Foundation	Promoting education and vocational training	Hyderabad, Bangalore and Mumbai	25.00	25.00	25.00	Direct

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local Area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise (Rs. in lakhs)	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Over-heads (Rs. in lakhs)	Cumulative expenditure upto to the reporting period (Rs. in lakhs)	Amount spent : Direct or through implementing agency*
5.	The H. M. Seervai Memorial Trust	Promoting education	Mumbai	--	2.00	2.00	Direct
6.	The Akshay patra foundation	Midday meal for children	Mumbai, Maharashtra	5.00	5.00	5.00	Direct
7.	Kherwadi Society	Promoting education & employment enhancing	Mumbai	--	0.50	0.50	Direct
8.	MGM	Social Business Projects	Chikalthana, Maharashtra	--	0.51	0.51	Direct
9.	Indian Cancer Society	Fighting cancer across India for underprivileged cancer patients	Mumbai, Maharashtra	--	0.35	0.35	Direct
10.	Navjeevan Society for Rehabilitation of Mentally Retarded	Social Business Projects	Aurangabad, Maharashtra	--	0.50	0.50	Direct
11.	The Society for the eradication of Leprosy	Social Business Projects	Mumbai	--	0.50	0.50	Direct
	Total			138.80	143.16	143.16	

* Give details of implementing agency.

6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report. - Nil
7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

		Not Applicable
Mr. S. C. Rangani (Executive Director & Company Secretary)	Ms. H S Zaveri (Chairman CSR Committee)	[Person specified under clause (d) of sub-section (1) of section 380 of the Act] (wherever applicable)

ANNEXURE 5

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies
(Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

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

- | | |
|--|------|
| (a) Name(s) of the related party and nature of relationship: | N.A. |
| (b) Nature of contracts/arrangements/transactions: | N.A. |
| (c) Duration of the contracts / arrangements/transactions: | N.A. |
| (d) Salient terms of the contracts or arrangements or transactions including the value, if any: | N.A. |
| (e) Justification for entering into such contracts or arrangements or transactions: | N.A. |
| (f) date(s) of approval by the Board: | N.A. |
| (g) Amount paid as advances, if any: | N.A. |
| (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188: | N.A. |

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

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

- | | | |
|-------------------------------------|---|---|
| i) NRB Bearings (Thailand) Limited | - | Subsidiary Company |
| ii) NRB Bearings Europe GmbH | - | Subsidiary Company |
| iii) SNL Bearings Limited | - | Subsidiary Company |
| iv) NRB Industrial Bearings Limited | - | Company, in which Mr. T S Sahney, Ms H S Zaveri & Mr. D S Sahney Directors & Shareholders of the Company, hold shares and exercise control. |
| v) New Indo Trading | - | Firm where Chairman is partner |

(b) Nature of contracts/arrangements/transactions:

- | | | |
|-------------------------------------|---|---|
| i) NRB Bearings (Thailand) Limited | - | Sale of Finished Goods, Purchase of Raw Materials |
| ii) NRB Bearings Europe GmbH | - | Sale of Finished Goods, Sales Commission |
| iii) SNL Bearings Limited | - | Purchase of Finished Goods, Sale of Raw Materials, Dividend |
| iv) NRB Industrial Bearings Limited | - | Sale of Finished Goods, Purchase of Raw Materials |
| v) New Indo Trading | - | Service charges |

(c) Duration of the contracts / arrangements/transactions:

Ongoing Related Party Transactions.

(d) Salient terms of the contracts or arrangements or transactions including the value, if any:

1. Salient terms of Contract/ arrangements/ transaction: As mentioned below:

Sr. No.	Name of the Related Parties	Nature of Contract/ arrangements/ transactions	Salient Terms of Contract/ arrangements/ transactions
1.	NRB Bearings (Thailand) Limited	Sale/ Purchase of Goods	As per Purchase Orders placed for their requirements of Raw Materials, Components and Finished Products.
2.	NRB Bearings Europe GmbH Limited	Commission on sale of goods and other services rendered	As per terms and conditions of inter company agreement
3.	SNL Bearings Limited	Sale/ Purchase of Goods	As per Purchase Orders placed for their requirements of Raw Materials, Components and Finished Products
4.	NRB Industrial Bearings Limited	Sale/ Purchase of Goods	As per Purchase Orders placed for their requirements of, Components and Finished Products
5.	Directors & their relatives Mr. T S Sahney, Chairman Ms. H S Zaveri, Vice Chairman & Managing Director, Mr. S C Rangani, Executive Director & Company Secretary, Mr. Devesh Sahney, Director	Remuneration/ Sitting Fees Sale of Residential Flat in Company owned property	As per terms and conditions on Appointment / reappointment As per valuation report of Registered valuer

2) Value of the transactions with the related parties: As mentioned below:

(Rupees in lakhs)

i) NRB Bearings (Thailand) Limited	- Sale of Raw materials/ Property plants & Equipments	642.93
	- Purchase of raw materials	2648.58
	- ICD repayment received	2263.92
	- ICD interest	288.34
ii) NRB Bearings Europe GmbH	- Sales Promotion expenses	166.55
iii) SNL Bearings Limited	- Sales of Raw Materials	56.37
	- Purchase of Raw materials Fixed assets	2265.42
iv) NRB Industrial Bearings Limited	- Sale of Raw materials	139.23
	- Purchase of Raw materials	6.00
v) New Indo Trading	- Service charges	Nil
vi) Directors & their relatives		
Mr. T S Sahney	- Sitting Fees/ Commission	62.40
Ms. H S Zaveri	- Remuneration/ Commission	380.05
	- Sale of Residential Flat in Company owned property	1740.00
Mr. S C Rangani	- Remuneration	80.42

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

- i) 26th May, 2017
- ii) 11th August, 2017
- iii) 6th November, 2017
- iv) 12th February, 2018
- v) 20th March, 2018

(f) Amount paid as advances, if any:

Nil

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

H S Zaveri

Vice Chairman & Managing Director

Dated: May 21, 2018

S C Rangani

Executive Director & Company Secretary

ANNEXURE 6
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March, 2018

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

To,
The Members,
NRB Bearings Limited,

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by NRB Bearings Limited (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has during the audit period covering the financial year ended on 31st March, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board process and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the NRB Bearings Limited for the financial year ended on 31st March, 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
 - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
 - (iii) The Depositories Act, 1996 and the Regulations and Bye laws framed thereunder;
 - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowing;
 - (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and I report that during the year under review there was no action/event in pursuance of –
 - a) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - b) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d) The Securities and Exchange Board of India (Issue and Listing of Debts Securities) Regulations, 2008;
 - e) The Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 and/or SEBI (Share Based Employee Benefits) Regulations, 2014.
 - f) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with the client.
 - (vi) The Acts / Guidelines specifically applicable to the Company: The management has confirmed that there is no specific law as identified and applicable to the Company.
- I have also examined compliance with the applicable clauses of the following:
- a) Secretarial Standards with regard to Meeting of the Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of the Company Secretaries of India; and
 - b) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I report that during the year under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines and Standards mentioned above.

I further report that –

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors as on 31st March, 2018. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed proposal on agenda were sent in advance duly complying with the time limits specified and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- As per the minutes of the meeting duly recorded and signed by the chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

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

I further report that the compliance by the Company of applicable financial laws like direct and indirect tax laws has not been reviewed in this audit since the same has been subject to review by statutory financial audit and other designated professionals.

I further report that during the audit period there was no specific event/action in pursuance to the above referred laws, rules, regulations, standard and guidelines, etc. referred to above, having major bearing on the Company's affairs.

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

Place : Mumbai

Date : May 21, 2018

ANNEXURE 7

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on 31/03/2018

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

- i) CIN : L29130MH1965PLC013251
- ii) Registration Date : 30/06/1965
- iii) Name of the Company : NRB BEARINGS LIMITED
- iv) Category / Sub-Category of the Company : Company Limited by Shares
- v) Address of the Registered office and contact details : Dhannur, 15, Sir P. M. Road, Fort, Mumbai 400001, Maharashtra.
- Email id. : sc.rangani@nrb.co.in
- Web address : www.nrbbearings.com
- Telephone No. : 022 22664160
- Fax No. : 022 22660412
- vi) Whether listed Company Yes / No : Yes
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any
 Mr. Devanand Dalvi,
 M/s. Universal Capital Securities Pvt. Ltd.,
 21 Shakil Niwas, Opp. Satya Saibaba Temple,
 Mahakali Caves, Andheri (East), Mumbai 400 093, Maharashtra

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the Company shall be stated:-

Sr. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the Company
1.	Needle roller bushes & cages	2913	44.14
2.	Ball & roller bearings	2913	38.59
3.	Automobile components	2913	17.27

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	SNL BEARINGS LTD Dhannur, 15 Sir P.M. Road, Fort, Mumbai 400 001	L99999MH- 1979PLC134191	Subsidiary	73.45	2(46)
2.	NRB Bearings (Thailand) Ltd. 300/69, MOO1, T: Tasit, A: Pluak Daeng, Province, Rayong, Thailand 21140	Foreign Company (Incorporated outside India) Registration No. 0215550000626	Subsidiary	100	2 (46)

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

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	16389585	1000	16390585	16.91	15731215	--	15731215	16.23	-0.68
b) Central Govt.	--	--	--	--	--	--	--	--	--
c) State Govt.	--	--	--	--	--	--	--	--	--
d) Bodies Corp.	--	--	--	--	--	--	--	--	--
e) Banks/ FI	--	--	--	--	--	--	--	--	--
f) Any other(Trust)	35740266	--	35740266	36.88	34829642	--	34829642	35.94	-0.94
Sub-total (A) (1)	52129851	1000	52130851	53.79	50560857	--	50560857	52.17	-1.62
(2) Foreign									
a) NRIs - Individuals	850273	--	850273	0.88	1416341	--	1416341	1.46	0.59
b) Other - Individuals	--	--	--	--	--	--	--	--	--
c) Bodies Corp.	--	--	--	--	--	--	--	--	--
d) Banks/ FI	--	--	--	--	--	--	--	--	--
e) Any Other ...	--	--	--	--	--	--	--	--	--
Sub-total (A) (2)	850273	--	850273	0.88	1416341	--	1416341	1.46	0.59
Total Shareholding of Promoters	52980124	1000	52981124	54.66	51977198	--	51977198	53.63	-1.03
(A) = (A)(1)+(A)(2)									
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	14209842	7000	14216842	14.67	14937458	6500	14943958	15.42	0.75
b) Banks/ FI	7651	--	7651	0.01	41991	--	41991	0.04	0.04
c) Central Govt.	--	--	--	--	--	--	--	--	--
d) State Govt.	--	--	--	--	--	--	--	--	--
e) Venture Capital Funds	--	--	--	--	--	--	--	--	--
f) Insurance Companies	--	--	--	--	--	--	--	--	--
g) FIIs	18533285	--	18533285	19.12	16858813	--	16858813	17.39	-1.73
h) Foreign Venture Capital Funds	--	--	--	--	--	--	--	--	--
i) Others (Specify)	--	--	--	--	--	--	--	--	--
Sub-total (B) (1)	32750778	7000	32757778	33.80	31838262	6500	31844762	32.86	-0.94
(2) Non-Institutions									
a) Bodies Corporate									
i) Indian	5011510	4000	5015510	5.17	4523536	4000	4527536	4.67	-0.50
ii) Overseas	--	--	--	--	--	--	--	--	--
b) Individuals									

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
i) Individual Shareholders holding nominal sharecapital upto Rs.1 Lakh	4338756	492260	4831016	4.98	6148619	441760	6590379	6.80	1.82
ii) Individual Shareholders holding nominal sharecapital in excess of Rs.1 Lakh	735384	--	735384	0.76	498595	--	498595	0.51	-0.24
c) Any Other									
i) NRI's/ OCBs	283996	--	283996	0.29	287071	--	287071	0.30	0.00
ii) Clearing Members	317792	--	317792	0.33	199367	--	199367	0.21	-0.12
iii) Foreign Nationals	--	--	--	--	--	--	--	--	--
iv) Trusts	--	--	--	--	--	--	--	--	--
v) Foreign Portfolio Investment Corporation	--	--	--	--	--	--	--	--	--
vi) LLP / Partnership firm	--	--	--	--	33874	--	33874	0.03	0.03
vii) NBFC	--	--	--	--	2139	--	2139	0.00	0.00
viii) HUF	--	--	--	--	307705	--	307705	0.32	0.32
ix) IEPF Authority	--	--	--	--	28974	--	28974	0.03	0.03
x) Alternate Investment Fund	--	--	--	--	625000	--	625000	0.64	0.64
Sub-total (B) (2)	10687438	496260	11183698	11.54	12654880	445760	13100640	13.52	1.98
Total Public Shareholding (B) = (B)(1) + (B) (2)	43438216	503260	43941476	45.34	44493142	452260	44945402	46.37	1.04
C. Shares held by Custodian for GDRs & ADRs	--	--	--	--	--	--	--	--	--
Grand Total (A+B+C)	96418340	504260	96922600	100.00	96470340	452260	96922600	100.00	0.00

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			
		No of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	% change in shareholding during the year
1	Aarti D. Sahney	407000	0.42	0	407000	0.42	0	0
2	Bhupinder Singh Sahney	17970	0.02	0	17970	0.02	0	0
3	Devesh S Sahney	3634583	3.75	0	3634583	3.75	0	0
4	Hanwantbir Kaur Sahney	2867000	2.96	73.08	2867000	2.96	73.08	0
5	Harshbeena Sahney Zaveri	8454769	8.72	0	8500167	8.77	0	0.05
6	Jasjiv Singh Devinder S Sahney	373495	0.39	0	303495	0.31	0	(0.08)
7	Rajiv Devinder Sahney	817021	0.84	0	747021	0.77	0	(0.07)

8	Sahir Zaveri	33252	0.03	0	19752	0.02	0	(0.01)
9	Trilochan Singh Sahney	1000	0.00	0	1000	0.00	0	0
10	Trilochan Santsingh Sahney	35740266	36.88	0	34829642	35.94	0	(0.94)
11.	Aziz Y Zaveri	634768	0.65	0	649568	0.67	0	0.02
	Total	52981124	54.66	73.08	51977198	53.63	73.08	(1.03)

(iii) Change in Promoters' Shareholding (Please Specify, if there is no change)

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1.	Aarti D. Sahney				
	At the beginning of the Year	407000	0.42		
	Date wise Increase/ Decrease	Nil	Nil		
	At the End of the Year			407000	0.42
2.	Bhupinder Singh Sahney				
	At the beginning of the Year	17970	0.02		
	Date wise Increase/ Decrease	Nil	Nil		
	At the End of the Year			17970	0.02
3.	Devesh S. Sahney				
	At the beginning of the Year	3634583	3.75		
	Date wise Increase/ Decrease	Nil	Nil		
	At the End of the year			3634583	3.75
4.	Hanwantbir Kaur Sahney				
	At the beginning of the Year	2867000	2.96		
	Date wise Increase/ Decrease	Nil	Nil		
	At the End of the Year			2867000	2.96
5.	Harshbeena Sahney Zaveri				
	At the beginning of the Year	8454769	8.72		
	02/06/2017 Purchase	200	0.00	8454969	8.72
	25/08/2017 Purchase	18420	0.02	8473389	8.74
	01/09/2017 Purchase	474	0.00	8473863	8.74
	08/09/2017 Purchase	4713	0.00	8478576	8.75
	15/09/2017 Purchase	980	0.00	8479556	8.75
	22/09/2017 Purchase	2500	0.00	8482056	8.75
	30/09/2017 Purchase	10702	0.01	8492758	8.76
	06/10/2017 Purchase	7247	0.01	8500005	8.77
	13/10/2017 Purchase	162	0.00	8500167	8.77
	At End of the Year			8500167	8.77

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
6.	Jasjiv Singh Devinder Singh Sahney				
	At the beginning of the Year	373495	0.39		
	22/12/2017 Sell	-70000	-0.07	303495	0.31
	At End of the Year			303495	0.31
7.	Rajiv Devinder Sahney				
	At the beginning of the Year	817021	0.84		
	22/12/2017 Sell	-70000	-0.07	747021	0.77
	At the End of the Year			747021	0.77
8.	Sahir Zaveri				
	At the beginning of the Year	33252	0.03		
	21/04/2017 Sell	-8500	-0.01	24752	0.02
	28/04/2017 Sell	-5000	-0.00	19752	0.02
	At the End of the Year			19752	0.02
9.	Trilochan Singh Sahney				
	At the beginning of the Year	1000	0		
	Date wise Increase/ Decrease	Nil	Nil		
	At the End of the Year			1000	0
10.	Trilochan Santsingh Sahney				
	At the beginning of the Year	35740266	36.88		
	23/06/2017 Sell	-367000	-0.38	35373266	36.50
	21/07/2017 Sell	-46530	-0.05	35326736	36.45
	28/07/2017 Sell	-33658	-0.03	35293078	36.42
	12/01/2018 Sell	-141325	-0.15	35151753	36.27
	19/01/2018 Sell	-234257	-0.24	34917496	36.03
	26/01/2018 Sell	-87854	-0.09	34829642	35.94
	At the End of the Year			34829642	35.94
11.	Aziz Y Zaveri				
	At the beginning of the Year	634768	0.66		
	03/11/2017 Purchase	3800	0.00	638568	0.66
	09/03/2018 Purchase	1000	0.00	639568	0.66
	16/03/2018 Purchase	6000	0.01	645568	0.67
	31/03/2018 Purchase	4000	0.00	649568	0.67
	At the End of the Year			649568	0.67

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

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	Nalanda India Equity Fund Ltd.				
	At the beginning of the Year	9682667	9.99		
	Date wise Increase/ Decrease	Nil	Nil		
	At the End of the Year			9682667	9.99
2	SBI Magnum (various funds)				
	At the beginning of the Year	6745301	6.97		
	12/05/2017 Sell	-4381353	-4.53	2363948	2.44
	19/05/2017 Purchase	4390492	4.54	6754440	6.98
	17/11/2017 Sell	-36210	-0.04	6718230	6.94
	01/12/2017 Sell	-43790	-0.05	6674440	6.90
	12/01/2018 Sell	-323784	-0.33	6350656	6.56
	19/01/2018 Sell	-620400	-0.64	5730256	5.92
	26/01/2018 Sell	-44044	-0.05	5686212	5.88
	02/02/2018 Sell	-1790	0.00	5684422	5.87
	16/02/2018 Sell	-31281	-0.03	5653141	5.84
	At the End of the Year			5653141	5.84
3	ICICI Prudential Life Insurance Company				
	At the beginning of the Year	4593937	4.74		
	05/05/2017 Sell	-9701	-0.01	4584236	4.73
	12/05/2017 Sell	-114233	-0.12	4470003	4.61
	01/09/2017 Sell	-223490	-0.23	4246513	4.38
	13/10/2017 Sell	-58022	-0.06	4188491	4.32
	20/10/2017 Sell	-9830	-0.01	4178661	4.31
	27/10/2017 Sell	-122	0.00	4178539	4.31
	03/11/2017 Sell	-85261	-0.09	4093278	4.22
	10/11/2017 Sell	-7178	-0.01	4086100	4.22
	17/11/2017 Sell	-4073	0.00	4082027	4.21
	01/12/2017 Sell	-50146	-0.05	4031881	4.16
	08/12/2017 Sell	-13733	-0.01	4018148	4.15
	15/12/2017 Sell	-113043	-0.12	3905105	4.03
	22/12/2017 Sell	-311114	-0.32	3593991	3.71
	30/12/2017 Sell	-9369	-0.01	3584622	3.7
	19/01/2018 Purchase	223490	0.23	3808112	3.93
	At the End of the Year			3808112	3.93
4	Sundaram Mutual Fund A/C s				
	At the beginning of the Year	3742912	3.86		
	13/03/2017 Sell	-19076	-0.02	3723836	3.84
	09/06/2017 Purchase	12572	0.01	3736408	3.86
	16/06/2017 Purchase	137133	0.14	3873541	4.00
	23/06/2017 Purchase	488118	0.50	4361659	4.50
	07/07/2017 Purchase	7731	0.01	4369390	4.51
	14/07/2017 Purchase	88186	0.09	4457576	4.60
	21/07/2017 Purchase	494846	0.51	4952422	5.11
	22/09/2017 Purchase	45000	0.05	4997422	5.16
	30/09/2017 Purchase	43228	0.04	5040650	5.20
	13/10/2017 Sell	-21759	-0.02	5018891	5.18
	20/10/2017 Sell	-591	0.00	5018300	5.18

Sr. No.	Name of the Director	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
	03/11/2017 Sell	-24115	-0.02	4994185	5.15
	22/12/2017 Sell	-15500	-0.02	4978685	5.14
	30/12/2017 Sell	-150000	-0.15	4828685	4.98
	19/01/2018 Purchase	249774	0.26	5078459	5.24
	16/03/2018 Purchase	108758	0.11	5187217	5.35
	At the End of the Year			5187217	5.35
5	Mondrian Emerging Markets Small Cap Equity				
	At the beginning of the Year	2447265	2.52		
	21/07/2017 Sell	-68744	-0.07	2378521	2.45
	28/07/2017 Sell	-93800	-0.10	2284721	2.36
	04/08/2017 Sell	-11000	-0.01	2273721	2.35
	18/08/2017 Sell	-55334	-0.06	2218387	2.29
	22/09/2017 Sell	-236402	-0.24	1981985	2.04
	24/11/2017 Sell	-95372	-0.10	1886613	1.95
	01/12/2017 Sell	-100000	-0.10	1786613	1.84
	At the End of the Year			1786613	1.84
6	DSP Blackrock Micro Cap Fund				
	At the beginning of the Year	1678629	1.73		
	07/07/2017 Sell	-148667	-0.15	1529962	1.58
	14/07/2017 Sell	-74784	-0.08	1455178	1.50
	21/07/2017 Sell	-401306	-0.41	1053872	1.09
	04/08/2017 Sell	-14873	-0.02	1038999	1.07
	11/08/2017 Sell	-966812	-1.00	72187	0.07
	18/08/2017 Sell	-72187	-0.07	0	0.00
	At the End of the Year			0	0.00
7	Ontario Pension Board-Mondrian				
	At the beginning of the Year	1145781	1.18		
	Date wise Increase/ Decrease	Nil	Nil		
	At the End of the Year			1145781	1.18
8	Acacia Partners, LLP				
	At the beginning of the Year	1080000	1.11		
	Date wise Increase/ Decrease	Nil	Nil		
	At the End of the Year			1080000	1.11
9	Franklin Templeton Mutual Fund A/C Frank				
	At the beginning of the Year	975000	1.01		
	03/11/2017 Sell	-45711	-0.05	929289	0.96
	10/11/2017 Sell	-129289	-0.13	800000	0.83
	22/12/2017 Sell	-84905	-0.09	715095	0.74
	30/12/2017 Sell	-15095	-0.02	700000	0.72
	At the End of the Year			700000	0.72

Sr. No.	Name of the Director	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
10	Acacia Institutional Partners, LLP				
	At the beginning of the Year	900000	0.93		
	Date wise Increase/ Decrease	Nil	Nil		
	At the End of the Year			900000	0.93
11	JP Morgan India Smaller Companies Fund				
	At the beginning of the Year	691680	0.71		
	Date wise Increase/ Decrease	Nil	Nil		
	At the End of the Year			691680	0.71
12	HDFC Small & Midcap Fund				
	At the beginning of the Year	635000	0.66		
	Date wise Increase/ Decrease	Nil	Nil		
	At the End of the Year			635000	0.66
13	Eastspring Investments India Infrastructure				
	At the beginning of the Year	645904	0.67		
	07/04/2017 Purchase	12	0.00	645916	0.67
	21/04/2017 Purchase	9508	0.01	655424	0.68
	10/11/2017 Sell	-30421	-0.03	625003	0.64
	17/11/2017 Sell	-83327	-0.09	541676	0.56
	08/12/2017 Sell	-24451	-0.03	517225	0.53
	15/12/2017 Sell	-106423	-0.11	410802	0.42
	12/01/2018 Sell	-341587	-0.35	69215	0.07
	02/02/2018 Sell	-53049	-0.05	16166	0.02
	09/02/2018 Sell	-16166	-0.02	0	0.00
	At the End of the Year			0	0.00
14	Acacia Conservation Fund, LP				
	At the beginning of the Year	540000	0.56		
	Date wise Increase/ Decrease	Nil	Nil		
	At the End of the Year			540000	0.56

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name of the Director	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1.	Trilochan Santsingh Sahney				
	At the beginning of the Year	35740266	36.88		
	23/06/2017 Sell	-367000	-0.38	35373266	36.50
	21/07/2017 Sell	-46530	-0.05	35326736	36.45
	28/07/2017 Sell	-33658	-0.03	35293078	36.41

Sr. No.	Name of the Director	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
	12/01/2018 Sell	-141325	-0.15	35151753	36.27
	19/01/2018 Sell	-234257	-0.24	34917496	36.03
	25/01/2018 Sell	-87854	-0.09	34829642	35.94
	At the End of the Year			34829642	35.94
2.	Trilochan Singh Sahney				
	At the beginning of the Year	1000	0.00		
	Date wise Increase/ Decrease	tNIL	NIL		
	At the End of the Year			1000	0.00
3.	Harshbeena Sahney Zaveri				
	At the beginning of the Year	8454769	8.72		
	02/06/2017 Purchase	200	0.00	8454969	8.72
	25/08/2017 Purchase	18420	0.02	8473389	8.74
	01/09/2017 Purchase	474	0.00	8473863	8.74
	08/09/2017 Purchase	4713	0.00	8478576	8.75
	15/09/2017 Purchase	980	0.00	8479556	8.75
	22/09/2017 Purchase	2500	0.00	8482056	8.75
	30/09/2017 Purchase	10702	0.01	8492758	8.76
	06/10/2017 Purchase	7247	0.01	8500005	8.77
	13/10/2017 Purchase	162	0.00	8500167	8.77
	At End of the Year			8500167	8.77
4.	S. C. Rangani				
	At the beginning of the Year	6000	0.00		
	30/12/2017 Sell	-2000	0.00	4000	0.00
	At the End of the Year			4000	0.00
5.	Devesh S. Sahney				
	At the beginning of the Year	3634583	3.75		
	Date wise Increase/ Decrease	NIL	NIL	3634583	3.75
	At the End of the year			3634583	3.75
6.	Tashwinder Singh				
	At the beginning of the Year	NIL	NIL		
	Date wise Increase/ Decrease	NIL	NIL	NIL	NIL
	At the End of the Year			NIL	NIL
8.	A. A. Gowariker				
	At the beginning of the Year	NIL	NIL		
	Date wise Increase/ Decrease	NIL	NIL	NIL	NIL
	At the End of the Year			NIL	NIL
9.	Ashank Desai				
	At the beginning of the Year	NIL	NIL		
	Date wise Increase/ Decrease	NIL	NIL	NIL	NIL
	At the End of the Year			NIL	NIL

Sr. No.	Name of the Director	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
10	Rustom Desai				
	At the beginning of the Year	NIL	NIL		
	Date wise Increase/ Decrease	NIL	NIL	NIL	NIL
	At the End of the Year			NIL	NIL
11	Tanushree Bagrodia				
	At the beginning of the Year	NIL	NIL		
	Date wise Increase/ Decrease	NIL	NIL	NIL	NIL
	At the End of the Year			NIL	NIL

VI. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness (Rs.in lakhs)
Indebtedness at the beginning of the financial year				
i) Principal Amount	12823.96	13159.60	-	25983.56
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	52.34	349.65	-	401.99
Total (i+ii+iii)	12876.30	13509.25	-	26385.55
Change in Indebtedness during the financial year				
Addition	15231.99	33000.00	-	48231.99
Reduction	(17537.09)	(36715.79)	-	(54252.90)
Net Change	(2305.10)	(3715.79)	-	(6020.89)
Indebtedness at the end of the financial year				
i) Principal Amount	10537.36	9445.43	-	19982.80
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	33.84	348.02	-	381.86
Total (i+ii+iii)	10571.20	9793.45	-	20364.66

VII. Remuneration of Directors and Key Managerial Personnel

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

Sr. No.	Particulars of Remuneration	Name of MD/WTM/ Manager		Total Amount (in Rs.)
		Ms. H. S. Zaveri (Vice Chairman & Managing Director)	Mr. S. C. Rangani (Executive Director & Company Secretary)	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	84,49,998	71,19,000	1,55,68,998
	(b) Value of perquisites u/s 17(2)			
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	2,13,65,024	9,23,017	2,22,88,041
		-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-

4.	Commission - as % of profit - others, specify			
5.	Others, please specify	81,90,000	-	81,90,000
	Sitting Fees (p.a.)	-	-	-
	Total (A)	3,80,05,022	80,42,017	4,60,47,039
	Ceiling as per the Act (Sec197)			12,74,39,734

B. Remuneration to Other Directors

Sr. No.	Particulars of Remuneration	Name of Directors						Total Amount (in Rs.)
		Mr. T S Sahney	Ms. A. A. Gowariker	Mr. D.S. Sahney	Mr. Tashwinder Singh	Mr. Ashank Desai	Mr. Rustom Desai	
	Independent Directors Fee for attending board / committee mtgs	-	5,30,000	-	5,70,000	4,70,000	4,30,000	20,00,000
	Commission	-	5,00,000	-	5,00,000	5,00,000	3,33,333	18,33,333
	Others, please specify							
	Total (1)		10,30,000	--	10,70,000	9,70,000	7,63,333	8,33,333
	Other Non-Executive Directors Fee for attending board / committee meetings	3,00,000	-	2,00,000	-	-	-	5,00,000
	Commission	59,40,000	-	4,16,667	-	-	-	63,56,667
	Others, please specify							
	Total (2)	62,40,000	--	6,16,667	--	--	--	68,56,667
	Total (B)=(1+2)	62,40,000	10,30,000	6,16,667	10,70,000	9,70,000	7,63,333	1,06,90,000
	Total Managerial Remuneration							5,72,13,976
	Overall ceiling as per Act							12,74,39,734

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

Sr. No.	Particulars of Remuneration	Name of Manager (KMP) Ms. Tanushree Bagrodia	Total Amount (in Rs.)
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	44,11,764 73,20,381 8,09,698	44,11,764 73,20,381 8,09,698
2.	Stock Option	--	--
3.	Sweat Equity	--	--
4.	Commission _ as % of profit _ others, specify...	--	--
5.	Others, please specify	--	--
	Total (A)	1,25,41,843	1,25,41,843

VIII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ punishment/ Compounding fees imposed	Authority [RD/ NCLT/ Court]	Appeal made, if any (give details)
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--
Other Officers in Default					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--

Annexure 8

Disclosure of Remuneration under Section 197 (12) of Companies Act, 2013 and Rule 5(1) of the Companies (Appointment And Remuneration) Rules, 2014.

A. STATEMENT SHOWING DETAILS OF MEDIAN REMUNERATION OF THE DIRECTOR/KMP OF THE COMPANY:

- a. The ratio of the remuneration of each Director to the median remuneration of the employees of the company for the financial year 2017-18

Name of Directors	Remuneration (Rs. In lacs)	Median Remuneration (Rs. In Lacs)	Ratio
Ms. H S Zaveri - Executive/Non-Independent Director	380.65	4.26	89.82
Mr. S C Rangani - Executive/ Non-Independent Director	80.42	4.26	18.88
Ms. Tanushree Bagrodia (CFO)	125.42	4.26	29.44

- b. The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2017-18;

Name of Directors	Percentage increase in remuneration in the Financial year.
Ms. H S Zaveri - Executive/Non-Independent Director	33.46 *
Mr. S C Rangani - Executive, Non-Independent Director	(0.37)
Ms. Tanushree Bagrodia (CFO)	9.86

* First revision in remuneration since October, 2015, when the present term commenced.

- c. The percentage increase in the median remuneration of employees in the financial year ;
The median remuneration of employees of the Company has increased by 14.82% during the Financial year 2017-18. (from Rs. 3.71 lacs to Rs.4.26 lacs p.a.)
- d. The Company has 1557 number of permanent employees on the rolls of company as on 31 March, 2018;
- e. Average percentile increase already made in the salaries of employees other than the managerial personnel and its comparison with the percentile increase in the managerial remuneration and justification thereof.
Average percentile increase in the salaries of employees other than Managerial Personnel is 10.95% while increase in the Managerial Remuneration is 21.76%.
- f. The remuneration is as per the remuneration policy of the company.

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

(Ms) H S Zaveri
Vice Chairman & Managing Director

S C Rangani
Executive Director & Co. Secretary

Dated : May 21, 2018

CEO/CFO CERTIFICATION

The Managing Director (CEO) and the CFO of NRB Bearings Ltd hereby certify to the board that:

- a. we have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations
- b. To the best of our knowledge and belief there are no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c. we accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operations of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. we have indicated to the auditors and the Audit Committee:
 - (i) significant changes in internal control over financial reporting during the year;
 - (ii) significant changes in accounting policies during the year 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 a significant role in the Company's internal control system over financial reporting.

For NRB BEARINGS LTD

H S ZAVERI
MANAGING DIRECTOR (CEO)

TANUSHREE BAGRODIA
CFO & VP IT

Mumbai : May 21, 2018

Declaration regarding compliance by Board members and Senior Management personnel with the Company's code of conduct

This is to confirm that the Company has adopted a Code of Conduct for all Board Members and Senior Management personnel and the same has been placed on the Company's web site. All Board Members and Senior Management personnel have affirmed compliance with the Code of Conduct in respect of the financial year ended 31st March, 2018.

Mumbai : May 21, 2018

H S ZAVERI
VICE CHAIRMAN & MANAGING DIRECTOR

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Structure and Development and Outlook

The Company is in the ball and roller bearing business for the requirements of the mobility industry which has Original Equipment Manufacturers (OEMs) accounting for 65% -70% of the demand while the rest is supplied to the Aftermarket (12% -15%) and Exports (20% - 25%). OEMs comprise domestic and global vehicle manufacturers in the following broad segments:

- 2/3 wheelers comprising motor cycles, scooters, mopeds, auto rickshaws (passenger & goods) and industrial 4 stroke engines
- passenger cars from small car hatchbacks to luxury models and utility vehicles
- commercial vehicles from LCVs, MCV/HCV to buses
- farm equipment and off highway vehicles including forklift trucks and construction equipment
- railway locomotives.
- defence vehicles including gun carriers and tanks
- aircraft and aerospace applications

Market growth in the Indian mobility industry for both people and goods has a very large potential given the geographical spread and size of population- personal mobility is spurred by the increasing disposable incomes and higher rural incomes of an aspirational young population, given the relatively low current penetration, while growth in the goods mobility segment is being driven by the need to establish strong supply chains between producers and markets.

The annual production of the domestic organized sector (as represented under Ball & Roller Bearing Manufacturers Association-BRBMA) has grown to Rs. 6300 crores for the year 2017-18. Your Company's market share in the domestic organized sector is 13% approximately.

FY 2017-18 started on a weak note with the market trimming purchases in anticipation of GST which was to become effective 1st July, 2018. Thereafter, the good monsoons gave a boost to the rural economy, the global environment turned positive and with the increased spend on infrastructure upgradation, consumer demand revived resulting in manufacturing activity accelerating. Strong FDI inflows continuing at \$ 60 billion and continuing IIP growth momentum have led to expectations that GDP growth will be 6.7% in FY 18, rising to 7.4 % and 7.8% in the next two years.

Globally, elevated crude prices , rising protectionism and geopolitical risks remain a threat during FY 2018-19. The Indian economy outlook is optimistic considering IMD forecasts of a second year of normal monsoon, average inflation down to 4.5%, interest rates remaining soft, increased government spends for expanding the public transport systems and building dedicated freight corridors for movement of farm produce and goods from and to the rural areas.

As the private sector investment cycle gains strength with the expected growth in demand in almost all segments of the Indian automotive industry, aided by the "Make in India" initiative with its boost for manufacturing for defence, aerospace, etc and concrete measures to improve 'ease of doing business', India has emerged as one of the most preferred locations in the world for manufacturing high quality auto components and vehicles of all kinds. The Indian automotive industry and the bearings industry are expected to be major beneficiaries of this expected growth

During 2017-18, all vehicle segments witnessed robust growth in double digits, except the passenger car segment which showed growth, albeit at a lower rate. Overall, industry growth has been 15% with growth in production driven by economic activity upswing for the commercial vehicles, strong rural demand fueled by the income growth for 2/3 wheelers, new model launches for passenger cars and good rainfall for the farm segment. Tabled below are growth estimates for 2018-19 projected by the Company, after assessing demand forecasts with all major OEMs:

	Vehicle Production (Nos)			
User Industry	2017-18	2016-17	% growth	2018-19
2-Wheelers				
Motorcycle	15159700	13088208		
Scooter	7117795	5926499		
Mopeds	869562	919032		
Total	23147057	19933739	16.1] 17
3-Wheelers	1021911	783721	30.4] 18
Passenger Cars	2739899	2711911	5.4	} 25
MUV/MPV	1270474	1089759		} 26
HCV/MCV	343951	342761	10.4) 19
LCV	467492	550600) 20
Tractors	770000	625837	23.0	30
Total	29843852	25950966	15.0	

Source: SIAM for 2016-17 and 2017-18 production data and Company estimates

Financials

Revenue from operations, net of levies, has increased by 18% to Rs. 83056 lacs from Rs. 70669 lacs in 2016-17. Domestic sales increased by 13% to Rs. 65047 lacs from Rs. 57606 lacs while exports have increased by 32% to Rs.16957 lacs from Rs. 13292 lacs in 2016-17.

The table below sets forth the key expense items as a percentage of net revenues for 2017-18 and 2016-17. Margins have been higher owing to higher volumes leading to lower employee and expense payments.

	31st March, 2018	31st March, 2017
Revenue from operations (net of excise duty)	83056 (100%)	70669 (100%)
Expenditure:		
- Material (Including change in stock) %	42.78	42.10
- Employee Cost %	15.44	16.59
- Manufacturing and Other expenses (Net) %	22.20	25.29
Total Expenditure %	80.42	83.98
Profit before Depreciation, Interest and Tax %	19.58	16.02
Depreciation %	3.37	4.14
Finance costs (Net) %	1.72	2.32
Profit before Exceptional Items and Tax %	14.49	9.56

Benchmarked against other large players in the domestic bearings industry, your Company's performance compares favourably for certain ratios as below:

Ratio/ Year Ended	NRB	SKF	SCHAEFFLER (I) Ltd.
	31st March, 2018	31st March, 2018	31st December, 2017
Operating Profit to Net Sales - %	18.42	17.79	18.8
RONW-PAT/Net Worth - %	21.0	16.10	15.0
ROCE –EBIT/Cap employed - %	22.8	26.68	21.4
EPS	8.45	57.3	143.2

* For SKF, FAG F. V. Rs.10/- per share and for NRB F. V. Rs.2/- per share

Economic Value Addition

EVA is residual income after charging the Company for the cost of capital provided by the lenders and shareholders. It represents the value added to the shareholder by generating operating profits in excess of the cost of capital employed in the business.

Rs. In Lakhs

EVA	2017-18	2016-17
EBIT	13457	8396
Less: Adjusted Tax	4657	2906
NOPAT (Net Operating Profit less tax)	8800	5490
Equity	39034	33632
Debt	20364	26397
Total Invested Capital	59398	60029
Post Tax Cost of Debt %	3.99	3.42
Cost of Equity %	11.50	11.30
Weighted Average Cost of Capital % (WACC)	8.93	7.87
Weighted Average Cost of Capital (WACC)	5302	4724
EVA (NOPAT – WACC)	3498	766

Notes: Tax calculation excludes deferred tax and is adjusted for tax shield on interest.

Cost of equity is based on cost of risk free return equivalent to yield on long term government bonds @ 7.0% p.a. plus equity premium adjusted for Company's beta variant. The equity premium is assumed @ 9% while the beta is considered at 0.5.

The Company's EVA, which is a real measure of shareholders' value creation, has significantly improved during the year.

Higher yields on long terms Government Bonds increased the cost of equity, but Capital Employed in the business has reduced with lower debt levels, resulting in higher weighted average cost of capital employed. EVA is higher on the previous year arising from 60% increase NOPAT.

Segment wise Performance

Your Company has a single reportable segment of ball and roller bearings as the primary business segment for the purpose of AS 17. The assets and liabilities of the Company are all expended towards this business segment.

Opportunities and Threats

Opportunities

- AMP 2026 (Automotive Mission Plan II) envisions that by 2026 the Indian auto industry will be among the top three in the world in terms of engineering, manufacturing and export of vehicles as well as auto components, targeting a growth 3.5 to 4 times its current output, growing in value to over 12 percent of India's GDP and generating an additional 65 million jobs.
- Potential to scale up exports to the extent of 35-40% of overall output in the next 10 years and become one of the major automotive export hubs of the world.
- Automotive industry fortunes directly impact the fortunes of several related manufacturing industries, from Iron & Steel to Aluminium, Lead, Plastics, Rubber, Glass, Machine Tools, Moulds & Dies and also several in Services sector like logistics, banking & Insurance, Sales & Distribution, Service & Repairs and Fuels and therefore attracting significant quantum of investments from global and local OEMs as well as Government incentives.
- AMP II seeks to achieve healthy balance between the human aspiration of personal transport and the efficiency of public transport. It is imperative to develop quality public transportation uniformly across India, given its present relatively poor quality and reliability, to provide a choice to the consumer to access multiple options of mobility.
- Boost for farm equipment requirements is imminent with expectations of a near normal monsoon, technology aiding improvement in productivity systems, micro-irrigation intensifying and financing for the same being readily available and at lower affordable rates.

- Most of the world's large vehicle manufacturers have set up base in India and are expanding capacities with a thrust on localisation to improve competitiveness.

Your Company has the largest product range in the domestic market and has been investing in technology development and building competencies for skilled based manufacturing. Having won customers' confidence by leveraging innovative ideas, creative engineering and comprehensive manufacturing expertise we are well positioned to take advantage of the revival in demand.

Threats

Spurious / Counterfeit products continue to attract price sensitive Replacement Market which accounts for 25-30% of total demand of bearing industry. These supplies, being of inferior quality, are unsafe in use and pose a risk to people, industry and to the economy by way of unexpected downtime and are safety hazards. In spite of industry wide efforts in educating customers and increasing awareness about the need to use safe sources of procurement, the problem continues owing to the slow legal process in punishing unscrupulous suppliers. There is an industry wide effort to control the same.

The next generation of cars are likely to be "computers on wheels" with the switch to alternate fuels eg. electric/hybrid vehicles. The Faster Adoption and Manufacturing of Hybrid and Electric Vehicles (FAME) India scheme being implemented by the Government also addresses technology development and commercialization aimed at making the electric/hybrid vehicles (xEV) market self sustaining. The entire industry will have to readjust to the changing scenarios.

Regulatory demands on emission levels and improved safety norms is driving Indian industry to shift their focus on reducing vehicle weight and opt for lower friction technologies. Customers are demanding higher fuel efficiency, improved manoeuvrability, lighter weight, intelligent vehicle control and of course low noise and improved reliability from their vehicles. Company will need regular investments in R & D, new technology and even new production facilities to meet these requirements. Indian industry will need to capitalize on its competitive advantages of an economical and large skilled workforce for establishing R & D capabilities to leap frog into the future by getting into such hi-tech businesses.

Your Company is working continuously to mitigate these threats - leveraging its wide range of products and its Engineering capabilities and priming its sourcing and purchasing capabilities. The Company remains committed towards implementing TPM and investing in sophisticated technology to offer enduring and efficient solutions.

Risks and concerns

Risk management practices seek to sustain and enhance long term competitive advantage of the Company.

The Board of Directors looks at risks which are mainly reputational and where the risk grid shows criticality. For the risk grid, the risks have been listed, then prioritised and ranked in terms of probability and impact- high/moderate/low. Wherever possible, triggers are being identified, even multiple triggers, which would help decide when a risk has become critical – eg. Euro Dollar rate changing to 1.00 or USD INR rate exceeding a specified risk point.

The Board also approves the risk policies and associated practices of the Company, reviews and approves risk related disclosures. Otherwise in a normal situation, the operating team would be responsible for all operational risks. At the operating level the core group of the Executive Management team comprising the Managing Director and the functional Heads review enterprise risks from time to time, initiate mitigation actions and identify owners for the action to be taken.

The following broad categories of risks have been considered :

Strategy : Choices and decisions we make to enhance long term competitive advantage of the Company and value to the stakeholders eg. the Company's shift from bearing related products to becoming a friction solutions provider.

Industry : Relates to the inherent characteristics of our industry including competitive structure, nature of market and regulatory environment. Eg. adding to existing segments, the emerging segments of defence, aerospace and railways and improving its presence in the ASEAN region, thus spreading the risk in terms of geographies.

Counterparty : Risks arising from our association with entities for conducting business. These include customers, vendors and their respective industries.

Resources : Risks arising from sub-optimal utilization of key organization resources such as capital and infrastructure. Eg. risks further broken up into equipment risk and people risk. With insurance covers in place for the equipment, the management of people risks by way of a cordial relationship with the employees and keeping motivation in the plants at a high level.

Operations : Risks inherent to our business operations includes service & delivery to customers, business support activities like NPD, TPM, Quality management, IT, Legal, Taxation eg. plants having detailed plant maintenance and tool manufacturing programs, dedicated teams for managing risks relating to information security (data leakage, cyber security attacks from malware), and technology disruption risks and constantly researching how new technologies are changing the applications and products.

Regulations and compliance : Risks due to inadequate compliance to regulations and contractual obligations violations leading to litigation and loss of reputation.

The business environment is expected to improve during the year, with economic performance helped by well managed fiscal deficits, forecast of a near normal monsoon and Government initiatives to increase the spend on rural infrastructure and the "Make in India" drive to boost manufacturing. The automotive industry, the largest consumer of bearings, has strong linkages with the economy and should benefit from the same.

Management of financial risks such as interest rates risk, currency risk and liquidity risk, have come in for increased focus. Various measures were deployed to continuously monitor risks and take appropriate actions to mitigate the same.

Internal Control Systems and Adequacy

Based on the nature of the business and size of operations the Company has in place adequate systems of internal control and documented procedures covering all financial and operating functions. These controls have been designed to provide for

- Accurate recording of transactions with internal checks and prompt reporting
- Safeguarding assets from unauthorized use or losses
- Compliance with applicable statutes, and adherence to management instructions & policies
- Effective management of working capital
- Monitoring economy and efficiency of operations

Processes are also in place for formulating and reviewing annual and long term business plans and for preparation and monitoring of annual budgets for all operating plants and the service functions.

A reputed external audit firm carries out periodical audits at all plants and of all functions and brings out deviations from laid down procedures. The audit firm independently tests the design, adequacy and operating effectiveness of the internal control system to provide a credible assurance to the Audit Committee. The observations arising out of audit are reviewed, in the first instance by the respective HODs and plant/functional heads and compliance is ensured. Further corrective action plans are drawn up to build business processes which will eliminate repetition of deviations. Business risks are managed through cross functional involvement, facilitated by internal audit and the results of the assessment are presented to senior management.

The Audit Committee reviews the recommendations for improvement of the business processes and the status of implementation of the agreed action plan.

Human Resource and Industrial Relations

Overall relations with the workmen at all plants have been cordial during the year and the Company has contained its employee costs, benefiting from the wage settlements which have linked incentive payments to increase in overall production volumes (net of rework) and reduction in rejection rates.

There have been settlements with the Workmen Unions at Thane, Waluj and Jalna Plants, all with wage increases linked to productivity improvements, multi machine working and with penalties for non-achievements of quality and productivity as agreed. The settlements, all valid for 3 years, will expire between July and November 2020 and involve a financial impact of Rs. 10.3 crores annually from FY 2018-19. These settlements, with committed productivity increases of 18-20% were an enabling factor in the management drive for higher outputs during FY 2017-18, and are expected to help sustain the higher outputs during FY 2018-19.

The primary focus of IR during the current year will continue to be on the engaging, motivating and improving the productivity of blue collar employees and finalizing new settlements while ensuring improved productivity & product quality at the Thane, Waluj and Jalna plants and without any interim work disruptions. The company has ambitious sales revenue and profit targets budgeted for the year and its people approach, encouragement of team work should enable its achievement.

Employment of young talented GETs and Management trainees, who currently constitute over a fourth of the company's employees and make it a forward looking young organization (average age 39 yrs) and to harness their potential, we have multi phased training programs imparting understanding of bearing and engineering principles, diverse bearing applications, modern manufacturing practices, lean management and quality management and in behavioural aspects and providing an understanding of the Company's customers and markets. Besides developing knowhow building managerial and technical capabilities to align with career aspirations, they also serve as a platform to interact with peers from diverse backgrounds and spread the values of togetherness, positive thinking and mutual respect.

SPEED : System of Performance Evaluation and Employee Development, the framework for Individual Development Planning, Career and Succession Planning maps employee competence with current and future needs of the organization and forms the basis for developmental interventions. As part of its plan to build a bench strength of talented future leaders of tomorrow, the company has campus recruited engineering trainees from reputed engineering colleges and Indo German Toolroom, and other interns from Ashoka University, IIT, Mumbai, etc. who are deployed on efficiency improvements and cost control exercises through out the company.

Permanent employees directly employed by the Company currently total 1557 nos.

Cautionary Statement

Statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may constitute 'forward looking statements' within the meaning of applicable laws and regulations.

Actual results may differ materially from those either expressed or implied.

CORPORATE GOVERNANCE REPORT

The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2018, in terms of Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (The "Listing Regulations").

COMPANY'S PHILOSOPHY

NRB Bearings Limited ("The Company") governance philosophy is based on two basic tenets - transparency and Accountability. Responsible corporate conduct is integral to the way to do business – at all levels within the Company, actions are governed by our values and principles. Your Company is committed to doing things the right way which means taking business decisions and acting in a way that is ethical and is in compliance with the applicable legal requirements. The road to sustainable, profitable growth and creating long term value for all stakeholders is having the highest standards of corporate behavior towards everyone we work with, the communities we touch and the environment which we impact. The Company's Code of Conduct and Monitoring and Reporting of Trades by Insiders are an extension of our values and reflect our commitment to ethical business practices, integrity and regulatory compliances.

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

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

The Company continues to focus its resources, strengths and strategies to achieve the vision of providing superior quality products with high performance and become a preferred supplier of needle roller bearings across the globe.

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

GOVERNANCE STRUCTURE

The Corporate Governance structure at NRB Bearings is as follows:

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

THE BOARD OF DIRECTORS

Composition and category of Directors

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

As on March 31, 2018, The Company's Board consists of 8 Directors. Besides the Chairman, the Board comprises of two Executive Directors and five Non-Executive Directors out of which four are Independent Directors. Mr S C Rangani's tenure expired on 23rd January, 2018 and has been re-appointed as Additional director designated Executive Director and Company Secretary w.e.f 24th January, 2018. The composition of the Board is in conformity with Section 149 of the Companies Act, 2013 and Regulation 17 of the Listing Regulations.

Directors' Attendance Record and their other Directorships/ Committee memberships

As mandated by Regulation 26(1)(b) of the Listing Regulations, none of the Directors is a member of more than ten Board Level Committees (considering only Audit Committee and Stakeholders' Relationship Committee) or Chairman of more than five Committees across all public limited companies (listed or unlisted) in which he/she is a Director. Further all Directors

have informed about their Directorships, Committee memberships/ Chairmanships including any changes in their positions. Relevant details of the Board of Directors as on March 31, 2018 are given below:

Directorship / Committee Membership as on March 31, 2018

Name	Date of Appointment	Category of Director	Directorships in other Indian Public Limited Companies (excluding NRB Bearings)	No. of Board Committees in which Chairman / Member (excluding NRB Bearings)		Shareholding
				Chairman	Member	
Mr T S Sahney DIN: 00003873	30/06/1995	Chairman and Non-Executive, Non-Independent	1	1	0	1000
Mrs H S Zaveri DIN: 00003948	01/10/2015	Executive, Non-Independent	3	1	2	8,500,167
Mr. D S Sahney DIN: 00003956	25/05/2001	Non-Executive, Non-Independent	1	0	1	3,634,583
Mr. S C Rangani DIN: 00209069	23/01/2018	Executive, Non-Independent	1	0	1	4,000
Mr Tashwinder Singh DIN: 06572282	23/07/2013	Independent	1	0	0	-
Ms. A A Gowariker DIN: 03634905	12/09/2014	Independent	2	0	1	-
Mr Ashank Desai DIN: 00017767	30/03/2016	Independent	1	0	2	-
Mr Rustom Desai DIN: 02448175	23/01/2017	Independent	0	0	0	-

Notes:

1. Directorships exclude Private Limited Companies, Foreign Companies and Section 8 Companies.
2. Chairmanship/Membership of Committee only includes Audit Committee and Stakeholders Relationship Committee in Indian Public Limited companies other than NRB Bearings Limited. Members of the Board of the Company do not have membership of more than ten Board-level Committees or Chairman of more than five such Committees.
3. Details of Director(s) retiring or being re-appointed are given in notice to Annual General Meeting.

Sr. No	Name of Directors	Details of other Directorships	Details of Committee Memberships (Audit and Stakeholder)
1	Mr. T S Sahney	NRB Industrial Bearings Ltd	-
2	Ms. H S Zaveri	SNL Bearings Ltd NRB Industrial Bearings Ltd Karam Chand Thapar & Bros (Coal Sales) Ltd	Audit Committee-Member Stakeholder Relationship Committee-Member -- --
3.	Mr. S C Rangani	SNL Bearings Ltd	Stakeholder Relationship Committee-Member
4.	Mr. Tashwinder Singh	Resonance Eduventures Ltd	--
5.	Ms. A A Gowariker	Forbes & Company Limited Forbes Technosys Limited	-- Audit Committee - Member
6.	Mr. D S Sahney	NRB Industrial Bearings Ltd	Audit Committee-Member
7.	Mr. Ashank D Desai	Mastek Ltd	Audit Committee-Member, Stakeholder Relationship Committee-Member
8.	Mr. Rustom Desai	--	--

Independent Directors

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

Number of Independent Directorships

In compliance with the Listing Regulations, Directors of the Company do not serve as Independent Director in more than seven listed companies. In case he/she is serving as a Whole-Time Director in any listed company, does not hold the position of Independent Director in more than three listed companies.

Board Meetings

The Board meets at regular intervals to discuss and decide on business strategies/policies and review the financial performance of the Company and its subsidiaries. The Board Meetings are pre-scheduled. In case of business exigencies, the Board's approval is taken through circular resolutions. The circular resolutions are noted at the subsequent Board Meeting.

The notice and detailed agenda along with the relevant notes and other material information are sent in advance separately to each Director and in exceptional cases tabled at the Meeting with the approval of the Board. This ensures timely and informed decisions by the Board. The Board reviews the performance of the Company vis-à-vis the budgets/targets.

Minimum four prescheduled Board meetings are held every year (one meeting in every calendar quarter). During the FY 2017-18 the Board of Directors met six times i.e., on May 26, 2017, August 11, 2017, November 06, 2017, January 23, 2018, February 12, 2018 and March 20, 2018. The maximum gap between any two consecutive meetings was less than one hundred and twenty days, as stipulated under Section 173(1) of the Act, and Regulation 17(2) of the Listing Regulations and the Secretarial Standards issued by Institute of Company Secretaries of India.

Attendance of Directors at the Board Meetings and at the last Annual General Meeting (AGM)

Sr. No.	Name of Directors	No. of Board Meetings attended	Attendance at the AGM held on July 21, 2017
1.	Mr. T S Sahney	6 of 6	Present
2.	Ms. H S Zaveri	6 of 6	Present
3.	Mr. D S Sahney	5 of 6	Present
4.	Mr. S C Rangani	6 of 6	Present
5.	Mr. Tashwinder Singh	6 of 6	Present
6.	Ms. A A Gowariker	6 of 6	Present
7.	Mr. Ashank Desai	6 of 6	Present
8.	Mr. Rustom Desai	4 of 6	Present

Information placed before the Board

The Company provides the information as set out in Regulation 17 read with Part A of Schedule II of the Listing Regulations to the Board and the Board Committees to the extent it is applicable and relevant. Such information is submitted either as part of the agenda papers in advance of the respective Meetings or by way of presentations and discussions during the Meetings.

Post Meeting Mechanism

The important decisions taken at the Board/Board Committee Meetings are communicated to the concerned department/division.

Board Support

The Company Secretary attends the Board Meetings and advises the Board on Compliances with applicable laws and governance principles applicable, as also legal provisions applicable to matters under discussion.

FAMILIARISATION PROGRAMME FOR DIRECTORS

On appointment, the concerned Director is issued a Letter of Appointment setting out in detail, the terms of appointment, duties, responsibilities and expected time commitments. Each newly appointed Independent Director is taken through an induction and familiarization program including visit to the plant/ Engineering Centre to familiarize them with all facts of Roller Bearing manufacturing and interactive session with the core management team members of the Company on manufacturing, engineering, human relations, marketing, finance and other important aspects. Regularly updates in areas of operations e-governance industry & regulatory trends competition and future outlook are placed before the Board committee by way of the presentation. The details of familiarization program can be accessed from the website: www.nrbbearings.com.

GOVERNANCE CODES

Code of Conduct

The Board of Directors has laid down a Code of Conduct for Business and Ethics (the Code) for all the Board members and all the employees in the management grade of the Company. The Code covers amongst other things the Company's commitment to honest & ethical personal conduct, fair competition, corporate social responsibility, sustainable environment, health & safety, transparency and compliance of laws & regulations etc. The Code of Conduct is posted on the website of the Company www.nrbbearings.com. All the Board members and senior management personnel have confirmed compliance with the code. A declaration to that effect signed by the Director is attached and forms part of the Annual Report of the Company.

Conflict of Interests

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

Insider Trading Code

As per SEBI (Prohibition of Insider Trading) Regulation, 2015, the Company has adopted a Code of Conduct for Prevention of Insider Trading. All the Directors, employees and third parties such as auditors, consultants etc. who could have access to the unpublished price sensitive information of the Company are governed by this code. The trading window is closed during the time of declaration of results and occurrence of any material events as per the code. The Company has appointed Mr. S C Rangani, Executive Director & Company Secretary as Compliance Officer, who is responsible for setting forth procedures and implementation of the code for trading in Company's securities. During the year under review there has been due compliance with the said code.

COMMITTEES OF THE BOARD

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

The Company has six Board Level Committees:

- A) Audit Committee,
- B) Remuneration and Nomination Committee,
- C) Stakeholders` Relationship Committee, and
- D) Corporate Social Responsibility Committee.
- E) Business Strategy Committee
- F) Digitisation Committee

(A) AUDIT COMMITTEE

Composition

Audit Committee of the Board of Directors ("the Audit Committee") is entrusted with the responsibility to supervise the Company's internal controls and financial reporting process. The composition, quorum, powers, role and scope are in accordance with Section 177 of the Companies Act, 2013 and the provisions of Regulation 18 of the Listing Regulations. All members of the Audit Committee are financially literate and bring in expertise in the fields of Finance & Accounts, Taxation, Company Law, Risk and International Finance. It functions in accordance with its terms of reference that defines its authority, responsibility and reporting function. Mr. Tashwinder Singh, Independent Director is the Chairman of the Audit Committee. The other members of the Audit Committee include independent director Ms. AA Gowariker and Managing Director Ms. Harshbeena Sahney Zaveri.

Meetings and Attendance

The Audit Committee met four times during the Financial Year 2017-18. The maximum gap between two Meetings was not more than 120 days. The Committee met on May 25, 2017, August 11, 2017, November 06, 2017, February 12, 2018. The requisite quorum was present at all the Meetings. The Chairman of the Audit Committee was present at the last Annual General Meeting of the Company held on August 11, 2017.

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

Sr. No.	Name of the Directors	Position	Category	No. of Meetings Attended
1.	Mr. Tashwinder Singh	Chairman	Independent Director	4 of 4
2.	Mr. Ashank Desai *	Member	Independent Director	1 of 1
3.	Ms. A A Gowariker	Member	Independent Director	4 of 4
4.	Ms H S Zaveri	Member	Executive Non Independent Director	4 of 4

* Mr Ashank Desai was a member up to 26-05-2017.

Terms of Reference

For the purpose of effective compliance of provisions of section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations. The Audit Committee is responsible for overseeing of the Company's financial reporting process and reviewing with management the quarterly/ half yearly and annual financial statements before submission to the Board.

To fulfil its above role, the Audit Committee has powers to investigate any activity within its terms of reference, to seek information from employees and to obtain outside legal and professional advice.

Its other terms of reference, inter alia, include:

- Reviewing with management the financial statements, focusing primarily on (i) matters required to be included in the Directors' Responsibility Statement in the Board Report (section 134(3)(c) of the Companies Act 2013) (ii) any changes in accounting policies and practices, (iii) major accounting entries based on exercise of judgement by management, (iv) qualifications in draft audit report, (v) significant adjustments arising out of audit, (vi) compliance with Stock Exchanges and legal requirements concerning financial statements and (vii) any related party transactions ie. Transactions of material nature with promoters or the management , their subsidiaries or relatives , etc that may have potential conflict with the interests o the Company at large.
- Recommending for appointment, remuneration and terms of appointment of auditors, reviewing and monitoring the auditors independence and performance and effectiveness of the audit process and discussion with internal auditors of any significant findings and follow up thereon particularly where there is suspected fraud or irregularity or a failure of internal control systems of material nature.
- Scrutiny of inter corporate loans and investments
- Valuation of undertakings or assets of the Company
- Evaluation of internal financial controls and risk management systems
- Review functioning of the whistle blower mechanism
- Approval of appointment of CFO (ie. The wholetime Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background of the candidate.

Functions of Audit Committee

The Audit Committee, while reviewing the Annual Financial Statements also reviews the applicability of various Accounting Standards (AS) referred to in Section 133 of the Companies Act, 2013. The compliance of the Accounting Standards as applicable to the Company has been ensured in the preparation of the Financial Statements for the year ended March 31, 2018.

The Audit Committee has acted as a link between the management, external and internal auditors and the Board of Directors. It has discussed with the Statutory Auditors their audit methodology for performing Independent audit of the Company's Financial Statements and internal financial controls in accordance with the generally accepted auditing practices.

Besides the above, the statutory auditor and internal auditor's representatives are permanent invitees to all Audit Committee meetings. The Secretarial Auditor and Cost Auditor are invited to meetings whenever matters relating to secretarial audit or cost audit have to be considered. The Company Secretary acts as a Secretary to the Committee as required by Regulation 18(1)(e) of the Listing Regulations.

The Company follows best practices in financial reporting. The Company has been reporting on quarterly basis, the Un-Audited Financial Statements as required by the Regulation 33 of the Listing Regulations. The Company's quarterly Un-audited Standalone Financial Statements are made available on the web-site www.nrbbearings.com and are also sent to the Stock Exchanges where the Company's Equity Shares are listed for display at their respective websites.

Internal Controls and Governance Processes

The Company continuously invests in strengthening its internal control and processes. The Audit Committee along with CFO formulates a detailed plan for the Internal Auditors for the year, which is reviewed at the Audit Committee Meetings. The Internal Auditors attend the Meetings of the Audit Committee at regular basis and submit their recommendations to the Audit Committee and provide a road map for the future.

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

The Nomination and Remuneration Committee comprises of Three Directors. Mr. Tashwinder Singh, Independent Director, is the Chairman of the Committee. The other members of the Nomination and Remuneration committee include Ms. A A Gowariker and Mr Rustom Desai. The Composition of Nomination and Remuneration Committee is in accordance with the provisions of Section 178(1) of the Companies Act, 2013 and Regulation 19 of the Listing Regulations.

Meeting and Attendance

The Nomination and Remuneration Committee met three times during the year on August 11, 2017, August 21, 2017 and January 16, 2018. The requisite quorum was present at the Meeting. The Chairman of the Nomination and Remuneration Committee was present at the last Annual General Meeting of the Company. The table below provides the attendance of the Nomination and Remuneration Committee members:

Sr. No.	Name of the Director	Position	Category	No. of Meetings attended
1.	Mr. Tashwinder Singh	Chairman	Independent Director	3 of 3
2.	Ms A A Gowariker	Member	Independent Director	3 of 3
3.	Mr. Rustom Desai	Member	Independent Director	1 of 3

Terms of Reference

The broad terms of reference of the Nomination and Remuneration Committee, as approved by the Board, are in compliance with Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations, which are as follows:

1. Identify persons who are qualified to become directors and who may be appointed in senior management positions in accordance with the criteria laid down, while ensuring that all pecuniary relationships or transactions of the Non-Executive Directors vis-à-vis the Company are disclosed as also their shareholding in the Company where they are proposed to be appointed as directors, recommend to the Board their appointment and removal.
2. Formulate the criteria for determining, qualifications, positive attributes and independence of a director.
3. Recommend to the Board a policy relating to the remuneration for the directors, key managerial personnel and other employees, which ensures that the level and composition of compensation of remuneration is reasonable and sufficient to attract and retain and motivate employees of the quality required to run the Company successfully.
4. Ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
5. Determine remuneration to directors, key managerial personnel and senior management such that it involves a balance between fixed and incentive pay appropriate to the working of the Company and its goals.

REMUNERATION POLICY**A. Remuneration to Non-Executive Directors (including Independent Directors)**

The Board has decided directors shall be remunerated by way of sitting fees of Rs 40,000/- each per meeting being paid for the board meetings and Business strategy committee meetings, Rs 30,000/- each per meeting paid for the Audit Committee meetings, Nomination & Remuneration Committee and CSR Committee meetings and Rs 20,000/- per meeting paid for Stakeholders relationship committee meetings. In addition, the non-executive Directors are entitled to commission @ 0.50%, with a ceiling of Rs.5 lakhs per Director as determined by the Board of Directors, which will be apportioned and payable during 2017-18.

The details of the remuneration package of Directors / key management personnel is tabled below:

Name of Director/KMP	Sitting fees	Commission on profits *	Salary and Perquisites	Total
Mr. T S Sahney	3,00,000	57,50,000 **	--	60,50,000
Ms. H S Zaveri	-	87,50,000	2,98,15,022	3,85,65,022
Mr. Tashwinder Singh	5,70,000	5,00,000	-	10,70,000
Mr. D S Sahney	2,00,000	4,16,667	-	6,16,667
Ms. A A Gowariker	5,30,000	5,00,000	-	10,30,000
Mr. Ashank Desai	4,70,000	5,00,000	-	9,70,000
Mr. Rustom Desai	4,30,000	3,33,333	-	763,333
Mr. S C Rangani	-	-	80,42,017	80,42,017
Ms. Tanushree Bagrodia (CFO)	-	-	1,25,41,843	1,25,41,843

* Commission to Non-Executive Directors @ 0.50% of net profits, with a ceiling of Rs. 5 lakhs p.a. per director as determined by the Board of Directors at Rs. 22,50,000 based on net profits for the year FY 2017-18.

**Commission to Non-Executive Chairman has been approved @ 1% of net profits, less commission payable to Non-Executive Directors as above.

(C) STAKEHOLDERS RELATIONSHIP COMMITTEE

Composition and Attendance

The Stakeholders Relationship Committee comprises of four Directors. Ms A A Gowariker, Independent Director is the Chairman of this Committee. The table below highlights the composition and attendance of the Members of the Committee. The requisite quorum was present at all the Meetings.

Sr. No.	Name of the Directors	Position	Category	No. of Meetings attended
1	Ms. A A Gowariker	Chairman	Independent Director	2 of 3
2	Mr. T S Sahney	Member	Non Executive Non Independent Director	3 of 3
3	Ms. H S Zaveri	Member	Executive Non Independent Director	3 of 3
4	Mr. Ashank Desai	Member	Independent Director	3 of 3

Terms of Reference

Review of the grievances of security holders of the Company and of the work done by the share transfer agent. During the year there were more than 1000 shareholders, debenture holders and other security holders. The Company holds Committee meetings on a periodical basis, as may be required to approve the transfers/transmissions/issue of duplicate shares and/or resolve the grievances of the shareholders, if any received. During the year 3 meetings were held.

The shareholders of the Company are serviced by the share transfer agent- M/s. Universal Capital Securities Pvt. Ltd. As required under the SEBI (LODR) Regulations, the Company has appointed Mr. S C Rangani, Executive Director & Company Secretary as Compliance Officer to monitor the share transfer process and liaison with the regulatory authorities.

DETAILS OF SHAREHOLDERS' COMPLAINTS RECEIVED, SOLVED AND PENDING SHARE TRANSFERS

The total number of complaints/queries received and resolved during the year ended March 31, 2018 was 50. There were no complaints outstanding as on March 31, 2018. The number of pending share transfers and pending requests for dematerialization as on March 31, 2018 were Nil. Shareholders'/Investors' complaints and other correspondence are normally attended to within seven working days except where constrained by disputes or legal impediments. No investor grievances remained unattended /pending for more than thirty days as on March 31, 2018.

Nature of queries/complaints	2017-18 Nos.	Complaints Resolved.
Transfers (including stop transfer), Transmissions	01	01
Duplicate share certificates	02	02
Signature verification	00	00
Non receipt of share certificates	00	00
Deletion of name	00	00
Power of Attorney	00	00
Reissue of dividend warrants	12	12
Non-receipt of dividend warrants	28	28
Change in bank details	00	00
Change of address	00	00
Change of address undelivered	00	00
Non receipt of AGM reports	7	7
Total	50	50

The above table includes Complaints received from SEBI SCORES by the Company.

(D) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Composition

The Corporate Social Responsibility (CSR) Committee comprises of three Directors, Mrs. H S Zaveri is the Chairman of the Committee. The other members of the CSR Committee include Mr S C Rangani and Mr. Ashank Desai. The Composition of CSR Committee is in accordance with the provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014. As per Section 135 of the Companies Act, 2013 the Company had spent Rs. 143 lakhs for the financial year 2017-18.

Terms of Reference

- Formulating and recommending to the Board a CSR policy which indicates the activities to be undertaken by the Company as specified in schedule VII ensuring that preference is given to the local areas where it operates
- Recommending the amount of expenditure to be incurred on such activities
- Monitoring the CSR policy from time to time

The Company has formulated CSR Policy, which is uploaded on the website of the Company viz. www.nrbbearings.com, wherein company has identified the activities it would like to promote as:

- Promotion of Education – both at schools and post graduate levels
- Promoting gender equality and empowering women
- Ensuring environmental sustainability
- Social Business Projects

The Composition of the CSR Committee as at March 31, 2018 and the details of Meetings of the Committee are as under:

Meetings and Attendance:

The CSR Committee met once during the year on October 11, 2017. The requisite quorum was present at the Meeting. The Table below provides the attendance of the CSR Committee members:

Sr. No.	Name	Position	Category	No. of Meetings Attended
1.	Ms. H S Zaveri	Chairman	Executive Non Independent Director	1 of 1
2.	Mr. S C Rangani	Member	Executive Non Independent Director	1 of 1
3.	Mr. Ashank Desai	Member	Non-Executive Independent Director	1 of 1

(E) INDEPENDENT DIRECTORS' MEETING

During the year under review, the Independent Directors met on March 28, 2018, inter alia, to:

- Evaluate performance of Non-Independent Directors and the Board of Directors as a whole;
- Evaluate performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors;
- Evaluation of the quality, content and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present and participated at this Meeting.

AFFIRMATIONS AND DISCLOSURES:**a. Compliances with Governance Framework**

The Company is in compliance with all mandatory requirements under the Listing Regulations.

b. Related party transactions

All transactions entered into with the Related Parties as defined under the Companies Act, 2013 and Regulation 23 of the Listing Regulations during the financial year were in the ordinary course of business and on arm's length basis attracts the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with Related Parties during the financial year. Related party transactions have been disclosed under significant accounting policies and notes forming part of the Financial Statements in accordance with "IND AS". A statement in summary form of transactions with Related Parties in ordinary course of business and arm's length basis is periodically placed before the Audit committee for review and recommendation to the Board for their approval.

As required under Regulation 23(1) of the Listing Regulations, the Company has formulated a policy on dealing with Related Party Transactions. The Policy is available on the website of the Company viz. www.nrbbearings.com

None of the transactions with Related Parties were in conflict with the interest of Company. All the transactions are in the ordinary course of business and have no potential conflict with the interest of the Company at large and are carried out on an arm's length or fair value basis.

c. Details of non-compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during last three Financial Years.

The Company has complied with all requirements specified under the Listing Regulations as well as other regulations and guidelines of SEBI. Consequently, there were no strictures or penalties imposed by either SEBI or Stock Exchanges or any statutory authority for non-compliance of any matter related to the capital markets during the last three Financial years.

d. Vigil Mechanism / Whistle Blower Policy

Pursuant to Section 177(9) and (10) of the Companies Act, 2013, and Regulation 22 of the Listing Regulations, the Company has formulated Whistle Blower Policy for vigil mechanism of Directors and employees to report to the management about the unethical behavior, fraud or violation of Company's code of conduct. The mechanism provides for adequate safeguards against victimization of employees and Directors who use such mechanism and makes provision for access to Corporate Compliance Committee headed by Vice Chairman & Managing Director reporting directly to the Audit Committee. The Whistle Blower Policy is displayed on the Company's website viz. www.nrbbearings.com

e. Sexual Harassment of Women at work place (Prevention, Prohibition and Redressal) Act 2013

In line with the requirements of the Act, all employees (permanent, temporary, contractual, trainees) are covered under the Company policy in this regard.

Committee comprising MD, CFO (both women) and VP-HR is set up to receive, investigate and redress any complaints. In addition ICC (Internal Complaints Committees) have been set up at all the offices/plants of the company as set out in the Act.

To date, there have been no complaints received by the Committee.

f. Disclosure of Accounting Treatment

In the preparation of the financial statements, the Company has followed the Accounting Standards referred to in Section 133 of the Companies Act, 2013. The significant accounting policies which are consistently applied are set out in the Notes to the Financial Statements.

g. Risk Management

Business risk evaluation and Management is an ongoing process within the Company. The assessment is periodically reviewed by the Audit Committee and by the Board.

h. Commodity price risk and Commodity hedging activities

The Company is exposed to the risk of price fluctuation of raw materials as well as finished goods. The Company proactively manages its risk through forward booking Inventory management and proactive vendor development practices. The Company's reputation for quality, products differentiation and service, coupled with existence of powerful brand image with robust marketing network mitigates the impact of price risk on finished goods.

i. Non-mandatory requirements

Adoption of non-mandatory requirements of the Listing Regulations is being reviewed by the Board from time-to-time.

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE**To the Members of NRB Bearings Limited**

1. This certificate is issued in accordance with the terms of our engagement letter dated 30 October 2017.
2. We have examined the compliance of conditions of corporate governance by NRB Bearings Limited (the 'Company') for the year ended 31 March 2018, as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2), and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations').

Management's Responsibility

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

Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion as to whether the Company has complied with the conditions of corporate governance as stated in paragraph 2 above. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the relevant records of the Company in accordance with the applicable Generally Accepted Auditing Standards in India, the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India (the 'ICAI'), and the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

7. Based on the procedures performed by us and to the best of our information and according to the explanations provided to us, in our opinion, the Company has complied, in all material respects, with the conditions of corporate governance as stipulated in the Listing Regulations during the year ended 31 March, 2018.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restriction on use

8. This certificate is issued solely for the purpose of complying with the afore said regulations and may not be suitable for any other purpose.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm Registration No. 001076N/N500013

per **Adi P. Sethna**

Partner

Membership No.:108840

Place: Mumbai

Date : 21 May, 2018

SHAREHOLDER INFORMATION**GENERAL BODY MEETING****DETAILS OF LAST THREE ANNUAL GENERAL MEETINGS HELD**

AGM	Financial Year	Date and Time	Venue	Details of Special Resolution Passed
52 nd	2016-17	August 11th, 2017 3.00 P.M.	Y B Chavan Centre, Cultural Hall, Nariman Point, Mumbai - 400021	No special resolution was passed
51 st	2015-16	August 23rd, 2016 11.00 A.M.	M C Ghia Hall, K Dubash Marg, Mumbai – 400001	No Special Resolution was passed
50 th	2014-15	July 24th, 2015 11:00 A.M.	M C Ghia Hall, K Dubash Marg, Mumbai – 400001	Appointment of H S Zaveri as a Managing Director for a period of 5 years from 1st October, 2015

At the ensuing AGM, e-voting facility will be provided.

POSTAL BALLOT

During the year under review one special resolution was passed through postal ballot for issue of unsecured NCDs/ Debentures not exceeding Rs 100 crores on private placement basis. Mr. Upendra C. Shukla, Practicing Company Secretary was appointed as the Scrutinizer for conducting the postal ballot process in fair and transparent manner Upon completion of the scrutiny of Ballot Forms and electronic responses, the Scrutinizer had submitted his report to the Chairman of the Company. The results of the Postal Ballot were declared on Thursday, April 27, 2017. The said results along with the Scrutinizer's Report was displayed on the website of the Company, i.e., www.nrbearings.com and intimated to the Stock Exchanges where the shares of the Company are listed.

ANNUAL GENERAL MEETING FOR THE FINANCIAL YEAR 2017-18

DAY AND DATE	Thursday, 9th August, 2018
TIME	3.30 PM
VENUE	M C Ghia Hall, K Dubash Marg, Mumbai - 4000021
FINANCIAL YEAR	April 1, 2017 to March 31, 2018
BOOK CLOSURE DATES FOR DIVIDEND	3rd August, 2018 to 9th August, 2018
LAST DATE OF RECEIPT OF PROXY FORMS	7th August, 2018 before 3.30 P.M.

Tentative Calendar for Financial Year ending March 31, 2019

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

Sr. No.	Particulars of Quarter	Tentative dates
1.	First Quarter Results	9th August, 2018.
2.	Second Quarter & Half Yearly Results	November 2018.
3.	Third Quarter & Nine-months ended Results	January/February 2019.
4.	Fourth Quarter & Annual Results	May 2019.

Dividend

The Board of Directors at their Meeting held on 20th March, 2018, declared interim dividend of Rs 1.4 per share, on equity shares of the Company for the Financial Year 2017-18 and the same was paid out on 4th April, 2018. At their meeting held on 21st May, 2018, the Board have recommended Final Dividend of Rs 1.20 per share for FY 2017-18 which shall be payable, subject to approval of shareholders, to the members whose names appear on Company's Register of Members in respect of physical shareholders as on 2nd August, 2018 and whose name appear in the list of Beneficial Owner on 2nd August, 2018 furnished by NSDL and CDSL for this purpose.

Dividend History for the last 10 financial years

The Table below highlights the history of Dividend declared by the Company in the last 10 financial years:

Sr. No.	Financial year	Date of Declaration of Dividend	Amount declared per share
1	2008-09	12th August, 2009	1.60
2	2009-10	4th August, 2010	2.00
3	2010-11	27th July, 2011	2.00
4	2011-12	3rd August, 2012	2.00
5	2012-13	23rd July, 2013	1.70
6	2013-14	11th August, 2014	1.10
7	2014-15	24th July, 2015	1.50
8	2015-16 - Interim Dividend, confirmed as Final Dividend	10th March, 2016	1.40
9	2016-17 - Interim Dividend, Confirmed as Final Dividend	13th February, 2017	1.40
10	2017-18 - Interim Dividend	20th March, 2018	1.40
	Final Dividend	Proposed	1.20

Unclaimed Dividend/ Shares

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

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

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

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

The Company does not have any dividend to be transferred to IEPFA. As required under the IEPF Rules, the Company has also published a Notice informing the Members' who have not claimed their shares for a period of 7 years to claim the same from the Company before they are transferred to IEPFA.

Therefore, it is in the interest of shareholders to regularly claim the dividends declared by the Company.

Details of Unclaimed Dividend as on March 31, 2018 and due dates for transfer are as follows:

Sr. No.	Financial year	Date of Declaration of Dividend	Unclaimed Amount (Rs)	Due Date for transfer to IEPF Account
1.	2010-11	July 27, 2011	311294	October 02, 2018
2.	2011-12	August 03, 2012	326518	October 09, 2019
3.	2012-13	July 23, 2013	272164.90	September 28, 2020
4.	2013-14	August 11, 2014	249,194	October 17, 2021
5.	2014-15	July 24, 2015	357,258	September 29, 2022

6.	2015-16 (Interim Dividend)	March 10, 2016	103,433	May 16, 2023
7.	2016-17 (Interim Dividend)	February 13, 2017	336,872.	May 6, 2024
8.	2017-18 (Interim Dividend)	March 20, 2018	1,002,468.	May 26, 2025

During the year under review, 2009-10 deal no. 704611 final dividend has been transferred to investor protection fund on 10.10.2017.

As per Regulation 34(3) read with Schedule V of the Listing Regulations, there are no shares in the suspense account.

Distribution of Shareholding as on 31st March:

	2018				2017			
No. of Equity Shares	No. of share holders	% of share holders	No. of shares held	% share holding	No. of share holders	% of share holders	No. of shares held	% share holding
Upto 500	19288	87.11	2244881	2.32	8974	79.606	1243374	1.28
501- 1000	1650	7.46	1448177	1.49	1369	12.144	1230691	1.27
1001-2000	600	2.71	979215	1.01	463	4.107	774261	0.79
2001- 3000	190	0.86	507884	0.52	145	1.286	383821	0.39
3001- 4000	95	0.43	346424	0.36	72	0.639	267582	0.27
4001- 5000	69	0.31	333138	0.34	59	0.523	286226	0.29
5001- 10000	111	0.50	826936	0.86	86	0.763	661747	0.68
10001 & above	138	0.62	90235945	93.10	105	0.931	92074898	94.99
TOTAL	22141	100	96922600	100	11273	100	96922600	100.00

Categories of shareholdings as on 31st March :

	2018				2017			
No. of Equity Shares	No. of share holders	% of share holders	No. of shares held	% share holding	No. of share holders	% of share holders	No. of shares held	% share holding
Individuals/HUF clearing members	21444	96.85	23327261	24.07	10390	92.17	21956985	22.65
Corporate Bodies/LLP/NBFC Partnership Firms	199	0.90	4563549	4.71	581	5.15	5333302	5.50
IEPF Suspense A/c	1	0.00	28974	0.03	-	-	-	-
Trust	1	0.00	34829642	35.94	1	-	35740266	36.88
Foreign Collaborator	-	-	-	-	-	-	-	-
NRI/OCBs	427	1.93	287071	0.30	258	2.29	1134269	1.17
FI/FII/Banks/ Foreign national/ Trusts/Foreign Portfolio Investor	32	0.14	18317145	18.90	21	0.19	18540936	19.13
Mutual Funds/UTI	36	0.16	14943958	15.42	22	0.20	14216842	14.67
Alternate Investment Fund	1	0.00	625000	0.64	-	-	-	-
TOTAL	22141	100.00	96922600	100.00	11,273	100.00	96922600	100.00

Promoter holdings constituting 51977198 shares (53.63%) of the equity capital are included in the table above under Individual Members and Trust.

DEMATERIALIZATION OF SHARES AND LIQUIDITY

99.53 % of the equity shares of the Company have been dematerialized (NSDL 96.88% and CDSL 2.65 %) as on March 31, 2018. The Company has entered into agreements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) whereby shareholders have an option to dematerialize their shares with either of the Depositories.

Dematerialization of Shares - Process

Shareholders who continue to hold shares in physical form are requested to dematerialize their shares at the earliest and avail the benefits of dealing in shares in demat form. For convenience of shareholders, the process of getting the shares dematerialized is given hereunder:

- a) Demat account should be opened with a Depository Participant (DP).
- b) Shareholders should submit the Dematerialization Request Form (DRF) along with share certificates in original, to their DP.
- c) DP will process the DRF and will generate a Dematerialization Request Number (DRN).
- d) DP will submit the DRF and original share certificates to the Registrar and Transfer Agents (RTA), which is Universal Capital Securities Private Limited.
- e) RTA will process the DRF and confirm or reject the request to DP/ depositories
- f) Upon confirmation of request, the shareholder will get credit of the equivalent number of shares in his demat account maintained with the DP

Consolidation of folios and avoidance of multiple mailing

In order to enable the Company to reduce costs and duplicity of efforts for providing services to investors, members who have more than one folio in the same order of names, are requested to consolidate their holdings under one folio. Members may write to the Registrars & Transfer Agents indicating the folio numbers to be consolidated along with the original shares certificates to be consolidated.

RECONCILIATION OF SHARE CAPITAL AUDIT REPORT

As stipulated by SEBI, a qualified Practicing Company Secretary carries out Secretarial Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges where the Company's shares are listed. The audit confirms that the total Listed and Paid-up Capital is in agreement with the aggregate of the total number of shares in dematerialised form (held with NSDL and CDSL) and total number of shares in physical form.

Compliance with Secretarial Standards

The Institute of Company Secretaries of India, a Statutory Body, has issued Secretarial Standards on various aspects of corporate law and practices. The Company has complied with each one of them.

The Company's shares are listed on the following Stock Exchanges and the listing fees have been paid to the Exchanges:

Stock Exchange	Stock Code
BSE Limited P.J. Towers, Dalal Street, Mumbai – 400 023	530367
National Stock Exchange of India Limited (NSE) Exchange Plaza, 5th Floor, Plot No C/1, G Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400051	NRBBEARING

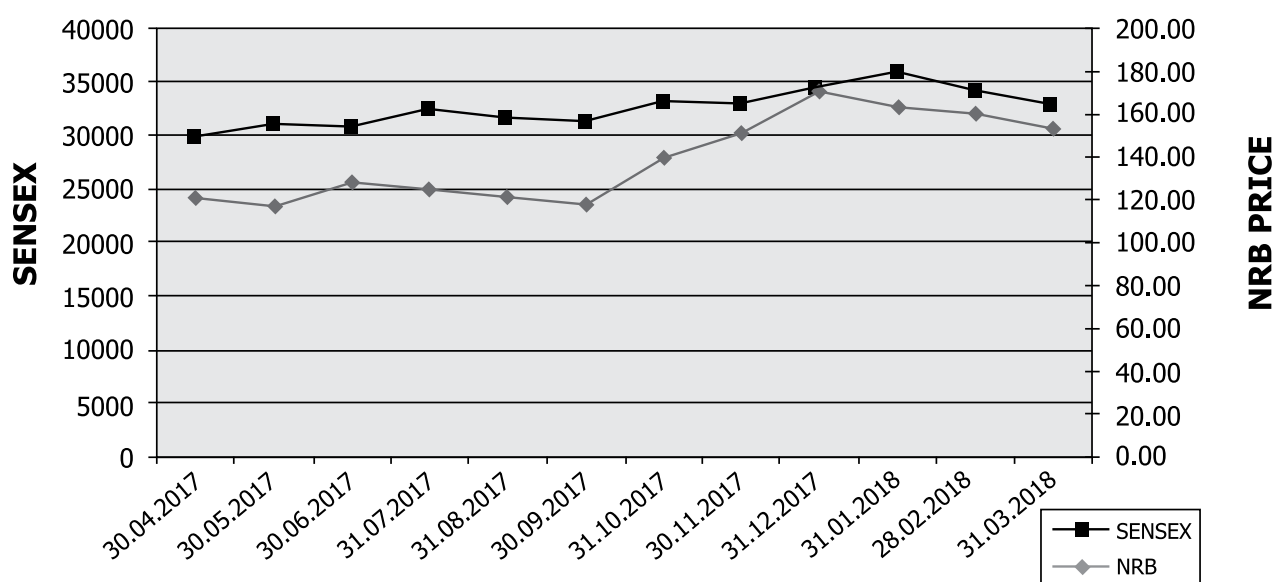
The Company has entered into agreements with NSDL and CDSL during the year 2000-01 and has been allotted ISIN No. INE 349A01013. SEBI has notified the Company shares to be traded only in demat form wef 29th April'2001. The shares were split into Rs 2/- each effective 4th April, 2007 and the new ISIN No. is INE 349A 01021

Note: Listing fees for the year 2017-18 have been paid to the Stock Exchange- BSE Ltd. and National Stock Exchange of India Ltd.

Share Price Data

2017-18	Bombay Stock Exchange			National Stock Exchange		
Month	High (Rs)	Low(Rs)	Volume	High (Rs)	Low(Rs)	Volume
April'17	124.80	107.25	208,761	124.30	107.30	1,057,975
May'17	128.00	109.00	172,400	128.95	107.00	5,973,772
June'17	144.00	116.05	404,662	143.40	116.50	2,133,167
July'17	157.45	122.00	1,243,644	157.20	121.15	3,815,296
August'17	126.95	110.00	720,392	125.90	108.75	2,346,241
September'17	126.30	116.05	132,836	126.45	116.60	1,403,248
October'17	147.40	122.00	298,805	141.65	115.15	2,311,372
November'17	158.55	110.00	989,994	159.20	136.05	6,056,840
December'17	182.70	116.50	1,277,417	179.95	140.65	8,564,154
January'18	179.50	118.10	1,157,549	179.55	156.60	6,147,839
February'18	178.50	135.00	407,048	168.10	130.80	2,941,019
March'18	169.00	149.75	1,289,999	165.05	148.80	1,163,751
Total			8,303,507			43,914,674

Particulars	Rs.
Closing share price as on March 31, 2018 (Rs.)	153.10
Market Capitalization as on March 31, 2018(Rs. in cr)	1484 cr

NRB Bearings Equity Share performance.


	30.04.2017	30.05.2017	30.06.2017	31.07.2017	31.08.2017	30.09.2017	30.10.2017	30.11.2017	31.12.2017	30.01.2018	28.02.2018	31.03.2018
NRB	121.35	117.40	128.10	124.10	121.30	118.50	139.25	151.00	172.50	163.00	159.80	153.10
SENSEX	29918	31145	30921	32514	31730	31283	33213	33149	34056	35965	34184	32968

MEANS OF COMMUNICATION TO SHAREHOLDERS

- (i) The Un-audited quarterly/ half yearly results are announced within forty-five days of the close of the quarter. The audited annual results are announced within sixty days from the closure of the financial year as per the requirement of the Listing Regulations.
- (ii) The approved financial results are forthwith sent to the Stock Exchanges and are published in a national English newspaper and in local language (Marathi) newspaper, within forty-eight hours of approval thereof. Presently the same are not sent to the shareholders separately.
- (iii) The Company's financial results and official press releases are displayed on the Company's Website- www.nrbbearings.com.
- (iv) Any presentation made to the institutional investors or/and analysts are also posted on the Company's website.
- (v) Management Discussion and Analysis report forms part of the Annual Report, which is sent to the shareholders of the Company.
- (vi) The quarterly results, shareholding pattern, quarterly compliances and all other corporate communication to the Stock Exchanges viz. BSE Limited and NSE are filed electronically. The Company has complied with filing submissions through BSE's BSE Listing Centre and NSE online filing NEAPS portal.
- (vii) A separate dedicated section under "Investors", on the Company's website gives information on unclaimed dividends, shareholding pattern, quarterly/half yearly results and other relevant information of interest to the investors / public.
- (viii) SEBI processes investor complaints in a centralized web based complaints redressal system i.e. SCORES. Through this system a shareholder can lodge complaint against a company for his grievance. The Company uploads the action taken on the complaint which can be viewed by the shareholder. The Company and shareholder can seek and provide clarifications online through SEBI.
- (ix) The Company has designated the email id investorcare@nrbbearings.co.in exclusively for investor relation, and the same is prominently displayed on the Company's website www.nrbbearings.com.

Share Transfer System

The Stakeholders Relationship Committee comprising of four Directors is authorized to consider and resolve the grievances of security holders of the Company. The committee meets quarterly and on need basis to approve physical transfer of shares. Share transfers in physical form are presently registered and returned within a period of 15 days from the date of receipt in case documents are complete in all respects.

Nomination

Shareholders of physical shares can nominate a person for the shares held by them. Requisite nomination forms have already been circulated by the Company to the shareholders who are advised to avail of this facility.

Electronic Clearing Service

The Securities and Exchange Board of India (SEBI) has made it mandatory for all companies to use the Bank account details furnished by the Depositories for depositing dividends. While opening accounts with depository participants (DPs), shareholders are required to give their details of their bank accounts which will be used by the Company for printing on dividend warrants for remittance of dividend. However, members who wish to receive dividend in an account other than the one specified while opening the depository account may notify their DP about any change in bank account details.

Service of documents through electronic mode

As a part of Green Initiative, the members who wish to receive the notices/documents through e-mail, may kindly intimate their e-mail addresses to the Company's Registrar and Share Transfer Agent, Universal Securities Pvt Ltd i.e. info@uniseq.in in or to the company to its dedicated e-mail id i.e., investorcare@nrbbearings.co.in

Address for Correspondence:

Compliance Officer	Universal Capital Securities Pvt Ltd	Correspondence with the Company
Mr. Satish Rangani Executive Director & Company Secretary Phone: 022-22664160/4998 E-mail: sc.rangani@nrb.co.in	21, Shakil Niwas, Mahakali Caves Road, Andheri (East), Mumbai - 400093 Tel : 022-28207203/05 Fax : 022-28207207 e-mail: info@uniseq.in	Dy. Company Secretary NRB Bearings Limited, Dhannur, 15, Sir P. M. Road, Fort, Mumbai – 400001 Phone: 022-22664160/4998 Fax :022-22660412 e-mail: bankim.purohit@nrb.co.in

COMPLIANCE CERTIFICATE OF THE AUDITORS:

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

INDEPENDENT AUDITOR'S REPORT

To the Members of NRB Bearings Limited

Report on the Standalone Financial Statements

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

Management's Responsibility for the Standalone Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether these standalone financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on these standalone financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS specified under Section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 March 2018, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matter

9. The comparative financial information for the year ended 31 March 2017 and the transition date opening balance sheet as at 1 April 2016 prepared in accordance with Ind AS included in these standalone financial statements, are based on the previously issued statutory financial statements for the year ended 31 March 2017 and 31 March 2016 respectively, prepared in accordance with Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) which were audited by the predecessor

auditor whose reports dated 26 May 2017 and 24 May, 2016 respectively, expressed unmodified opinion on those standalone financial statements, and have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have been audited by us. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

10. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
11. Further to our comments in Annexure A, as required by Section 143(3) of the Act, we report that:
 - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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 standalone financial statements dealt with by this report are in agreement with the books of account;
 - d) in our opinion, the aforesaid standalone financial statements comply with IndAS specified under Section 133 of the Act;
 - e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as at 31 March 2018 from being appointed as a director in terms of Section 164(2) of the Act;
 - f) we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as at 31 March 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated as per Annexure B expressed, an unmodified opinion;
 - g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company, as detailed in Note 45(a) has disclosed the impact of pending litigations on its financial position in the standalone 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 has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;
 - iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016 which are not relevant to these standalone financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

per **Adi P. Sethna**

Partner

Membership No.: 108840

Place: Mumbai

Date: 21 May 2018

Annexure A to the Independent Auditor's Report of even date to the members of NRB Bearings Limited, on the standalone financial statements for the year ended 31 March 2018

Annexure A

Based on the audit procedures performed for the purpose of reporting a true and fair view on the standalone financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (b) The fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The title deeds of all the immovable properties (which are included under the head 'Property, plant and equipment') are held in the name of the Company except for the following property which was transferred as a result of amalgamation of companies as stated in Note 2 to the standalone financial statements wherein the title deed is in the name of the erstwhile company

Nature of property	Total Number of Cases	Whether leasehold / freehold	Gross block as on 31 March 2018	Net block on 31 March 2018	Remarks
Land at Waluj	1	Leasehold land	6.23 lakhs	4.48 lakhs	The lease deed is in the name of NRB Torrington Private Limited, erstwhile Company that was merged with the Company under Section 391 to 394 of the Companies Act, 1956 in terms of the approval of the Honorable High Court.

In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year, except for goods-in-transit and stocks lying with third parties. For stocks lying with third parties at the year-end, written confirmations have been obtained by the management. No material discrepancies were noticed on the aforesaid verification

- (iii) The Company has granted two unsecured loans (including a loan granted during the year) to only one party covered in the register maintained under Section 189 of the Act, which is its wholly owned foreign subsidiary; and with respect to the same:
 - (a) in our opinion, the terms and conditions of a loan granted during the year, is not, prima facie, prejudicial to the Company's interest;
 - (b) the schedule of repayment of principal and interest has been stipulated and repayments of the principal amount and the receipts of interest are regular.
 - (c) there is no overdue amount in respect of loans granted to the party.
- (iv) In our opinion, the Company has complied with the provisions of Section 186 in respect of investments, loans and guarantees. Further, in our opinion, the Company has not entered into any transaction covered under Section 185 and Section 186 of the Act in respect of provision of security.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's products and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

- (vii) (a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.
- (b) There were no dues in respect of service tax, goods and service tax, duty of customs and duty of excise that have not been deposited with the appropriate authorities on account of any dispute.

The dues outstanding in respect of income-tax, sales-tax and value added tax on account of disputes, are as follows:

Statement of Disputed Dues

Name of the statute	Nature of dues	Amount* (₹ in Lakhs)	Amount paid thereagainst (₹ in Lakhs)	Period to which the amount relates	Forum where dispute is pending
The Income-tax Act, 1961	Income tax	95.55	-	A.Y. 2011-12	Commissioner of Income Tax (Appeals)
		310.96	-	A.Y. 2012-13	
		110.89	-	A.Y. 2014-15	
		232.36	-	A.Y. 2015-16	
The Bombay Sales Tax Act, 1959	Value added tax	1.20	-	FY 1996-97	Deputy Commissioner (Appeals)
The Central Sales Tax Act, 1956	Sales tax	2.42	-	F.Y. 1995-96	Deputy Commissioner (Appeals)
		214.04	-	F.Y. 2011-12	
		51.42	-	F.Y. 2012-13	
		46.32	-	F.Y. 2013-14	
The Central Sales Tax Act, 1956	Sales tax	7.84	-	F.Y. 2012-13	Additional Deputy Commissioner (Appeals)

* including interest

- (viii) The Company has not defaulted in repayment of loans or borrowings to any financial institution or a bank or government or any dues to debenture-holders during the year.
- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, the term loans availed during the year, were applied for the purposes for which the loans were obtained.
- (x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.
- (xi) Managerial remuneration has been paid and provided by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the standalone financial statements etc., as required by the applicable IndAS.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures. Accordingly, the provisions of clause 3(xiv) of the Order are not applicable.

(xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act. Accordingly, the provisions of clause 3(xv) of the Order are not applicable.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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

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

Mumbai: 21 May, 2018

Annexure B to the Independent Auditor's Report of even date to the members of NRB Bearings Limited, on the standalone financial statements for the year ended 31 March 2018

Annexure B

Independent Auditor's report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")

1. In conjunction with our audit of the standalone financial statements of NRB Bearings Limited (the "Company") as at and for the year ended 31 March 2018, we have audited the internal financial controls over financial reporting (IFCoFR) of the Company as at that date.

Management's Responsibility for Internal Financial Controls

2. The Company's Board of Directors 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 (the "Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

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

Meaning of Internal Financial Controls over Financial Reporting

6. A Company's IFCoFR 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 IFCoFR 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

7. Because of the inherent limitations of IFCoFR, 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 IFCoFR to future periods are subject to the risk that IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

per **Adi P. Sethna**

Partner

Membership No.: 108840

Place: Mumbai

Date : 21 May, 2018

BALANCE SHEET AS AT MARCH 31, 2018
(Rs. in Lakhs)

	Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
I	ASSETS				
1	Non-current assets				
	Property, plant and equipment	2	22,287.31	21,144.27	22,351.94
	Capital work-in-progress		1,314.82	705.08	301.92
	Investment Properties	3	-	-	-
	Intangible assets	4	62.56	29.81	82.71
	Financial Assets				
	Investments	5	2,469.03	2,405.00	2,306.52
	Loans	6	252.92	1,182.71	1,147.94
	Other financial assets	7	2.93	16.32	5.70
	Current tax assets (net)	8	1,606.32	1,606.25	1,124.91
	Other non-current assets	9	1,031.00	2,219.20	2,111.07
	Total non-current assets		29,026.89	29,308.64	29,432.71
2	Current assets				
	Inventories	10	14,269.08	15,775.51	13,112.18
	Financial Assets				
	Investments	11	-	-	25.00
	Trade receivables	12	23,575.28	20,879.44	21,117.48
	Cash and cash equivalents	13	1,182.38	2,034.76	3,000.86
	Bank balances other than cash and cash equivalents	14	1,492.92	85.28	77.04
	Loans	15	2,829.46	1,098.37	1,637.67
	Other financial assets	16	380.05	299.49	59.58
	Current tax assets	17	89.41	89.41	89.28
	Other current assets	18	6,263.25	2,461.35	2,782.72
	Total current assets		50,081.83	42,723.61	41,901.81
	Total assets		79,108.72	72,032.25	71,334.52
II	EQUITY AND LIABILITIES				
A	Equity				
	Equity share capital	19	1,938.45	1,938.45	1,938.45
	Other equity	20	37,096.35	30,414.11	26,898.25
	Total equity		39,034.80	32,352.56	28,836.70
B	Liabilities				
1	Non-current liabilities				
	Financial Liabilities				
	Borrowings	21	6,886.00	10,729.46	6,048.46
	Deferred tax liabilities (net)	23	330.70	201.66	168.32
	Other non-current liabilities	24	3.96	67.50	157.50
	Total non-current liabilities		7,220.66	10,998.62	6,374.28
2	Current liabilities				
	Financial Liabilities				
	Borrowings	25	9,228.03	14,589.94	16,478.32
	Trade payables	26	11,149.93	9,604.16	8,519.60
	Other financial liabilities	27	8,264.83	2,810.08	9,175.01
	Current tax liability (net)	22	491.33	-	-
	Other current liabilities	28	2,824.24	936.94	845.04
	Provisions	29	894.90	739.95	1,105.57
	Total current liabilities		32,853.26	28,681.07	36,123.54
	Total equity and liabilities		79,108.72	72,032.25	71,334.52

Notes 1 to 51 form an integral part of the financial statements

This is the Balance Sheet referred to in our audit report of even date

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm Registration No. 001076N / N500013

Adi P. Sethna

Partner

Membership No.: 108840

Place : Mumbai
Date : 21 May, 2018

For and on behalf of the Board of Directors

T. S. Sahney

Chairman

DIN : 00003873

H. S. Zaveri

Vice Chairman and

Managing Director

DIN : 00003948

S. C. Rangani

Executive Director and

Company Secretary

DIN : 00209069

Tashwinder Singh

Director

DIN : 06572282

Ashank Desai

Director

DIN : 00017767

Tanushree Bagrodia

Chief Financial Officer

Place: Mumbai
Date: 21 May 2018

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

	Particulars	Note No.	Year ended 31 March, 2018	Year ended 31 March, 2017
I	Revenue from operations	30	84,836.09	77,431.69
II	Other income	31	1,158.55	1,127.05
III	Total Income (I + II)		85,994.64	78,558.74
IV	Expenses			
	Cost of materials consumed	32	34,638.67	30,515.07
	Changes in inventories of finished goods and work in progress	33	893.23	(761.69)
	Excise duty on sale of goods (Refer Note 30)		1,779.88	6,762.58
	Employee benefits expense	34	12,824.68	11,724.90
	Finance costs	35	1,426.86	1,637.59
	Depreciation and amortisation expense	2 to 4	2,797.70	2,925.03
	Other expenses	36	19,602.66	18,997.60
	Total Expenses (IV)		73,963.68	71,801.08
V	Profit / (loss) before tax (III-IV)		12,030.96	6,757.66
VI	Income tax expense / (Credit):	37		
	(i) Current Tax		3,739.98	1,841.57
	(ii) Deferred Tax		99.64	(16.81)
			3,839.62	1,824.76
VII	Net Profit After Tax (V-VI)		8,191.34	4,932.90
VIII	Other comprehensive income (OCI)	38		
	Items that will not be reclassified to profit or loss			
	- Remeasurement gain/(loss) on defined benefit plans		84.96	144.91
	- Gain/(loss) on fair value of equity instruments		68.50	94.79
	- Income tax effect on above		(29.40)	(50.15)
			124.06	189.55
IX	Total Comprehensive income for the year (VII+VIII)		8,315.40	5,122.45
X	Earnings per equity share:	51		
	Basic & Diluted (in Rs.)		8.45	5.09
	Face value per Share (in Rs.)		2.00	2.00

Notes 1 to 51 form an integral part of the financial statements

This is the Statement of Profit and Loss referred to in our audit report of even date

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm Registration No. 001076N / N500013

Adi P. Sethna

Partner

Membership No.: 108840

Place : Mumbai
Date : 21 May, 2018

For and on behalf of the Board of Directors

T. S. Sahney

Chairman

DIN : 00003873

Tashwinder Singh

Director

DIN : 06572282

Place: Mumbai
Date: 21 May 2018
H. S. Zaveri

Vice Chairman and

Managing Director

DIN : 00003948

Ashank Desai

Director

DIN : 00017767

S. C. Rangani

Executive Director and

Company Secretary

DIN : 00209069

Tanushree Bagrodia

Chief Financial Officer

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2018

		(Rs. in Lakhs)	
	Particulars	Year ended 31 March 2018	Year ended 31 March 2017
A	Cash Flow From Operating Activities		
	Net Profit before tax as per Statement of Profit and Loss	12,030.96	6,757.66
	Adjustments for:		
	Depreciation and amortisation expense	2,797.70	2,925.03
	Foreign exchange loss/(gain)	(334.30)	(81.94)
	Fair valuation gain on derivative instrument measured at FVTPL	(45.73)	145.55
	Finance costs	1,426.86	1,637.59
	Interest income	(248.04)	(158.93)
	Dividend income	(14.42)	(231.61)
	Profit on sale of property plant and equipments (net)	(11.10)	(8.99)
	Fair valuation loss / (gain) on financial assets measured at FVTPL	4.47	(3.69)
	Provision for doubtful debts	481.62	294.18
	Operating profit before working capital changes	16,088.02	11,274.85
	Adjustment for movements in:		
	Changes in working capital:		
	Adjustment for (increase)/ decrease in assets		
	- Trade receivables	(2,504.42)	(99.70)
	- Inventories	1,506.43	(2,663.33)
	- Bank balances other than cash and cash equivalents	(54.67)	(2.33)
	- Other non-current financial assets	13.22	(22.22)
	- Other current financial assets	(63.02)	(367.06)
	- Other non-current assets	743.91	193.33
	- Other current assets	(3,577.70)	203.07
	Adjustment in increase/ (decrease) in liabilities		
	- Other non-current liabilities	(63.54)	(90.00)
	- Other financial liabilities	289.75	123.62
	- Trade payables	1,487.55	1,121.19
	- Provisions	239.90	(220.71)
	- Other current liabilities	1,887.30	91.90
	Operating profit after working capital changes	15,992.73	9,542.61
	Direct taxes paid (net of refunds)	(3,248.71)	(2,323.03)
	Net cash generated from operating activities	12,744.02	7,219.58

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2018
(Rs. in Lakhs)

	Particulars	Year ended 31 March 2018	Year ended 31 March 2017
B	Cash Flow From Investing Activities		
	Purchase of property, plant and equipment and intangible assets	(3,467.79)	(2,447.25)
	Sale proceeds of property, plant and equipment	13.23	31.04
	Sale of current investments	-	25.00
	Interest income received	248.04	158.93
	Inter - corporate deposits to related parties	(701.66)	603.49
	Dividend income received	14.42	231.61
	Net cash used in investing activities	(3,893.76)	(1,397.18)
C	Cash Flow From Financing Activities		
	Proceeds from non-current borrowings	407.16	5,747.15
	Repayment of current borrowings (net)	(5,977.72)	(1,727.48)
	Repayment of non-current borrowings	(1,072.07)	(7,564.00)
	Finance costs paid (net)	(1,426.86)	(1,637.59)
	Interim dividend declared, deposited in separate bank account	(1,352.96)	-
	Bank balances towards unclaimed dividend	-	(5.91)
	Dividend paid	(3.95)	(1,351.01)
	Dividend distribution tax paid	(276.24)	(249.66)
	Net cash generated used in financing activities	(9,702.64)	(6,788.50)
	Net (Decrease) in Cash and Cash Equivalents (A+B+C)	(852.38)	(966.10)
	Add: Balance of Cash and Cash Equivalents at the Beginning of the Year	2,034.76	3,000.86
	Closing balance of Cash and Cash Equivalents (Refer note 13)	1,182.38	2,034.76
	Components of Cash and Cash Equivalents:		
	Cash on Hand	2.73	2.57
	Balances with banks on current accounts	1,179.65	2,032.19

Notes:

- The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows. Effective 1 April 2017, the Company adopted the amendment to Ind AS 7, which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement.

Notes 1 to 51 form an integral part of the financial statements

This is the Statement of Cash Flow referred to in our audit report of even date

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm Registration No. 001076N / N500013

Adi P. Sethna

Partner

Membership No.: 108840

Place : Mumbai

Date : 21 May, 2018

For and on behalf of the Board of Directors

T. S. Sahney

Chairman

DIN : 00003873

H. S. Zaveri

Vice Chairman and

Managing Director

DIN : 00003948

S. C. Rangani

Executive Director and

Company Secretary

DIN : 00209069

Tashwinder Singh

Director

DIN : 06572282

Ashank Desai

Director

DIN : 00017767

Tanushree Bagrodia

Chief Financial Officer

Place: Mumbai

Date: 21 May 2018

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2018
A. Equity share capital
(Rs. in lakhs)

Equity share capital	Note No.	Number of shares	Amount
As at 01 April 2016	19	96,922,600	1,938.45
Changes during the year		-	-
As at 31 March 2017		96,922,600	1,938.45
Changes during the year		-	-
As at 31 March 2018		96,922,600	1,938.45

B. Other equity (Refer Note 20)
(Rs. in lakhs)

Particulars	Reserves and surplus					Other reserves	Total
	Secu- rities pre- mium	General reserve	Capital Rede- mption	Debenture Rede- mption reserve	Retained earnings	Fair Value Gain on Equity Instruments through OCI	
Opening balance as at 01 April 2016	847.61	9,521.20	11.10	750.00	15,387.60	380.74	26,898.25
Transactions during the year							
Net profit / (loss) for the year	-	-	-	-	4,932.90	-	4,932.90
Other comprehensive income for the year	-	-	-	-	94.76	94.79	189.54
Less: Interim dividend - Rs. 1.4 per fully paid up shares for 31 March 2017	-	-	-	-	(1,356.92)	-	(1,356.92)
Less: Dividend distribution tax on interim dividend	-	-	-	-	(249.66)	-	(249.66)
Less: Transfer to debenture redemption reserve	-	-	-	1,250.00	(1,250.00)	-	-
Balance as at 31 March 2017	847.61	9,521.20	11.10	2,000.00	17,558.68	475.53	30,414.12
Transactions during the year							
Net profit / (loss) for the year	-	-	-	-	8,191.34	-	8,191.34
Other comprehensive income for the year	-	-	-	-	55.56	68.50	124.06
Less: Interim dividend - Rs. 1.4 per fully paid up shares for 31 March 2018	-	-	-	-	(1,356.92)	-	(1,356.92)
Less: Dividend distribution tax on interim dividend	-	-	-	-	(276.24)	-	(276.24)
Less: Transfer from retained earnings to debenture redemption reserve	-	-	-	1,250.00	(1,250.00)	-	-
Balance as at 31 March 2018	847.61	9,521.20	11.10	3,250.00	22,922.42	544.03	37,096.36

Note 1 to 51 form an integral part of the financial statements

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

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm Registration No. 001076N / N500013

Adi P. Sethna

Partner

Membership No.: 108840

Place : Mumbai
Date : 21 May, 2018

For and on behalf of the Board of Directors

T. S. Sahney

Chairman

DIN : 00003873

Tashwinder Singh

Director

DIN : 06572282

Place: Mumbai
Date: 21 May 2018
H. S. Zaveri

Vice Chairman and

Managing Director

DIN : 00003948

Ashank Desai

Director

DIN : 00017767

S. C. Rangani

Executive Director and

Company Secretary

DIN : 00209069

Tanushree Bagrodia

Chief Financial Officer

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**Note****1 Corporate Information**

NRB Bearings Limited ('the Company') is a public limited company domiciled and incorporated in India in 1965. The registered and corporate office of the company is situated at Dhannur, 15, Sir P. M. Road, Fort, Mumbai 400 001, Maharashtra. The company is engaged in the manufacture of ball and roller bearings.

The separate financial statements were authorised for issue in accordance with the resolution of the directors on 21 May 2018.

Basis of Preparation

The Company has prepared its financial statements to comply in all material respects with the provisions of the Companies Act, 2013 (the Act) and rules framed thereunder and the guidelines issued by Securities and Exchange Board of India. In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 under Section 133 of the Act, with effect from 1 April 2017. Till 31 March 2017, the Company used to prepare its financial statements as per Companies (Accounting Standards) Rules, 2014 (Previous GAAP) read with rule 7 and other relevant provisions of the Act. These are the first Ind AS Financial Statements of the Company. The transition from Previous GAAP to Ind AS has been accounted for in accordance with Ind AS 101 "First Time Adoption of Indian Accounting Standards", with 1 April 2016 being the transition date and balance for the comparative period have been restated accordingly. AS per Ind AS 101, the Company has presented a reconciliation of its transition Previous GAAP to Ind AS of its total equity as at 1 April 2016 and 31 March 2017 and reconciliation of total comprehensive income and cash flow for the year ended 31 March 2017. Please refer note 48 for detailed information on the transition.

The financial statements have been prepared on a historical cost convention and accrual basis, except for the following assets and liabilities:

- i) Certain financial assets and liabilities that are measured at fair value
- ii) Defined benefit plans-plan assets measured at fair value

1 Significant accounting policies**a. Investment in subsidiaries**

Investments in subsidiaries is accounted at cost less impairment in accordance with Ind AS 27 - Separate financial statements.

b. Foreign Currency Transactions

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

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

Foreign currency monetary items are reported using the closing exchange rates. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

Exchange differences on monetary items are recognised in Statement of Profit and Loss in the period in which they arise except for: exchange difference arising on settlement / restatement of long-term foreign currency monetary items recognized in the financial statements for the year ended March 31, 2017 prepared under previous GAAP, are capitalized as a part of the depreciable property plant and equipments to which the monetary item

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

relates and depreciated over the remaining useful life of such assets. If such monetary items do not relate to acquisition of depreciable property plant and equipments, the exchange difference is amortised over the maturity period / upto the date of settlement of such monetary item, whichever is earlier and charged to the Statement of Profit and Loss. The un-amortised exchange difference is carried under other equity as "Foreign currency monetary item translation difference account" net of tax effect thereon, where applicable.

c. Revenue Recognition

Revenue is measured at the fair value of consideration received or receivable. Revenue is recognised only when it can be reliably measured and it is probable that future economic benefits will flow to the company.

Revenue from operations includes sale of goods and scrap. Revenue from sale of goods is recognised when significant risk and rewards of ownership of the goods have passed to the customer. Amounts disclosed as revenue are inclusive of excise duty and net of returns, Goods and service tax, value added taxes and amounts collected on behalf of third parties.

d. Other Income

Interest income for all debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Dividend is recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the company, and the amount of the dividend can be measured reliably. Interest income is recognised using effective interest method.

e. Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period.

Deferred income tax is provided in full, using the balance sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

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

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

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other

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

comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

f. Leases**As a lessee**

Leases where the Company is a lessee and has substantially all the risks and rewards of ownership of the leased assets are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

As a lessor

Lease income from operating leases where the Company is a lessor is recognised in income on a straightline basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

g. Impairment of non-financial assets

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

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

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

h. Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

i. Trade receivable

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

j. Inventories

Raw Material and components, work in progress, Finished Goods and Traded goods are stated at cost or net realisable value whichever is lower. Good in transit are stated at cost. Cost formulae used is weighted average cost. Due allowance is estimated and made for defective and obsolete items, wherever necessary, based on the past experience of the company.

Cost comprises of all cost of purchase, cost of conversion and other cost incurred in bringing the inventories to their present location and condition.

Costs of conversion and other costs are determined on the basis of standard cost method adjusted for variances between standard costs and actual costs, unless such costs are specifically identifiable, in which case they are included in the valuation at actuals.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**k. Investments and financial assets****Classification**

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

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

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

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

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

Measurement of debt instruments

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

• **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

• **Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

• **Fair value through profit or loss:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

Measurement of equity instruments

The company subsequently measures all equity investments at fair value. Where the company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/ (losses) in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**Impairment of financial assets**

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

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

De-recognition of financial assets

A financial asset is derecognised only when

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

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

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

l. Derivatives

The Company enters into certain derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through profit or loss and are included in other gains / (losses).

m. Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

n. Property plant and equipment (including Capital Work-in-Progress)

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

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

Schedule II to the Companies Act, 2013 prescribes useful lives for property, plant and equipments and allows Companies to use higher/lower useful lives and residual values if such useful lives and residual values can be technically supported and justification for difference is disclosed in the financial statements. The management believes that the depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of property, plant and equipment.

Depreciation/ amortisation on property plant and equipments has been provided on the straight-line method as per the useful life assessed based on technical advice, taking into account the nature of the asset, the estimated use of the asset on the basis of management's best estimation of getting economic benefits from those class of assets.

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

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

Class of asset	Revised useful life based on SLM (Range)
Leasehold land	60 - 90 years
Buildings and flats	15 – 50 years
Plant and equipment	3 – 30 years
Furniture and fixtures	3 – 10 years
Office equipment	3 – 10 years
Electrical installations	5 – 20 years
Vehicles	5 years

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

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

o. Investment Properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not used by the Company for business purposes, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Investment properties are depreciated using the straight-line method over their estimated useful lives. Investment properties generally have a useful life of 25-40 years. The useful life has been determined based on technical evaluation performed by the management's expert.

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

p. Intangible Assets

Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the intangible assets.

Identifiable intangible assets are recognised when it is probable that future economic benefits attributed to the asset will flow to the Company and the cost of the asset can be reliably measured.

Computer softwares are capitalised at the amounts paid to acquire the respective license for use and are amortised over the period of useful lives or period of three years, whichever is less. The assets' useful lives are reviewed at each financial year end.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

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

q. Borrowings and other financial liabilities

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

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

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is

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

recognised in profit or loss. The gain / loss is recognised in other equity in case of transaction with shareholders.

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

r. Borrowing Costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time the assets are substantially ready for their intended use. All other borrowing costs are recognised as an expense in Profit or Loss in the period in which they are incurred.

s. Provisions, Contingent Liabilities and contingent assets

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

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

t. Employee Benefits

A) Short term employee benefits: All employee benefits twelve months of rendering the services are classified as short term employee benefits. Benefits such as salaries, wages, short term compensated absences, etc. and the expected cost of bonus, ex-gratia are recognised in the period in which the employee renders the related service.

B) Post employment benefits

i. Defined Contribution Plans: The Company's superannuation scheme, state governed provident fund and family pension scheme are defined contribution plans. The contribution paid/ payable under the schemes, is recognised during the period in which the employee renders the related service.

ii. Gratuity: The Company has computed its liability towards future payments of gratuity to employees, on actuarial valuation basis which is determined based on project unit credit method and the charge for current year is debited to the Statement of Profit and Loss. Actuarial gains and losses arising on the measurement of defined benefit obligation is charged/ credited to other comprehensive income.

iii. Compensated absences: Liabilities are determined on actuarial valuation basis which is determined based on project unit credit method and the charge for current year is debited to the Statement of Profit and Loss. Actuarial gains and losses arising on the measurement of defined benefit obligation is charged/ credited to profit or loss.

u. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss (excluding other comprehensive income) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events such as bonus issue, bonus element in a right issue, shares split and reserve share splits (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss (excluding other comprehensive income) for the year attributable to equity share holders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

v. Operating Cycle

Based on the nature of products / activities of the company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**w. Contributed equity**

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

x. Critical estimates and judgements

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

The Management believes that these estimates are prudent and reasonable and are based upon the Management's best knowledge of current events and actions. Actual results could differ from these estimates and differences between actual results and estimates are recognised in the periods in which the results are known or materialised.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed.

i) Property, plant and equipment, Investment Properties and Intangible Assets:

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

ii) Income Tax:

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

iii) Contingencies:

Management has estimated the possible outflow of resources at the end of each annual reporting financial year, if any, in respect of contingencies/claim/litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

iv) Impairment of financial assets:

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

v) Impairment of non-financial assets:

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Units (CGU) fair value less costs of disposal and its value in use.

It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent to those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

vi. Defined benefit obligation

The cost of post-employment benefits is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rate of return on assets, future salary increases and mortality rates. Due to the long term nature of these plans such estimates are subject to significant uncertainty. The assumptions used are disclosed in Note 46.

y. Standard issued but not yet effective**Ind AS 115**

On 28 March 2018, the Ministry of Corporate Affairs (MCA), in consultation with the National Advisory Committee on Accounting Standards, has issued Companies (Indian Accounting Standards) Amendment Rules, 2018 to amend the Companies (Indian Accounting Standards) Rules, 2015. This results in introduction of Ind AS 115, Revenue from Contracts with customers, that comprehensively revamps the revenue recognition guidance. Consequently, Ind AS 18 and Ind AS 11 have been withdrawn, and other standards are suitably modified. The amendment is applicable to the Company from 01 April 2018. The Company is currently assessing the potential impact of this amendment.

Appendix B of Ind AS 21

This appendix is for determining the date of transaction where the entity has received / paid any foreign currency advances. This appendix states that the date of transaction shall be the date on which such advance is received or paid. Therefore these non-monetary advances will not be restated at the time of their adjustment against the particular transaction. The Company is currently assessing the potential impact of this amendment.

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

2 Property, plant and equipment

(Rs. in Lakhs)

Particulars	Free Hold Land	Leasehold Land	Buildings & Flats	Plant & Machinery	Furniture & Fixtures	Office equipment	Electrical Installation	Vehicles	Total
Gross carrying amount									
As at 01 April 2016	60.00	177.43	8,285.00	42,610.80	599.21	446.60	895.55	519.52	53,594.11
Additions	-	-	126.11	1,205.53	23.06	275.95	55.86	-	1,686.51
Disposals	-	-	-	140.49	-	-	-	-	140.49
As at 31 March 2017	60.00	177.43	8,411.11	43,675.84	622.27	722.55	951.41	519.52	55,140.13
Additions			339.22	3,132.31	42.41	97.48	126.22	171.52	3,909.16
Disposals								186.59	186.59
As at 31 March 2018	60.00	177.43	8,750.33	46,808.15	664.68	820.03	1,077.63	504.45	58,862.70
Accumulated Depreciation									
As at 01 April 2016	-	22.36	1,687.97	27,619.31	368.96	406.40	794.36	342.81	31,242.17
Charge for the year	-	-	163.89	2,483.77	95.61	44.05	35.95	48.86	2,872.13
Disposals	-	-	-	118.44	-	-	-	-	118.44
As at 31 March 2017	-	22.36	1,851.86	29,984.64	464.57	450.45	830.31	391.67	33,995.86
Charge for the year	-	4.32	170.31	2,409.20	4.53	81.48	29.23	64.92	2,763.99
Disposals	-	-	-	-	-	-	-	184.46	184.46
As at 31 March 2018	-	26.68	2,022.17	32,393.84	469.10	531.93	859.54	272.13	36,575.39
Net Carrying value									
As at 01 April 2016	60.00	155.07	6,597.03	14,991.49	230.25	40.20	101.19	176.71	22,351.94
As at 31 March 2017	60.00	155.07	6,559.25	13,691.20	157.70	272.10	121.10	127.85	21,144.27
As at 31 March 2018	60.00	150.75	6,728.16	14,414.31	195.58	288.10	218.09	232.32	22,287.31

Footnotes:

- Buildings and flats include:
 - Shares in respect of residential premises of a cost of Rs. 2.25 lakhs (31.03.2017 Rs. 2.25 lakhs; 01.04.2016 Rs. 2.25 lakhs) in a co-operative society which is in the process of being transferred in the name of the Company.
 - Cost of shares of an aggregate face value of Rs. 750 (31.03.2017 Rs. 750; 31.03.2016 Rs. 750) in co-operative housing societies viz. 5 shares of Rs. 50 each in Vile Parle Vatika Cooperative Housing Society Limited, 5 shares of Rs. 50 each in The Ganesh Villa Co-operative Housing Society Limited and 5 shares of Rs. 50 each in Vinayak Bhavan Cooperative Housing Society Limited.
- The title deeds/ leasehold right of Land and Buildings, having gross carrying amount aggregating Rs.61.40 lakhs (31.03.2017 - Rs. 61.40 lakhs; 01.04.2016 - Rs. 217.86 lakhs) and net carrying amount aggregating Rs. 59.66 lakhs as at 31.03.2018 (31.03.2017 -Rs. 59.76 lakhs; 01.04.2016 - Rs. 200.69 lakhs), have been transferred to and vested in the Company, pursuant to the Schemes of Amalgamation/Arrangement and the procedural formalities for changing the name of the Company is in process.
- The above amounts includes adjustment of foreign exchange loss aggregating to Rs. 5.92 lakhs (31.03.2017- Rs. 4.99 lakhs) against the carrying value of plant and machinery. The balance amount, based on aforesaid adjustments, of plant and equipment to be amortised, as at the year-end, aggregates Rs. 1,258.17 lakhs (31.03. 2017 : Rs. 1,436.14 lakhs).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018
3 Investment Properties
(Rs. in Lakhs)

Particulars	Buildings and flats	Total
Gross carrying value*		
As at 01 April 2016	41.00	41.00
As at 31 March 2017	41.00	41.00
As at 31 March 2018	41.00	41.00
Accumulated Depreciation*		
As at 01 April 2016	41.00	41.00
As at 31 March 2017	41.00	41.00
As at 31 March 2018	41.00	41.00
Net carrying value		
As at 01 April 2016	-	-
As at 31 March 2017	-	-
As at 31 March 2018	-	-

* There is no addition and disposal to the gross block and depreciation charge for the year ended 31 March 2018 and 31 March 2017.

3.1 Fair value of Investment Property
(Rs. in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Buildings and flats	1,729.35	1,635.76	899.71
Total	1,729.35	1,635.76	899.71

3.2 Income from Investment property generating Rental Income
(Rs. in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
Rental Income derived from investment properties	117.72	108.72
Direct Operating expenses from property (including repairs and maintenance) that generated rental income	1.24	1.28
Direct Operating expenses from property (including repairs and maintenance) that did not generate rental income	-	-
Income arising from investment properties before depreciation	116.48	107.44
Depreciation	-	-
Income from Investment properties (Net)	116.48	107.44

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018
3.3 Estimation of fair value of investment properties:

The fair valuation is based on current prices in the active market for similar properties. The main inputs used are quantum, area, location, demand, age of building and trend of fair market rent, ready reckoner rate etc. This fair value is based on valuations performed by an accredited independent valuer. The fair value measurement is categorised in level 2 fair value hierarchy.

3.4 The carrying value as at 1 April, 2016 as per previous GAAP of the Investment Properties is considered as a deemed cost on the date of transition.

4 Intangible assets
(Rs. in Lakhs)

Particulars	Software	Total
Gross carrying value		
As at 01 April 2016	591.23	591.23
Additions	-	-
Disposals	-	-
As at 31 March 2017	591.23	591.23
Additions	66.46	66.46
Disposals	-	-
As at 31 March 2018	657.69	657.69
Accumulated Amortisation		
As at 01 April 2016	508.52	508.52
Charge for the year	52.90	52.90
Disposals	-	-
As at 31 March 2017	561.42	561.42
Charge for the year	33.71	33.71
Disposals	-	-
As at 31 March 2018	595.13	595.13
Net carrying value		
As at 01 April 2016	82.71	82.71
As at 31 March 2017	29.81	29.81
As at 31 March 2018	62.56	62.56

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018
5 Investments (Non - Current)
(Rs. in Lakhs)

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	Quantity (Nos.)	Amount	Quantity (Nos.)	Amount	Quantity (Nos.)	Amount
Investment in Equity shares (fully paid-up)						
(i) Investment in Foreign subsidiary (Unquoted) (At Cost)						
NRB Bearings (Thailand) Limited (THB 10 each)	10,999,994	1,640.56	10,999,994	1,640.56	10,999,994	1,640.56
NRB Bearings Europe GmbH (Euro 1 each)	25,000	20.48	25,000	20.48	25,000	20.48
(ii) Investment in Indian subsidiary (Quoted) (At Cost)						
SNL Bearings Limited (Rs. 10 each)	2,652,762	239.67	2,652,762	239.67	2,652,762	239.67
(iii) Equity investment measured at fair value through other comprehensive income						
a. Quoted						
Indusind Bank Limited (Rs. 10 each)	8,541	153.46	8,541	121.72	8,541	82.64
Eicher Motors Limited (Rs. 10 each)	600	170.24	600	153.53	600	115.08
Hero Motocorp Limited (Rs. 2 each)	6,250	221.42	6,250	201.37	6,250	184.11
b. Unquoted						
21st Century Battery Limited (Rs. 10 each)	10,000	1.00	10,000	1.00	10,000	1.00
Less: Provision for impairment in value		(1.00)		(1.00)		(1.00)
Total investment in equity shares		2,445.83		2,377.33		2,282.54
(iv) Investment in mutual funds measured at fair value through profit and loss (Unquoted)						
DSP Black Rock Equity Fund	50,000	23.20	50,000	27.67	50,000	23.98
Total non-current investments		2,469.03		2,405.00		2,306.52

Notes:
Aggregate amount of quoted investments and market value thereof
784.78
716.29
621.50
Aggregate amount of unquoted investments (gross)
1,684.25
1,688.71
1,686.01
Aggregate amount of impairment in the value of investments
(1.00)
(1.00)
(1.00)

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

	(Rs. in Lakhs)		
	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Non-Current			
6 Loans			
Unsecured, considered good			
Inter - corporate deposits to related parties (refer note 43)	-	929.96	906.79
Security Deposits	252.92	252.75	241.15
Total	252.92	1,182.71	1,147.94
7 Other financial assets			
Margin money deposits with the maturity of more than 12 months	2.93	16.32	5.70
Total	2.93	16.32	5.70
8 Current tax assets (net)			
Advance taxes paid *	1,606.32	1,606.25	1,124.91
Total	1,606.32	1,606.25	1,124.91
* net of provision for tax Rs. 18,062.31 lakhs; 31 March 2017 Rs. 18,062.31 lakhs and 1 April 2016 Rs. 16,220.75 lakhs			
9 Other non-current assets			
Capital Advances	501.12	945.41	643.95
Prepayments	16.48	34.88	2.24
Balance with government authorities	-	684.57	993.29
Advance sales tax	476.98	517.92	419.11
Others	36.42	36.42	52.48
Total	1,031.00	2,219.20	2,111.07
Current			
10 Inventories			
Raw materials and components*	4,248.09	5,181.99	3,977.54
Work-in-progress	4,041.28	3,525.76	2,936.57
Finished goods	2,851.32	4,260.07	4,087.57
Stores & Spares	3,128.39	2,807.69	2,110.50
Total	14,269.08	15,775.51	13,112.18
* Includes Goods-in-transit Rs. 120.58 lakhs, 31 March 2017 Rs. 320.96 lakhs and 1 April 2016 Rs. 57.43 lakhs			
11 Investment (Current) (At Cost)			
Investments in preference shares of subsidiary Company - SNL Bearings (Unquoted) 10,00,000 of Rs. 100 each (partially redeemed)	-	-	25.00
Total	-	-	25.00

Footnote:

The Company had in its Board meeting dated 22nd May, 2014, accepted the proposal of its Subsidiary to change the redemption terms of Preference Shares, earlier scheduled to be fully redeemed on 18th June, 2014. As per the revised terms, Rs. 150 lakhs was redeemed on 18th June, 2014 and the balance of Rs 50 lakhs was redeemed equally over the period of two years on 18th June, 2015 and 18th June, 2016 with an enhanced coupon rate of 11% p.a. effective 18th June, 2014 till its redemption. Accordingly, investment of Rs 25 lakhs in Preference Shares of Subsidiary was classified as current .

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018
(Rs. in Lakhs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
12 Trade receivables			
Secured, considered good	68.04	194.62	163.98
Unsecured, considered good	23,507.24	20,684.82	20,953.50
Unsecured, considered doubtful	2,981.19	3,219.33	2,925.15
Less : Provision for doubtful debts	(2,981.19)	(3,219.33)	(2,925.15)
Total	23,575.28	20,879.44	21,117.48
13 Cash and cash equivalents			
Balances with banks			
- Current Accounts	1,010.13	1,942.37	1,661.27
- EEFC Account	169.52	89.82	16.25
Deposits with the original maturity of less than three months	-	-	1,299.16
Cheques on Hand	-	-	21.48
Cash on Hand	2.73	2.57	2.70
Total	1,182.38	2,034.76	3,000.86
14 Bank balances other than cash and cash equivalents			
Margin money deposits (Fixed deposit pledge with banks)	116.43	61.76	52.87
Deposits with maturity of more than 3 months but less than 12 months	-	-	6.56
Unpaid dividend (refer footnote below)	1,376.49	23.52	17.61
Total	1,492.92	85.28	77.04
Footnote :			
Includes interim dividend declare on 20 March 2018, deposited in separate bank account Rs. 1,356.92 lakhs			
15 Loans			
Unsecured, considered good			
Inter Corporate Deposit (including interest thereon) (refer note 43)	2,597.32	848.68	1,515.11
Loans and Advances to employees	80.07	92.50	72.80
Security Deposits	152.07	157.19	49.76
Total	2,829.46	1,098.37	1,637.67
16 Other financial assets			
Derivative Assets	380.05	299.49	59.58
Total	380.05	299.49	59.58
17 Current tax assets (net)			
Income tax refund	89.41	89.41	89.28
Total	89.41	89.41	89.28

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018
(Rs. in Lakhs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
18 Other current assets			
Advances recoverable in kind for value to be received:			
- Related Parties	131.98	101.17	422.09
- Others	4.62	2.01	-
Advance to suppliers	689.67	364.97	318.18
Export incentive and duty drawback receivable	924.61	528.99	353.00
Balance with government authorities	4,126.86	1,132.53	1,353.00
Prepayments	385.51	331.68	336.45
Total	6,263.25	2,461.35	2,782.72

19 Equity share capital
Authorised:

100,000,000 (31 March 2017 and 01 April 2016: 100,000,000) Equity Shares of Rs. 2 each	2,000.00	2,000.00	2,000.00
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Total	2,000.00	2,000.00	2,000.00
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Issued, Subscribed and Paid-Up:

96,922,600 (31 March 2017 and 01 April 2016: 96,922,600) Equity Shares of Rs. 2 each fully paid up	1,938.45	1,938.45	1,938.45
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Total	1,938.45	1,938.45	1,938.45
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(i) Reconciliation of number of Equity Shares outstanding at the beginning and at the end of the year :

Particulars	2017-18		2016-17		2015-16	
	(In Nos.)	(Rs. in lakhs)	(In Nos.)	(Rs. in lakhs)	(In Nos.)	(Rs. in lakhs)
Shares outstanding at the beginning of the year	96,922,600	1,938.45	96,922,600	1,938.45	96,922,600	1,938.45
Shares outstanding at the end of the year	96,922,600	1,938.45	96,922,600	1,938.45	96,922,600	1,938.45

(ii) Rights attached to equity shares:

- Right to receive dividend as may be approved by the Board / Annual General Meeting.
- The equity shares are not repayable except in the case of a buy back, reduction of capital or winding up in terms of the provisions of the Companies Act, 2013.
- Every member of the Company holding equity shares has a right to attend the General Meeting of the Company and has a right to speak and on a show of hands, has one vote if he is present in person and on a poll shall have the right to vote in proportion to his share of the paid-up capital of the Company.

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

(iii) Details of shareholders holding more than 5% shares in the company:

Name of Shareholder	As at 31 March 2018		As at 31 March 2017		As at 01 April 2016	
	Number of shares held	% of Holding	Number of shares held	% of Holding	Number of shares held	% of Holding
Trilochan Singh Sahney Trust 1 (held by a trustee in his individual name)	34,829,642	35.94%	35,740,266	36.88%	36,486,909	37.65%
Hanwantbir Kaur Sahney	2,867,000	2.96%	2,867,000	2.96%	4,972,000	5.13%
Harshbeena Sahney Zaveri	8,500,167	8.77%	8,454,769	8.72%	5,165,019	5.33%
Nalanda India Equity Fund Limited	9,682,667	9.99%	9,682,667	9.99%	9,682,667	9.99%
SBI Magnum Global Fund	-	-	4,400,000	4.54%	5,159,663	5.32%

20 Other equity

(Rs. in Lakhs)

a) Reserves and surplus	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Securities Premium Reserve	847.61	847.61	847.61
General Reserve	9,521.20	9,521.20	9,521.20
Capital Redemption Reserve	11.10	11.10	11.10
Debenture Redemption Reserve	3,250.00	2,000.00	750.00
Retained Earnings	22,922.42	17,558.68	15,387.60
Fair Value Gain on Equity Instruments through OCI	544.03	475.53	380.74
Total	37,096.36	30,414.12	26,898.25

i) Securities Premium Reserve

	As at 31 March 2018	As at 31 March 2017
Opening balance	847.61	847.61
Transaction during the year	-	-
Closing balance	847.61	847.61

ii) General Reserve

	As at 31 March 2018	As at 31 March 2017
Opening balance	9,521.20	9,521.20
Transaction during the year	-	-
Closing balance	9,521.20	9,521.20

iii) Capital Redemption Reserve

	As at 31 March 2018	As at 31 March 2017
Opening Balance	11.10	11.10
Add: Transfer from retained earnings	-	-
Closing balance	11.10	11.10

iv) Debenture Redemption Reserve

Particulars	As at 31 March 2018	As at 31 March 2017
Opening balance	2,000.00	750.00
Add: Transfer from retained earnings	1,250.00	1,250.00
Closing balance	3,250.00	2,000.00

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

	(Rs. in lakhs)	
	As at 31 March 2018	As at 31 March 2017
v) Retained Earnings		
Opening Balance	17,558.68	15,387.60
Add: Profit for the year	8,191.34	4,932.90
Add: Other comprehensive income for the year	55.56	94.76
Less: Interim dividend for the year Rs. 1.4 per fully paid up share for 31 March 2018 (31 March 2017- Rs. 1.4 per fully paid share)	(1,356.92)	(1,356.92)
Less: Dividend distribution tax on Interim dividend	(276.24)	(249.66)
Less: Transfer to debenture redemption reserve	(1,250.00)	(1,250.00)
Closing balance	22,922.42	17,558.68

b) Others:
i) Fair Value of Equity Instruments through OCI

Opening balance	475.53	380.74
Change in Fair value of FVOCI equity instrument	68.50	94.79
Closing balance	544.03	475.53

Nature and purpose of reserves
i) Capital Redemption Reserve

It is created on account of merger and the same will be utilised in accordance with the provision of Companies Act 2013

ii) Securities Premium Reserve

Securities premium is used to record the premium received on issue of shares. The amount will be utilised in accordance with the provisions of the Companies Act, 2013

iii) Debenture Redemption Reserve

The Company had issued non convertible debentures and accordingly Debenture redemption reserve is required to be created pursuant to the Companies (Share capital and debentures) Rules 2014. The same will be utilised in accordance with the provision of Companies Act 2013

iv) General Reserve

General Reserve is created from time to time by way of transfer of profits from retained earnings for appropriation purpose. This reserve is a distributable reserve.

v) Retained Earnings

Retained earnings represents the accumulated profits / losses made by the Company over the years.

vi) Fair Value Gain on Equity Instruments through OCI

The Company has elected to recognise changes in the fair value of equity investments in Other Comprehensive Income. These changes are accumulated within the FVOCI equity investment reserves within equity and will be transferred to retained earnings on derecognition of these equity instruments.

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

21 Long term borrowings

(Rs. in lakhs)

	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Non convertible Debentures - Unsecured (Refer note (a) below)	1,983.75	4,983.75	2,989.50
External commercial borrowings from bank - Secured (Refer note (b) below)	1,763.95	2,398.80	1,459.59
Foreign Currency Term Loan from banks - Secured (Refer note (c) below)	2,402.89	2,396.97	-
Term Loan from others - Secured (Refer note (d) below)	-	-	433.37
Deferred sales tax loan - Unsecured (Refer note (e) below)	735.41	949.94	1,166.00
Total	6,886.00	10,729.46	6,048.46

(Rs. in lakhs)

	Particulars	Security	Terms of repayment	No: of in- installment o/s	Rate of interest	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
a	Non-convertible Debentures							
	300 Non convertible debentures of face value of Rs. 10,00,000 each	Unsecured	Reedemable at par, on 03 August 2018	1	9.93%	3,186.14	3,187.28	3,188.09
	200 Non convertible debentures of face value of Rs. 10,00,000 each	Unsecured	Reedemable at par, on 14 June 2020	1	9.49%	2,157.38	2,155.98	-
					Total	5,343.52	5,343.26	3,188.09
	Comprises of							
	Long Term Borrowings					1,983.75	4,983.75	2,989.50
	Current maturities of long term borrowings*					3,359.77	359.51	198.59
						5,343.52	5,343.26	3,188.09
b	External commercial borrowings from bank							
	External commercial borrowings	Secured by hypothecation of charge on specified plant and machinery of the company	Quarterly installments starting from 04 February 2019 to be completed in 04 February 2022	13	6.40%	1,790.75	2,424.65	-
	External commercial borrowings	Secured by hypothecation of charge on specified plant and machinery of the company	Quarterly installments completed in February 2017	-	Libor+274 bps to Libor + 350	-	-	872.81
	External commercial borrowings	Secured by hypothecation of charge on specified plant and machinery of the company	Half yearly installment repaid prematurely in February 2017	-	Libor+274 bps to Libor + 350	-	-	3,738.93
					Total	1,790.75	2,424.65	4,611.74
	Comprises of							
	Long Term Borrowings					1,763.95	2,398.80	1,459.59
	Current maturities of long term borrowings *					26.80	25.85	3,152.15
						1,790.75	2,424.65	4,611.74

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

	Particulars	Security	Terms of repayment	No: of install-ment o/s	Rate of interest	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
c	Foreign Currency Term Loan from banks							
	Term Loan	Secured by hypothecation of charge on specified plant and machinery of the company	Quarterly installments starting from 14 June 2018 to be completed in 14 December 2021	15	5.95% to 6.00%	3,052.42	2,403.99	-
	Capex Buyer's credit	Secured by hypothecation of charge on specified plant and machinery of the company	Structured installment to be completed by June 2016	-	Libor+270 bps to Libor + 290 bps	-	-	969.73
	Term Loan	Secured by hypothecation of charge on specified plant and machinery of the company	Completed in November 2016	-	Libor+200 bps	-	-	2,157.56
	Comprises of				Total	3,052.42	2,403.99	3,127.29
	Long Term Borrowings					2,402.89	2,396.97	-
	Current maturities of long term borrowings *					649.53	7.02	3,127.29
						3,052.42	2,403.99	3,127.29
d	Term Loans from others							
	Term Loan	Secured by hypothecation of charge on specified plant and machinery of the company	Half yearly structured installments starting from June 2015 to be completed in June 2017	-	11%	-	457.72	1,387.58
	Comprises of				Total	-	457.72	1,387.58
	Long Term Borrowings					-	-	433.38
	Current maturities of long term borrowings *					-	457.72	954.20
						-	457.72	1,387.58
e	Deferred sales tax loan							
	Deferred sales tax loan	Unsecured	Annual installments to be completed by May, 2025	9	-	949.94	1,165.99	1,383.81
	Comprises of				Total	949.94	1,165.99	1,383.81
	Long Term Borrowings					735.41	949.94	1,166.00
	Current maturities of long term borrowings *					214.53	216.05	217.81
						949.94	1,165.99	1,383.81

* Includes interest/installments payable, recognised as part of carrying value of financial liabilities at amortised cost.

22 Current tax liability (Net)
(Rs. in Lakhs)

	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Provision for tax (net of advance tax Rs. 3,248.64 lakhs; 31 March 2017 Rs. Nil and 01 April 2016 Rs. Nil)	491.33	-	-
Total	491.33	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018
23 Deferred tax liabilities (net)
(Rs. in Lakhs)

	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Deferred tax liability on account of :			
Depreciation and amortisation expense	(1,752.12)	(1,681.59)	(1,647.85)
Financial liability at amortised cost	(4.60)	(4.60)	(4.60)
	(1,756.72)	(1,686.19)	(1,652.45)
Deferred tax assets on account of :			
Provision for Gratuity	25.45	9.20	127.81
Amortisation of borrowing	0.86	0.86	-
Provision for doubtful debts	1,031.72	1,114.14	1,012.33
Voluntary retirement compensation	29.34	44.00	58.66
Provision for compensated absence	284.25	246.53	254.46
Fair valuation of derivative contracts	55.70	71.10	20.73
Others	(1.30)	(1.30)	10.14
	1,426.02	1,484.53	1,484.13
Total	330.70	201.65	168.32

24 Other non-current liabilities
(Rs. in Lakhs)

	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Unearned revenue	-	67.50	157.50
Others	3.96	-	-
Total	3.96	67.50	157.50

25 Short Term Borrowings

Secured			
Loans from banks *	4,700.00	3,003.75	6,009.61
Loans in foreign currency from banks	1,028.03	4,586.19	4,468.71
Unsecured			
Commercial papers [Maximum balance outstanding during the year Rs. 8,500 lakhs (31 March 2017 Rs. 8,500 lakhs; 01 April 2016 Rs. 6,000 lakhs)]	3,500.00	7,000.00	6,000.00
Total	9,228.03	14,589.94	16,478.32

Footnotes:

* Secured by a pari passu charge on inventories and trade receivables, present and future.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018
(Rs. in Lakhs)

Particulars	Security	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Loans in foreign currency from banks				
Packing credit loan	Secured by a pari passu charge on inventories and trade receivables, present and future.	1,028.00	4,298.14	3,517.18
Buyer's credit	Secured by a pari passu charge on inventories and trade receivables, present and future.	-	288.05	951.52
		1,028.00	4,586.19	4,468.70

26 Trade Payables
(Rs. in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at 01 April 2016
Micro and Small Enterprises (refer note below)	-	-	-
Other than Micro and Small Enterprises	11,149.93	9,604.16	8,519.60
Total	11,149.93	9,604.16	8,519.60

The Company has not received any intimation from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid/ payable as required under the said Act have been made on the basis of information available with the Company. Management believes that figures for disclosure, if any, will not be significant.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018
27 Other financial liabilities
(Rs. in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at 01 April 2016
Current Maturities of Long-Term Borrowings (Refer note 21)			
- Non convertible debentures	3,359.77	359.51	198.59
- External commercial borrowings from bank	26.80	25.85	3,152.15
- Foreign currency term loan from banks	649.53	7.02	3,127.29
- Term loans from others	-	457.72	954.20
- Deferred sales tax loan	214.53	216.05	217.81
Derivative liability	312.72	277.89	-
Security deposits	863.00	858.46	832.21
Unpaid dividends (unclaimed) (Refer footnote i)	19.57	23.52	17.61
Dividend payable (Refer footnote ii)	1,356.92	-	-
Other payables			
- Property plant and equipments	738.82	65.54	121.66
- Employee related liability	723.17	518.52	553.49
Total	8,264.83	2,810.08	9,175.01

Footnotes:

- There is no amount outstanding and due as at the balance sheet date to be credited to the Investor Education and Protection Fund.
- Represents interim dividend declared by the Board of Directors at their meeting dated 20 March 2018.

28 Other current liabilities
(Rs. in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at 01 April 2016
Unearned revenue	67.50	90.00	86.39
Statutory dues	2,587.40	704.34	663.80
Advances received	140.90	142.60	94.85
Others	28.44	-	-
Total	2,824.24	936.94	845.04

29 Provisions
(Rs. in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at 01 April 2016
Provision for employee benefits			
- Compensated Absences	821.34	712.34	735.26
- Gratuity	73.56	27.61	370.31
Total	894.90	739.95	1,105.57

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018
30 Revenue from Operations
(Rs. in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Sale of Products		
Finished goods - Bearings	83,727.04	76,601.05
Other operating revenues		
Scrap Sales	663.97	504.14
Others	445.08	326.50
Total	84,836.09	77,431.69

Note:

Excise duty on sales was included under Revenue from operations and disclosed separately under Expenses upto 30 June 2017. Post implementation of Goods and Services Tax (GST) from 1 July 2017, revenue from operations is reported net of GST and hence to that extent sale of products for the year end 31 March 2018 are not comparable.

31 Other Income
(Rs. in Lakhs)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Dividend Income on financial assets measured at FVOCI	14.42	231.61
Interest Income on financial assets measured at amortised cost		
- From banks on deposits	23.49	9.09
- On loans and advances	224.55	149.84
Fair value changes on financial assets measured at FVTPL	-	3.69
Fair valuation gain on derivative instrument measured at FVTPL	45.73	-
Profit on sale of property plant and equipments (net)	11.10	8.99
Rent	124.61	121.02
Net gain on foreign currency transactions and translation	707.64	-
Refund of duty*	-	580.00
Other non-operating income	7.01	22.82
Total	1,158.55	1,127.05

* Represents refund of taxes and duty received by the Company under the Package Scheme of Incentives - 2007.

32 Cost of material consumed
(Rs. in Lakhs)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Raw material consumed		
Opening stock	5,181.99	3,977.54
Add: Purchases	33,704.77	31,719.52
Less: Closing stock	(4,248.09)	(5,181.99)
Total	34,638.67	30,515.07

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018
33 Changes in inventories of finished goods and work -in-progress (Rs. in Lakhs)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Work-in-progress		
Opening	3,525.76	2,936.57
Closing	4,041.28	3,525.76
	(515.52)	(589.19)
Finished goods		
Opening	4,260.07	4,087.57
Closing	2,851.32	4,260.07
	1,408.75	(172.50)
Total	893.23	(761.69)

34 Employee Benefits Expense (Rs. in Lakhs)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Salaries, allowances and other benefits	10,982.41	10,040.95
Contribution to provident and other funds	736.05	597.76
Staff welfare expenses	1,106.22	1,086.19
Total	12,824.68	11,724.90

35 Finance Costs (Rs. in Lakhs)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Interest Expense on financial liabilities measured at amortised cost		
- Borrowings	814.93	711.94
- Others	604.46	882.92
Other Borrowing Costs	7.47	42.73
Total	1,426.86	1,637.59

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018
36 Other Expenses
(Rs. in Lakhs)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Consumption of stores and spare parts	5,931.66	5,724.01
Processing charges	2,104.16	1,696.98
Power and fuel	2,303.82	2,428.16
Repairs and maintenance -		
Buildings	220.67	334.94
Plant and machinery	285.31	284.03
Others	85.13	54.24
Insurance	169.60	135.26
Rent	138.49	95.66
Rates and taxes	69.05	117.67
Legal and professional fees	839.00	685.33
Directors' fees and commission	25.20	29.28
Commission on sales	872.99	686.09
Travelling and conveyance	818.62	629.49
Postage, telephone and fax	69.04	59.12
Bank charges	51.43	29.56
Advertisement and sales promotion expenses	513.16	332.90
Forwarding charges	3,190.55	2,451.20
Provision for doubtful debts	481.62	294.18
Lease rent (Refer Note 50)	72.91	69.30
Information Technology expenses	552.47	462.67
Excise duty on Increase/ (decrease) in inventories of finished goods	(785.75)	71.42
Net loss on foreign currency transactions and translation	-	417.65
Fair valuation loss on financial assets measured at FVTPL	4.47	-
Fair valuation loss on Derivative contracts	-	145.55
Auditors' remuneration (refer note 36.1 below)	51.85	58.17
Expenditure on Corporate Social Responsibility (refer note 36.2 below)	143.16	128.90
Miscellaneous expenses	1,394.05	1,575.84
Total	19,602.66	18,997.60

36.1 Auditors' remuneration (excluding Goods and service tax /service tax)

For statutory audit (including limited review)	42.00	48.65
For tax audit	3.00	4.25
For other services	2.25	4.60
For reimbursement of expenses	0.50	0.67
Fees to erstwhile auditors'	4.10	-
Total	51.85	58.17

36.2 Details of expenditure on Corporate Social Responsibility:

Average net profit of the Company for last three financial years	6,815.67	6,363.33
Prescribed CSR expenditure (2% of the average net profit as computed above)	136.31	127.27
Details of CSR expenditure during the financial year		
Total amount to be spent for the financial year	136.31	127.27
Amount spent	143.16	128.90
Amount unspent	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018
37 TAX EXPENSE
(Rs. in Lakhs)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Current tax expense		
Current tax for the year	3,739.98	1,886.33
Tax adjustment in respect of earlier years	-	(44.76)
Total current tax expense	3,739.98	1,841.57
Deferred taxes		
Change in deferred tax liabilities	99.64	(16.81)
Net deferred tax expense / (credit)	99.64	(16.81)
	3,839.62	1,824.75

37.1 Tax reconciliation (for profit and loss)
(Rs. in Lakhs)

Profit before income tax expense	12,030.96	6,757.66
Tax at the rate of 34.608% (for 31 March 2017 - 34.608%)	4,163.67	2,338.69
Tax effect of amounts which are not deductible / not taxable in calculating taxable income		
Depreciation	(2.08)	63.17
Non deductible expenses for tax purpose	31.47	32.32
Deduction under 80IC	(121.13)	(121.13)
Exempt income	(3.44)	(81.43)
Additional allowances for tax purpose	(245.37)	(347.67)
Profit on sale of property, plant and equipment	(3.84)	(3.11)
Tax adjustment of prior years	-	(44.76)
Others	20.34	(11.32)
Income tax expense	3,839.62	1,824.76

37.2 Deferred tax related to the following:
(Rs. in lakhs)

Deferred tax liability (net)	As at 31 March 2018	Recognised through profit and loss	As at 31 March 2017	Recognised through profit and loss	As at 1 April 2016
Deferred tax liabilities on account of:					
Difference between book and tax depreciation	(1,752.12)	(70.53)	(1,681.59)	(33.74)	(1,647.85)
Financial liability measured at amortised cost	(4.60)	-	(4.60)	-	(4.60)
Total deferred tax liabilities	(1,756.72)	(70.53)	(1,686.19)	(33.74)	(1,652.45)
Deferred tax assets on account of:					
Provision for Gratuity	26.31	16.25	10.06	(117.75)	127.81
Provision for doubtful debts	1,031.72	(82.42)	1,114.14	101.81	1,012.33
Voluntary retirement compensation	29.34	(14.66)	44.00	(14.66)	58.66
Provision for compensated absence	284.25	37.72	246.53	(7.93)	254.46
Fair valuation of derivative contracts	55.70	(15.40)	71.10	50.37	20.73
Others	(1.30)	-	(1.30)	(11.44)	10.14
Total deferred tax assets	1,426.02	(58.51)	1,484.53	0.40	1,484.13
Total deferred tax liability (net)	330.70	129.04	201.66	33.34	168.32

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

38 Other Comprehensive Income (OCI)

(Rs. in Lakhs)

	Year ended 31 March 2018	Year ended 31 March 2017
Items that will not be reclassified to profit or loss		
Actuarial gain/(loss) on remeasurements of the net defined benefit plans	84.96	144.91
Fair value changes on equity instruments through other comprehensive income	68.50	94.79
Tax on above	(29.40)	(50.15)
Total	124.06	189.55

39 Fair value measurements

(Rs. in lakhs)

Financial instruments by category:

Particulars	31 March 2018			31 March 2017			01 April 2016		
	FVOCI	FVTPL	Amor- tised cost	FVOCI	FVTPL	Amor- tised cost	FVOCI	FVTPL	Amor- tised cost
Financial Assets - Non-current									
Investments (other than subsidiaries)	545.12	23.20	-	476.62	27.67	-	381.83	23.98	-
Non-current Loans	-	-	252.92	-	-	1,182.71	-	-	1,147.94
Other financial assets	-	-	2.93	-	-	16.32	-	-	5.70
Financial Assets - Current									
Investments	-	-	-	-	-	-	-	-	25.00
Trade receivables	-	-	23,575.28	-	-	20,879.44	-	-	21,117.48
Cash and cash equivalents	-	-	1,182.38	-	-	2,034.76	-	-	3,000.86
Bank Balances other than cash and cash equivalents	-	-	1,492.92	-	-	85.28	-	-	77.04
Loans	-	-	2,829.46	-	-	1,098.37	-	-	1,637.67
Other financial assets	-	380.05	-	-	299.49	-	-	59.58	-
Financial Liabilities - Non-Current									
Non-current borrowings (including current maturities)	-	-	11,136.63	-	-	11,795.61	-	-	13,698.50
Other Financial Liabilities	-	-	-	-	-	-	-	-	-
Financial Liabilities - Current									
Short term borrowings	-	-	9,228.03	-	-	14,589.94	-	-	16,478.32
Trade payables	-	-	11,149.93	-	-	9,604.16	-	-	8,519.60
Other current financial liabilities	-	312.72	3,701.48	-	277.89	1,466.04	-	-	1,524.98

I. Fair value hierarchy

The fair value of the financial assets and liabilities is included at the amount that would be received on selling an asset or paid on transferring a liability in an orderly transaction between market participants on the measurement date.

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair value is disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. For example, listed equity instruments that have quoted market price.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of

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

observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

During the periods mentioned above, there have been no transfers amongst the levels of hierarchy.

II. Valuation techniques used to determine fair value

Significant valuation techniques used to value financial instruments include:

The fair value for investment in equity instrument and mutual fund is based on the quoted market prices. Fair value of security deposits, loans is based on discounted cash flows using a discount rate determined considering company's incremental borrowing rate. Non current borrowings are fair valued using effective interest rates.

Fair valuation of interest rate swap and foreign currency option contracts are calculated on the basis of estimated mid-market levels, estimated bid-side or offer side levels, or on the basis of indicative bid or offer or unwind prices or on such other appropriate basis. It is derived from other proprietary or other pricing models based on certain assumptions.

Fair valuation of forward exchange contracts is determined using forward exchange rates on the balance sheet date.

The carrying amounts of Trade receivables, cash and cash equivalent, other bank balances, current investments, short term loans, other current financial assets, short term borrowings, trade payables, other current financial liabilities are considered to be approximately equal to the fair value.

III. Valuation Process

The finance department performs the calculations of financial assets and liabilities required for financial reporting purposes. This team reports directly to the chief financial officer (CFO). Discussions of valuation processes and results are held at least once every three months, in line with the quarterly reporting periods.

IV. Financial assets and liabilities measured at fair value - recurring fair value measurement:

(Rs. in lakhs)

Particulars	31 March 2018			31 March 2017			01 April 2016		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Assets									
Mutual fund investments measured at FVTPL	23.20	-	-	27.67	-	-	23.98	-	-
Investments in equity instrument measured at FVOCI	545.12	-	-	476.62	-	-	381.83	-	-
Interest rate swap and foreign currency option	-	221.45	-	-	140.89	-	-	-	-
Forward contract	-	158.60	-	-	158.60	-	-	59.58	-
Financial Liability									
Interest rate swap and foreign currency option	-	277.89	-	-	277.89	-	-	-	-
Forward contract	-	34.83	-	-	-	-	-	-	-

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

V. Fair value of financial assets measured at amortised cost (It is categorised under Level 2 of fair value hierarchy)

(Rs. in lakhs)

Particulars	31 March 2018		31 March 2017		01 April 2016	
	Carrying Amt	Fair Value	Carrying Amt	Fair Value	Carrying Amt	Fair Value
Financial Assets						
Inter - corporate deposits to related parties	-	-	929.96	929.96	906.79	906.79
Security deposits	252.92	252.92	252.75	252.75	241.15	241.15
Other non current assets	2.93	2.89	16.32	16.65	5.70	6.48
Financial Liabilities						
Non-current borrowings	11,136.63	10,500.88	11,795.61	10,618.93	13,698.50	12,554.43

40 Financial risk management

The Company's principal financial liabilities comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables, investments and cash and cash equivalents that are derived directly from its operations.

The Company is exposed to credit risk, market risk and liquidity risk. The Company's senior management oversees the management of these risks.

A Credit risk

The company is exposed to credit risk from its operating activities (primarily for trade receivables) and from its financing activities (deposits with banks and other financial instruments).

Credit risk management

To manage credit risk, the Company follows a policy of providing 0-90 days credit on the basis of nature of customers. The credit limit policy is established considering the current economic trends of the industry and geographies in which the company is operating.

However, the trade receivables are monitored on a periodic basis for assessing any significant risk of non-recoverability of dues and provision is created accordingly.

Bank balances and deposits are held with only high rated banks and majority of other security deposits are placed majorly with government agencies/public sector undertakings.

Age of receivables that are past due: (Rs. in lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Upto 3 months	15,546.22	12,421.77	11,196.32
3 - 6 months	4,075.93	2,895.44	3,073.39
6 - 12 months	3,595.77	3,084.87	4,163.08
More than one year	3,338.55	5,696.69	5,609.84
Total	26,556.47	24,098.77	24,042.63
Provision for expected credit loss created	(2,981.19)	(3,219.33)	(2,925.15)

B Liquidity risk

Liquidity risk is the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. This risk arises from obligations on account of the Company's financial liabilities such as borrowings, trade payables etc.

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

Liquidity risk management

The Company's corporate finance department is responsible for liquidity and funding management and settlement. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments at each reporting date:

Maturities of financial liabilities

(Rs. in lakhs)

As at 31 March 2018	Within 1 year	Between 1 and 2 years	Beyond 2 years	Total
Non-derivative				
Non-current borrowings (including current maturities)	4,250.63	1,864.91	5,021.09	11,136.63
Short term borrowings	9,228.03	-	-	9,228.03
Trade payables	11,149.93	-	-	11,149.93
Other current financial liabilities	3,701.48	-	-	3,701.48
Derivative				
Interest rate swap, foreign currency options and forward contract	143.73	90.19	78.80	312.72
Total	28,473.80	1,955.10	5,099.89	35,528.78

(Rs. in lakhs)

As at 31 March 2017	Within 1 year	Between 1 and 2 years	Beyond 2 years	Total
Non-derivative				
Non-current borrowings (including current maturities)	1,066.15	4,733.08	5,996.38	11,795.61
Short term borrowings	14,589.94	-	-	14,589.94
Trade payables	9,604.16	-	-	9,604.16
Other current financial liabilities	1,466.03	-	-	1,466.03
Derivative				
Interest rate swap, foreign currency options and forward contract	277.89	-	-	277.89
Total	27,004.17	4,733.08	5,996.38	37,733.63

(Rs. in lakhs)

As at 01 April 2016	Within 1 year	Between 1 and 2 years	Beyond 2 years	Total
Non-derivative				
Non-current borrowings (including current maturities)	7,650.04	2,578.97	3,469.49	13,698.50
Short term borrowings	16,478.32	-	-	16,478.32
Trade payables	8,519.60	-	-	8,519.60
Other current financial liabilities	1,524.97	-	-	1,524.97
Total	34,172.93	2,578.97	3,469.49	40,221.39

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

C Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: Foreign currency risk, interest rate risk and price risk.

(i) Foreign currency risk

The Company is exposed to foreign exchange risk on their receivables, payables and other financial obligations which are denominated in USD, EUR, Thai Baht, CHF and JPY. The fluctuation in the exchange rate of INR relative to these currencies may have a material impact on the company's assets and liabilities.

Foreign currency risk management

In respect of the foreign currency transactions, the company hedges substantial exposure via forward contracts and foreign currency options, remaining exposures are unhedged since the management believes that the same is insignificant in nature and also it will be offset by the corresponding receivables and payables which will be in the nature of natural hedge.

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

(Rs. in lakhs)

Particulars	31 March 2018				
	USD	EURO	THB	CHF	JPY
Financial liabilities					
Trade payables	131.60	571.52	-	12.16	629.98
Capital creditors	-	38.48	-	-	648.16
Loans Payable	4,843.17	1,028.03	-	-	-
Foreign currency option contracts	(3,364.68)	-	-	-	-
Financial assets					
Trade receivables	8,083.10	8,593.99	-	-	-
Inter corporate deposits to related parties (including interest receivable)	932.70	-	1,664.62	-	-
Balance with govt authorities	-	1,309.33	-	-	-
Bank balance in EEFC account	129.17	40.35	-	-	-
Forward contract receivable	(2,476.64)	(1,018.74)	-	-	-
Net exposure to foreign currency assets / (liabilities)	5,058.24	7,286.90	1,664.62	(12.16)	(1,278.14)

(Rs. in lakhs)

Particulars	31 March 2017				
	USD	EURO	THB	CHF	JPY
Financial liabilities					
Trade payables	268.58	641.33	-	10.79	740.38
Capital creditors	-	2.65	-	-	-
Loans Payable	4,828.64	4,586.19	-	-	-
Forward contract payable	(46.00)	(26.00)	-	-	(67.00)
Foreign currency option contracts	(3,356.40)	-	-	-	-
Financial assets					
Trade receivables	8,700.19	6,185.30	-	-	-
Inter corporate deposits to related parties (including interest receivable)	1,778.64	-	-	-	-
Balance with govt authorities	-	1,256.69	-	-	-
Bank balance in EEFC account	71.77	18.05	-	-	-
Forward contract receivable	(2,016.48)	(786.65)	-	-	-
Net exposure to foreign currency assets / (liabilities)	6,839.30	1,469.22	-	(10.79)	(673.38)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018
(Rs. in lakhs)

Particulars	01 April 2016				
	USD	EURO	THB	CHF	JPY
Financial liabilities					
Trade payables	1,358.25	464.48	-	58.23	553.66
Capital creditors	-	2.71	-	-	-
Loans Payable	10,878.82	1,328.92	-	-	-
Forward contract payable	(1,014.00)	-	-	-	-
Financial assets					
Trade receivables	8,931.91	6,637.69	-	-	-
Inter corporate deposits to related parties (including interest receivable)	2,227.60	-	194.30	-	-
Balance with govt authorities	-	1,673.22	-	-	-
Bank balance in EEFC account	16.25	-	-	-	-
Forward contract receivable	(1,820.17)	(591.56)	-	-	-
Net exposure to foreign currency assets / (liabilities)	(1,867.48)	5,923.24	194.30	(58.23)	553.66

Sensitivity to foreign currency risk

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

(Rs. in lakhs)

Currencies	31 March 2018		31 March 2017	
	Increase by 2%	Decrease by 2%	Increase by 2%	Decrease by 2%
USD	101.16	(101.16)	136.79	(136.79)
EUR	145.74	(145.74)	29.38	(29.38)
THB	33.29	(33.29)	-	-
CHF	(0.24)	0.24	(0.22)	0.22
JPY	(25.56)	25.56	(13.47)	13.47

Sensitivity analysis to foreign currency risk includes an exposure to foreign exchange fluctuations on long term foreign currency loans of \$37 lakhs equivalent to Rs. 2,404.72 lakhs (31 March 2017 - \$82.42 lakhs equivalent to Rs. 5,343.75 lakhs) that have been capitalised into the cost of the related assets and are expected to impact profit or loss over a period of 7 to 11 years in the form of adjustment to the depreciation charge.

(ii) Cash flow and fair value interest rate risk

The company's interest rate risk is mainly due to the long term borrowing acquired at floating interest rate. The Company's policy is to maintain most of its borrowing at fixed rate using interest rate swaps to hedge the exposure. During the year ended 31 March 2018 and 31 March 2017, the Company's borrowing at variable rate were mainly denominated in USD.

The fixed rate borrowing is carried at amortised cost, hence it is not subject to interest rate risk since the carrying amount and future cash flows will not fluctuate because of change in market interest rates.

The company's borrowing structure at the end of reporting period are as follows:

(Rs. in lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Variable rate borrowings	5,871.20	9,872.55	13,595.31
Fixed rate borrowings	14,493.46	16,513.00	16,581.51
Total	20,364.66	26,385.55	30,176.82

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

As at the end of the reporting period, the Company had the following variable rate borrowings and interest rate swap contracts outstanding: **(Rs. in lakhs)**

Particulars	31 March 2018		31 March 2017		01 April 2016	
	Balance	% of total loans	Balance	% of total loans	Balance	% of total loans
Variable rate loan	5,871.20	28.83%	9,872.55	37.42%	13,595.31	45.05%
Interest rate swaps	(4,843.17)	-23.78%	(4,828.64)	-18.30%	(4,611.74)	-15.28%
Net exposure to cashflow interest rate risk	1,028.03	5.05%	5,043.91	19.12%	8,983.57	29.77%

Sensitivity analysis - Variable rate borrowing **(Rs. in lakhs)**

Interest rate	Impact on profit before tax	
	31 March 2018	31 March 2017
Increase by 50 basis points	(0.76)	(1.35)
Decrease by 50 basis points	0.76	1.35

Sensitivity analysis - Interest rate swap **(Rs. in lakhs)**

Interest rate	Impact on profit before tax	
	31 March 2018	31 March 2017
Increase by 50 basis points	0.97	0.71
Decrease by 50 basis points	(0.97)	(0.71)

(iii) Price Risk

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

(Rs. in lakhs)

Sensitivity	31 March 2018	31 March 2017
Impact on profit before tax for 5% increase in value	28.42	25.21
Impact on profit before tax for 5% decrease in value	(28.42)	(25.21)

41 Capital Management

A Risk management

The Company's objectives when managing capital are to

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

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

B The capital composition is as follows: **(Rs. in lakhs)**

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Gross debt	20,364.65	26,385.54	30,176.82
Less: Cash and bank balances	(1,182.38)	(2,034.76)	(3,000.86)
Net debt (A)	19,182.28	24,350.79	27,175.96
Equity (B)	39,034.79	32,352.57	28,836.70
Gearing ratio (A / B) %	49.14%	75.27%	94.24%

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

C Loan covenants

With respect to the borrowings, there are standard covenants in the loan agreements between the lenders and the Company. These covenants are monitored by the Company on a regular basis. There has been no default on the financial covenants or on the loans by the Company.

D Dividends

(Rs. in lakhs)

	As at 31 March 2018	As at 31 March 2017
i) Equity Shares		
Interim dividend - Rs. 1.4 per fully paid up shares for 31 March 2018 (31 March 2017- INR 1.4 per fully paid share)	1,356.92	1,356.92
Dividend distribution tax on interim dividend	276.24	249.66

Dividends not recognised at the end of the reporting period

In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of Rs. 1.2 per fully paid equity share (31 March 2017 – Rs. Nil). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.

E Net debt reconciliation

(Rs. in lakhs)

Particulars	Short term borrowings (A)	Non Current borrowing incl. current maturities (B)	Cash and cash equivalents (C)	Net Debt (D)
Net debt as on 1 April 2017	14,589.94	11,795.61	2,034.76	24,350.78
Cash flows	(5,977.72)	(664.91)	(852.38)	(5,790.25)
Interest paid	(604.46)	(822.40)	-	(1,426.86)
Finance cost	604.46	822.40	-	1,426.86
Exchnage gain/loss	615.82	5.93	-	621.75
Net debt as on 31 March 2018	9,228.04	11,136.63	1,182.38	19,182.29

42 Investments in subsidiaries

(Rs. in lakhs)

Sr. No	Name of the Subsidiaries	Principal place of business and country of incorporation	Proportion of ownership interest 31 March 2018	Proportion of ownership interest 31 March 2017	Proportion of ownership interest 01 April 2016	Method of accounting
1	SNL Bearings Limited	India	73.45%	73.45%	73.45%	Cost
2	NRB Bearings Europe GmbH	Europe	100.00%	100.00%	100.00%	Cost
3	NRB Bearings (Thailand) Limited	Thailand	100.00%	100.00%	100.00%	Cost

As on the date of transition the company has measured the investments at deemed cost i.e. previous GAAP carrying amounts.

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

43 Related Party Disclosure:

As per Ind AS 24 "Related party Disclosures", disclosure of transactions with the related parties as defined in the Accounting Standard are given below:

I Names of related parties and description of relationship with the Company (where transactions have taken place during the year, except for control relationships where parties are disclosed irrespective of transactions)

Subsidiaries	SNL Bearings Limited NRB Bearings (Thailand) Limited NRB Bearings Europe GmbH
Individual having substantial interest in the voting power and the power to direct by agreement, the financial and operating policies of the Company.	Mr. T. S. Sahney, Chairman
Key Management Personnel (KMP)	Ms. H. S. Zaveri, Vice Chairman and Managing Director Mr. T. S. Sahney (Chairman. Executive upto 30 September 2016) Mr. S. C. Rangani, Executive Director and Company Secretary Mr. D. S. Sahney Mr. Tashwinder Singh Ms. A. A. Gowariker Mr. Ashank D. Desai Mr. Rustom Desai w.e.f. 23 January 2017
A firm where Chairman is a partner	New Indo Trading Company
Trust in which KMP has significant influence	Trilochan Singh Sahney Trust 1
A Company wherein Mr. T. S. Sahney, Chairman and Ms. H. S. Zaveri, Vice Chairman and Managing Director are directors and shareholders having Management Control.	NRB Industrial Bearings Limited

II Transactions with related parties during the year: (Rs. in lakhs)

Name of Related Party	Nature of Transaction	Volume of transaction		Receivable as at			Payable as at		
		31 March 2018	31 March 2017	31 March 2018	31 March 2017	01 April 2016	31 March 2018	31 March 2017	01 April 2016
SNL Bearings Limited	Sale of raw materials	47.93	17.23	-	-	-	-	-	-
	Purchase of raw materials	2,222.27	2,000.10	-	-	-	401.57	425.09	395.02
	Purchase of property plant and equipment	43.15	0.98	-	-	-	-	-	-
	Reimbursement of expense by the Company	6.72	-	-	-	-	-	-	-
	Dividend on cumulative redeemable preference shares	-	0.59	-	-	-	-	-	-
	Dividend received on equity share	-	80.60	-	-	-	-	-	-
	Proceeds from redemption of cumulative redeemable preference shares	-	25.00	-	-	25.00	-	-	-

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

Name of Related Party	Nature of Transaction	Volume of transaction		Receivable as at			Payable as at		
		31 March 2018	31 March 2017	31 March 2018	31 March 2017	01 April 2016	31 March 2018	31 March 2017	01 April 2016
NRB Bearings (Thailand) Limited	Sale of finished goods	642.97	633.45	858.76	3,947.15	4,372.97	-	-	-
	Purchase of raw materials	2,565.61	2,089.22	-	-	-	-	-	-
	Purchase of property plant and equipment	83.06	-	-	-	-	-	-	-
	Inter Corporate deposit given	1,536.00	-	-	-	-	-	-	-
	Inter Corporate deposit repayment received (Including interest received and foreign exchange adjustment)	899.24	534.24	-	-	-	-	-	-
	Interest income on Inter Corporate deposit	181.92	146.75	-	-	-	-	-	-
	Reimbursement of expenses to the Company	27.02	-	-	-	-	-	-	-
	Additional guarantee given (adjusted for foreign exchange fluctuation)	1,127.44	-	-	-	-	-	-	-
	Guarantee receivable	-	-	2,277.44	1,150.00	1,150.00	-	-	-
	Advances receivable	-	-	131.98	101.17	422.09	-	-	-
	Inter Corporate deposit receivable	-	-	2,597.32	1,778.64	2,166.13	-	-	-
NRB Industrial Bearings Limited	Sale of raw materials	117.30	151.37	-	-	-	-	-	-
	Purchase of raw materials	5.31	6.97	48.35	40.65	258.66	-	-	-
	Inter Corporate deposit repayment received	-	255.77	-	-	255.77	-	-	-
	Guarantee revoked	277.73	2,213.22	-	-	-	-	-	-
	Guarantee given by NRB Bearings Limited	-	-	139.27	417.00	2,630.22	-	-	-
NRB Bearings Europe GmbH	Sales promotion expenses	166.55	159.93	-	-	-	68.45	65.34	87.07
	Reimbursement of expenses to the Company	5.93	-	-	-	-	-	-	-
Trilochan Singh Sahney Trust 1 (shares held by a trustee in his individual name)	Dividend paid	487.61	500.36	-	-	-	487.61	-	-

III Additional disclosure pursuant to Circular CRD/GEN/2003/1 dated February 6, 2003 of The Stock Exchange, Mumbai
(Rs. in lakhs)

Name	Balance as at			Maximum amount outstanding during the year ended		
	31 March 2018	31 March 2017	01 April 2016	31 March 2018	31 March 2017	01 April 2016
Loans and advances (including interest receivable) in the nature of loans to subsidiary company -	-					
NRB Bearings (Thailand) Limited	2,597.32	1,778.64	2,166.13	3,109.00	2,024.41	2,421.90

No shares are held by the subsidiary in the Company.

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

Footnote:

- i) No amounts pertaining to related parties have been provided for as doubtful debts. Further, no amounts have either been written off or written back during the year.
- ii) Dividend paid/received has not been considered by the Company as a transaction falling under the purview of Accounting Standard 18 "Related Party Disclosures".
- iii) The guarantee given towards the borrowings availed by the subsidiary company was for the purpose of local sourcing of capital goods.

IV Key managerial personnel compensation (Rs. in lakhs)

Particulars	31 March 2018	31 March 2017
Short term employee benefits	548.69	551.72
Post-employment benefits	18.68	20.42
Total compensation*	567.37	572.14

* This aforesaid amount does not include benefits determined on actuarial basis as the same is not determinable for individuals.

44 Collateral / Security pledged

The carrying amount of assets pledged as security for current and non-current borrowings of the Company are as follows: (Rs. in lakhs)

Particulars	31 March 2018	31 March 2017	01 April 2016
Property, plant and equipment	6,150.51	8,360.22	11,026.90
Inventories and trade receivables	37,844.36	36,654.95	34,229.66
Total assets pledged	43,994.87	45,015.17	45,256.56

45 Contingent liabilities, Capital and other commitments (Rs. in lakhs)

	Particulars	31 March 2018	31 March 2017	01 April 2016
a	Contingent liabilities not provided for			
	Income Tax	753.63	1,823.42	1,712.53
	Sales Tax and Value Added Tax	323.24	283.03	316.30
	Stand by letter of credit given to bank on behalf of a subsidiary company	2,277.44	1,150.00	1,150.00
	Corporate guarantees issued on behalf of the Company	139.27	417.00	2,630.22
	The Company is in further appeal in respect of matters stated in income tax and sales tax matters			
b	Commitments			
	Estimated value of contracts remaining to be executed on capital account & not provided for (net of advances)	3,389.04	2,072.14	2,808.03

46 Employee benefits

As per Indian Accounting Standard-19 'Employee Benefits', the disclosure of Employee benefits as defined in the Standard are given below:

(A) Defined Contribution Plan: Amount of Rs. 578.53 lakhs (P.Y Rs. 571.15) lakhs is recognized as expense and included in Note No. 34 - Employee Benefits Expenses

(Rs. in lakhs)

	31 March 2018	31 March 2017
i) Employer's Contribution to Provident Fund	355.94	349.23
ii) Employer's Contribution to Family Pension Fund	122.55	120.24
iii) Employer's Contribution to Superannuation Fund	100.04	101.68
	578.53	571.15

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

(B) Defined Benefit Plan :

(1) Contribution to Gratuity fund (funded scheme)

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

i Actuarial assumptions (Rs. in lakhs)

Particulars	31 March 2018	31 March 2017
Expected return on plan assets	7.68% - 7.78%	7.00% - 7.39%
Discount rate (per annum)	7.68% - 7.78%	7.00% - 7.39%
Rate of salary increase	6% - 10%	6% - 10%
Rate of Employee Turnover	2% - 11%	2% - 11%
Mortality rate during employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Mortality Rate After Employment	N.A.	N.A.

ii Changes in the present value of defined benefit obligation (Rs. in lakhs)

Particulars	31 March 2018	31 March 2017
Present value of obligation at the beginning of the year	2,917.27	2,820.49
Interest cost	209.34	220.96
Current service cost	155.61	142.58
Actuarial (gain) /loss	(106.82)	(16.44)
Past service cost	-	-
Benefits paid	(217.46)	(250.32)
Present Value of obligation at the end of the year	2,957.94	2,917.27

iii Changes in the Fair value of Plan Assets (Rs. in lakhs)

Particulars	31 March 2018	31 March 2017
Fair value of plan assets at beginning of the year	2,890.66	2,451.19
Interest income	207.43	192.02
Contributions	26.61	369.30
Mortality charges and taxes	-	-
Benefits paid	(217.46)	(250.32)
Return on plan assets, excluding amount recognised in net interest expense	(21.86)	128.47
Actuarial (gain) /loss	-	-
Fair Value of Plan Assets at the end of the year	2,885.38	2,890.66

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018
iv Assets and liabilities recognised in the balance sheet (Rs. in lakhs)

Particulars	31 March 2018	31 March 2017
Present value of the defined benefit obligation at the end of the year	2,957.94	2,917.27
Less: Fair value of plan assets at the end of the year	(2,885.38)	(2,890.66)
Net liability recognised	72.56	26.61
Recognised under provisions		
Non Current provision	-	-
Current provisions	72.56	26.61
(Excludes Rs. 1.00 lakh (31 March 2017: Rs. 1.00 lakh) provided on fixed / actuarial basis)		

v Net interest cost for current period (Rs. in lakhs)

Particulars	31 March 2018	31 March 2017
Present Value of Benefit Obligation at the Beginning of the Period	2,917.27	2,820.49
Less: Fair Value of Plan Assets at the Beginning of the Period	(2,890.66)	(2,451.19)
Net Liability/(Asset) at the Beginning	26.61	369.30
Interest Cost	209.34	220.96
Interest Income	(207.43)	(192.02)
Net Interest Cost for Current Period	1.91	28.94

vi Expenses recognised in the Statement of Profit and Loss (Rs. in lakhs)

Particulars	31 March 2018	31 March 2017
Current Service Cost	155.61	142.58
Past Service Cost	-	-
Net interest (income)/ expense	1.91	28.94
Net gratuity cost recognised in the current year	157.52	171.52
Included in note 34 'Employee benefits expense'	157.52	171.52

vii Expenses recognised in the Statement of Other comprehensive income (OCI) (Rs. in lakhs)

Particulars	31 March 2018	31 March 2017
Actuarial (gains) / losses	(106.82)	(16.44)
Return on Plan Assets, Excluding Interest Income	21.86	(128.47)
Net (Income)/Expense For the Period Recognized in OCI	(84.96)	(144.91)

viii Reconciliation of Net asset / (liability) recognised: (Rs. in lakhs)

Particulars	31 March 2018	31 March 2017
Net asset / (liability) recognised at the beginning of the period	(26.61)	(369.30)
Company contributions	26.61	369.30
Benefits paid directly by company	-	-
Amount recognised in other comprehensive income	84.96	144.91
Expenses recognised at the end of period	(157.52)	(171.52)
Mortality charges and taxes	-	-
Net asset / (liability) recognised at the end of the period	(72.56)	(26.61)

ix Categories of Assets (Rs. in lakhs)

Particulars	31 March 2018	31 March 2017
Insurance fund	2,885.38	2,890.66
Total	2,885.38	2,890.66

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

x Sensitivity Analysis:

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

(Rs. in lakhs)

Particulars	31 March 2018	31 March 2017
Projected Benefit Obligation on Current Assumptions	2,957.94	2,917.27
Delta Effect of +1% Change in Rate of Discounting	(156.45)	(164.61)
Delta Effect of -1% Change in Rate of Discounting	176.33	186.33
Delta Effect of +1% Change in Rate of Salary Increase	175.55	184.78
Delta Effect of -1% Change in Rate of Salary Increase	(158.52)	(166.20)
Delta Effect of +1% Change in Rate of Employee Turnover	8.04	3.53
Delta Effect of -1% Change in Rate of Employee Turnover	(9.20)	(4.27)

xi Maturity Analysis of the Benefit Payments: From the Fund:

(Rs. in lakhs)

Projected Benefits Payable in Future Years From the Date of Reporting:	31 March 2018	31 March 2017
1st Following Year	285.92	333.02
2nd Following Year	426.73	289.34
3rd Following Year	272.09	362.07
4th Following Year	332.11	352.62
5th Following Year	1,389.88	252.43
Sum of Years 6 To 10	2,152.37	1,351.55

xii General descriptions of Significant Defined plans:

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

xiii Other Long Term Benefits:

Compensated absences recognized in the Statement of profit and loss for the current year, under the employee cost in Note 34, is Rs. 175.65 lakhs (31 March 2017 Rs. 139.44 lakhs).

47 Segment reporting

In accordance with Ind AS 108- 'Operating Segment', segment information has been given in the Consolidated Financial Statements of the Company, therefore, no separate disclosure on Segment information is given in these Financial Statements.

48 First time adoption of Ind AS

A First Ind AS Financial statements

These are the Company's first separate financial statements prepared in accordance with Ind AS applicable as at 31 March 2018.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 31 March 2018, the comparative information presented in these financial statements for the year ended 31 March 2017 and in the preparation of an opening Ind AS balance sheet at 1 April 2016 (the date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2014 and other relevant provisions of the Act (previous GAAP or Indian GAAP).

An explanation of how the transition from previous GAAP to Ind AS has affected the company's financial position, financial performance and cash flows is as follows:

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**i) Optional exemptions availed****Deemed cost**

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets and investment property covered by Ind AS 40 Investment Property.

Accordingly, the company has elected to measure all of its property, plant and equipment, intangible assets and investment property at their previous GAAP carrying value.

Business combinations

Ind AS 101 provides the option to apply Ind AS 103 prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combination prior to the transition date.

The company has availed the business combination exemption on first time adoption of Ind AS and accordingly the business combinations prior to date of transition have not been restated to the accounting prescribed under Ind AS 103 – Business combinations.

The company applies the requirements of Ind AS 103 – Business combinations to business combinations occurring after the date of transition to Ind AS

Investment in subsidiaries

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its subsidiaries as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

Accordingly, the company has elected to measure all of its investments in subsidiaries at their previous GAAP carrying value.

Long term foreign currency monetary items

A first time adopter may continue the policy adopted for accounting for exchange differences arising from translations of long-term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP.

Accordingly, the company has elected to continue the current accounting policy adopted for accounting of exchange differences arising from translation of long-term foreign currency monetary items.

ii) Mandatory exceptions applied**Estimates**

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP except where Ind AS required a different basis for estimates as compared to the previous GAAP.

De-recognition of financial assets and liabilities

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The company has applied the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

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

The company has classified its financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

Government loans

As per Ind AS 101, If a first-time adopter did not, under its previous GAAP, recognise and measure a government loan at a below-market rate of interest on a basis consistent with Ind AS requirements, it shall use its previous GAAP carrying amount of the loan at the date of transition to Ind AS the carrying amount of the loan in the opening Ind AS balance sheet. An entity shall apply Ind AS 101 to the measurement of such loans after the date of transition to Ind AS.

The Company has applied the above exception for its deferred sales tax loan and accounted the loan at its previous GAAP carrying value.

B First time adoption reconciliations

Reconciliation of equity from Previous GAAP to Ind AS

(Rs. in lakhs)

Particulars	Note	Equity as at 31 March 2017	Equity as at 01 April 2016
Equity as per previous GAAP		33,632.34	30,135.40
GAAP adjustments:			
Impact on account of financial asset measured at FVOCI	B.1	475.53	380.74
Impact on account of borrowings measured at amortised cost	B.2	10.82	13.30
Impact on fair valuation of derivative contract	B.3	(205.44)	(59.90)
Impact on account of provision for expected credit loss	B.4	(2,528.09)	(2,526.09)
Impact on account of fair valuation of mutual funds	B.5	22.67	18.98
Impact of deferred taxes on the above adjustments	B.7	940.98	899.20
Others		3.76	(24.93)
Total - GAAP adjustments		(1,279.77)	(1,298.70)
Equity as per Ind AS		32,352.57	28,836.70

Reconciliation of total comprehensive income / (loss) for the year 2016-17

(Rs. in lakhs)

Particulars	Note	31 March 2017
Net profit / (loss) after tax as per previous GAAP		5,103.53
GAAP adjustments:		
Measuring financial liability at amortised cost through effective interest rate method	B.2	(2.48)
Fair valuation of derivative contracts	B.3	(145.55)
Impact on account of provision for expected credit loss	B.4	(2.00)
Impact on account of fair valuation of mutual funds	B.5	3.69
Impact of recognising actuarial (gains) / losses on defined benefit obligations in OCI	B.6	(144.91)
Impact of deferred taxes on the above adjustments	B.7	91.93
Others		28.69
Total - GAAP adjustments		(170.63)
Net profit / (loss) after tax as per Ind AS		4,932.90
Impact on account of financial asset measured at FVOCI	B.1	94.79
Impact of recognising actuarial gains / losses on defined benefit obligations in other comprehensive income	B.6	144.91
Impact of deferred taxes on the above adjustments	B.7	(50.15)
Total comprehensive income / (loss) after tax as per Ind AS		5,122.45

All the adjustments on account of Ind AS are non-cash in nature, hence there is no material impact on the Statement of Cash flows.

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

Explanations to reconciliations

B.1	<p>Impact on account of financial asset measured at FVOCI</p> <p>Previous GAAP – Non-current investment are measured at cost less provision for other than temporary diminution in value.</p> <p>Ind AS – Investment in equity shares are financial assets. For the purposes of Ind AS 109, these will be accounted at fair value through other comprehensive income at each reporting date.</p> <p>Consequent to the change, the impact on equity at transition date and as at 31 March 2017 is Rs. 380.74 lakhs and Rs. 475.53 lakhs respectively and the impact in statement of OCI for the year ended 2016-17 is Rs. 94.79 lakhs.</p>
B.2	<p>Impact on borrowings accounted at amortised cost</p> <p>Previous GAAP – The borrowings are recorded at transaction value and transaction costs/processing fees is charged as finance cost to profit and loss in the year in which the cost is incurred.</p> <p>Ind AS – As per Ind AS 109, borrowings are financial liabilities which are initially recorded at fair value and subsequently at amortised cost as per effective interest rate method.</p> <p>Consequent to this change, the impact on equity at transition date is and as at 31 March 2017 is Rs.13.30 lakhs and Rs.10.82 lakhs respectively and an impact in statement of profit and loss for the year ended 2016-17 is Rs. (2.48) lakhs.</p>
B.3	<p>Impact on fair valuation of derivative contract</p> <p>Previous GAAP - Derivative contracts include foreign exchange forward contracts, interest rate swap and foreign currency option contracts. For forward contracts the premium or discount arising at the inception of foreign exchange forward contracts (except on contracts related to long term monetary item) entered into to hedge an existing assets or liability, were amortised as expense or income over the life of the contract. Exchange difference on such contract were recognised in the statement of profit and loss in the reporting period in which the exchange rate changes.</p> <p>For Interest rate swap and option contracts, Mark to market losses are accounted in profit and loss as and when incurred and gains are ignored.</p> <p>Ind AS - Under Ind AS, all derivatives are measured at fair value through profit and loss and mark-to-market gains or losses are recorded in the period when incurred.</p> <p>Consequent to the change, the impact on equity at the transition date and as at 31 March 2017 is Rs. (59.90) lakhs and Rs. (205.44) lakhs respectively and subsequently an impact of Rs. (145.55) lakhs was made in the statement of profit or loss for the year ended 31 March 2017.</p>
B.4	<p>Impact on account of creation of provision based on expected credit loss model</p> <p>Previous GAAP - The Company provides for doubtful debts based on the realization period and policy framed, based on the incurred loss model i.e. when there is an objective evidence of impairment.</p> <p>Ind AS - As per Ind AS 109, impairment loss shall be recognised as per the expected credit losses model on all financial assets (other than those measured at fair value)</p> <p>Consequent to the change, the impact on equity at the transition date and as at 31 March 2017 is Rs. (2,526.09) lakhs and Rs. (2,528.09) lakhs respectively and subsequently an impact of Rs. (2) lakhs was made in the Statement of profit or loss for the year ended 31 March 2017.</p>

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

B.5	<p>Impact on account of fair valuation of mutual funds</p> <p>Previous GAAP – Investments in mutual fund were classified as non current investments and accounted at cost less provision for other than temporary diminution in value..</p> <p>Ind AS – Under Ind AS, mutual funds are classified as financial assets and need to be recognised at fair value through profit and loss.</p> <p>Consequent to the change, the impact on equity at transition date and as at 31 March 2017 is Rs.18.98 lakhs and Rs. 22.67 lakhs respectively and the impact in statement of profit and loss for the year ended 2016-17 is Rs.3.69 lakhs.</p>
B.6	<p>Impact of recognising actuarial gains / (losses) on defined benefit obligations in other comprehensive income</p> <p>Previous GAAP - Actuarial gains / losses on defined benefit obligations are recognised in statement of profit and loss.</p> <p>Ind AS - Actuarial gains / losses on defined benefit obligations are recognised in other comprehensive income (OCI). Consequently, actuarial gain of Rs. 144.91 lakhs has been recognised in OCI during the year ended 31 March 2017.</p>
B.7	<p>Impact on account of deferred taxes</p> <p>The impact of transition adjustments together with Ind AS mandate of using balance sheet approach (against profit and loss approach in the previous GAAP) for computation of deferred tax has impacted the reserves on date of transition, with consequential impacts to the statement of profit and loss for the subsequent periods.</p> <p>Consequent to the change, the impact of Rs. 899.20 lakhs and Rs. 940.98 lakhs was made as on transition date and as at 31 March 2017 respectively. Further, Rs. (50.15) lakhs was reclassified from statement of profit and loss to OCI for the year ended 31 March 2017.</p>

49 Research & Development Expenses:

(Rs. in lakhs)

Particulars	31 March 2018	31 March 2017
(i) Charged to the statement of profit & loss	1,159.54	966.61
(ii) Capitalized to Property Plant and Equipments	86.39	18.99

50 Lease rentals

The Company has taken certain vehicles on operating lease. Lease rental charged to the statement of profit and loss for the year ended 31 March 2018 Rs. 69.30 lakhs (31 March 2017 - Rs. 69.30 lakhs). The minimum lease payments to be made in future as at the year end, in respect of non-cancellable lease are follows:

(Rs. in lakhs)

Particulars	31 March 2018	31 March 2017
For a period not later than one year	46.48	57.80
For a period later than one year and not later than five years	44.65	95.43
For a period later than five years	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**51 Earnings per share****(Rs. in lakhs)**

Particulars	31 March 2018	31 March 2017
Net Profit /(loss) after tax for the year	8,191.34	4,932.90
Profit / loss attributable to equity share holders	8,191.34	4,932.90
Weighted Average Number of equity shares outstanding during the year (Nos.)	96,922,600	96,922,600
Basic and Diluted Earnings Per Share (Rs.)	8.45	5.09
Face Value per Share (Rs.)	2.00	2.00

Note:

The Company does not have any outstanding dilutive potential equity shares as at 31 March 2018 and 31 March 2017. Consequently, basic and diluted earnings per share of the Company remains the same.

Notes 1 to 51 form an integral part of the financial statements

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

For Walker Chandiok & Co LLP

Chartered Accountants

Firm Registration No. 001076N / N500013

Adi P. Sethna

Partner

Membership No.: 108840

Place : Mumbai**Date : 21 May, 2018****For and on behalf of the Board of Directors****T. S. Sahney**

Chairman

DIN : 00003873

Tashwinder Singh

Director

DIN : 06572282

Place: Mumbai**Date: 21 May 2018****H. S. Zaveri**

Vice Chairman and

Managing Director

DIN : 00003948

Ashank Desai

Director

DIN : 00017767

S. C. Rangani

Executive Director and

Company Secretary

DIN : 00209069

Tanushree Bagrodia

Chief Financial Officer

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF NRB BEARINGS LIMITED

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of NRB Bearings Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), which comprise the Consolidated Balance Sheet as at 31 March 2018, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 ('the Act') that give a true and fair view of the consolidated state of affairs (consolidated financial position), consolidated profit or loss (consolidated financial performance including other comprehensive income), consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act. The Holding Company's Board of Directors and the respective Board of Directors/management of the subsidiaries included in the Group, are responsible for the design, implementation and maintenance of internal control 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. Further, in terms of the provisions of the Act, the respective Board of Directors/management of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets 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. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
4. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether these consolidated financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.
7. 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 paragraph 9 of the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on these consolidated financial statements.

Opinion

8. 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 subsidiaries, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs (consolidated financial position) of the Group as at 31 March 2018, and their consolidated profit (financial performance including other comprehensive income), their consolidated cash flows and consolidated changes in equity for the year ended on that date.

Other Matters

9. We did not audit the financial statements of two subsidiaries, whose financial statements reflect total assets of Rs. 4,779 lakhs as at 31 March 2018, total revenues of Rs. 3,948 lakhs and net cash outflows amounting to Rs. 44 lakhs for the year ended on that date, as considered in the consolidated financial statements. 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 these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforementioned subsidiaries, is based solely on the reports of the other auditors.

Further, both these subsidiaries are located outside India whose financial statements have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion on the above consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

10. The comparative consolidated financial information for the year ended 31 March 2017 and the transition date consolidated opening balance sheet as at 1 April 2016 prepared in accordance with Ind AS included in these consolidated financial statements, are based on the previously issued statutory financial statements for the year ended 31 March 2017 and 31 March 2016 respectively, prepared in accordance with Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) which were audited by the predecessor auditor whose reports dated 26 May 2017 and 24 May 2016 respectively, expressed unmodified opinion on those consolidated financial statements, and have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have been audited by us. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

11. 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 separate financial statements of the subsidiaries, we report, to the extent applicable, that:
- a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the 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 and reports of other auditors;
 - c) the consolidated financial statements 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 Ind AS specified under Section 133 of the Act;

- e) on the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of the subsidiary companies covered under the Act, none of the directors of the Group companies is disqualified as at 31 March 2018 from being appointed as a director in terms of Section 164(2) of the Act;
- f) with respect to the adequacy of the internal financial controls over financial reporting of the Holding Company, and its subsidiary companies covered under the Act and the operating effectiveness of such controls, refer to our separate report in 'Annexure A';
- g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements of the subsidiaries:
 - i. the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group as detailed in Note 47 to the consolidated financial statements;
 - ii. the Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies; covered under the Act;
 - iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016 which are not relevant to these consolidated financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

per **Adi P. Sethna**

Partner

Membership No.: 108840

Place: Mumbai

Date: 21 May 2018

Annexure A to the Independent Auditor's Report of even date to the members of NRB Bearings Limited, on the consolidated financial statements for the year ended 31 March 2018**Annexure A****Independent Auditor's report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

1. In conjunction with our audit of the consolidated financial statements of NRB Bearings Limited ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), as at and for the year ended 31 March 2018, we have audited the internal financial controls over financial reporting (IFCoFR) of the Holding Company and one of its subsidiary company, which are companies covered under the Act, as of that date.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding Company and one of its subsidiary company, which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") 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 the company's business, including adherence to the company's policies, the safeguarding of the company's assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

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

Meaning of Internal Financial Controls over Financial Reporting

6. A company's IFCoFR 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 IFCoFR 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

7. Because of the inherent limitations of IFCoFR, 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 IFCoFR to future periods are subject to the risk that the IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Holding Company and one of its subsidiary company, which are companies covered under the Act, have, in all material respects, adequate internal financial controls over financial reporting and such controls were operating effectively as at 31 March 2018, based on internal control over financial reporting criteria established by the Holding Company and one of its subsidiary company, which are companies covered under the Act, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

per **Adi P. Sethna**

Partner

Membership No.: 108840

Place: Mumbai

Date : 21 May, 2018

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2018
(Rs. in Lakhs)

	Particulars	Notes	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
I	ASSETS				
1	Non-current assets				
	Property, plant and equipment	2	25,836	24,598	25,806
	Capital work-in-progress		1,479	882	484
	Investment Properties	3	-	-	-
	Goodwill		48	48	48
	Other intangible assets	4	76	49	92
	Financial Assets				
	Investments	5	569	505	406
	Loans	6	269	267	252
	Other financial assets	7	28	42	32
	Current tax assets (net)	8	1,612	1,610	1,128
	Other non-current assets	9	1,185	2,286	2,190
	Total Non-Current Assets		31,102	30,287	30,438
2	Current assets				
	Inventories	10	15,803	17,228	14,471
	Financial Assets				
	Investments	11	872	107	-
	Trade receivables	12	23,344	19,365	19,947
	Cash and cash equivalents	13	1,278	2,158	3,121
	Bank balances other than cash and cash equivalents	14	1,599	90	77
	Loans	15	254	273	412
	Other financial assets	16	383	299	60
	Current tax assets	17	89	89	89
	Other current assets	18	6,312	2,432	2,373
	Total Current Assets		49,934	42,041	40,550
	Total assets		81,036	72,328	70,988
II	EQUITY AND LIABILITIES				
A	Equity				
	Equity share capital	19	1,938	1,938	1,938
	Other equity	20	35,858	28,460	24,696
	Equity attributable to owners of parent		37,796	30,398	26,634
	Non Controlling interest		769	548	408
	Total equity		38,565	30,946	27,042
B	Liabilities				
1	Non-current liabilities				
	Financial Liabilities				
	Borrowings	21	6,886	10,733	6,153
	Deferred tax liabilities (net)	23	578	359	258
	Other non-current liabilities	24	4	68	158
	Total Non-current liabilities		7,468	11,160	6,569
2	Current liabilities				
	Financial Liabilities				
	Borrowings	25	10,469	15,732	17,557
	Trade payables	26	11,872	9,942	8,435
	Other financial liabilities	27	8,267	2,834	9,244
	Current tax liability (net)	22	491	5	9
	Other current liabilities	28	2,959	918	865
	Provisions	29	945	791	1,267
	Total Current liabilities		35,003	30,222	37,377
	Total equity and liabilities		81,036	72,328	70,988

Notes 1 to 54 form an integral part of the consolidated financial statements

This is the Balance Sheet referred to in our audit report of even date

For **Walker Chandio & Co LLP**

Chartered Accountants

Firm Registration No. 001076N / N500013

Adi P. Sethna

Partner

Membership No.: 108840

Place : Mumbai
Date : 21 May, 2018

For and on behalf of the Board of Directors

T. S. Sahney

Chairman

DIN : 00003873

H. S. Zaveri

Vice Chairman and

Managing Director

DIN : 00003948

S. C. Rangani

Executive Director and

Company Secretary

DIN : 00209069

Tashwinder Singh

Director

DIN : 06572282

Ashank Desai

Director

DIN : 00017767

Tanushree Bagrodia

Chief Financial Officer

Place: Mumbai

Date: 21 May 2018

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

	Particulars	Notes	For the year ended 31 March, 2018	For the year ended 31 March, 2017
I	Revenue from operations	30	87,384	79,482
II	Other income	31	1,217	795
III	Total Income (I + II)		88,601	80,277
IV	Expenses			
	Cost of materials consumed	32	32,005	27,975
	Changes in inventories of work-in-progress, and finished goods	33	864	(777)
	Excise duty on sale of goods (refer note 30)		1,877	6,928
	Employee benefits expense	34	14,494	13,162
	Finance costs	35	1,415	1,703
	Depreciation and amortization expense	2 to 4	3,098	3,232
	Other expenses	36	21,319	20,521
	Total Expenses (IV)		75,072	72,744
V	Profit / (loss) before tax (III-IV)		13,529	7,533
VI	Income tax expense:	37		
	(i) Current Tax		4,164	2,174
	(ii) Deferred Tax		77	53
			4,241	2,227
VII	Net Profit After Tax (V-VI)		9,288	5,306
VIII	Other comprehensive income (OCI)	38		
	(i) Items that will not be reclassified to profit or loss		176	235
	(ii) Income tax relating to these items		(36)	(48)
	(i) Items that will be reclassified to profit or loss		(176)	(2)
	(ii) Income tax relating to these items		-	-
			(36)	185
IX	Total Comprehensive Income for the year (VII+VIII)		9,252	5,491
	Profit attributable to:			
	- Owners		9,071	5,165
	- Non controlling interest		217	141
	Other comprehensive income attributable to:			
	- Owners		(40)	186
	- Non controlling interest		4	(1)
	Total comprehensive income attributable to:			
	- Owners		9,031	5,351
	- Non controlling interest		221	140
X	Earnings per equity share:	54		
	Basic & Diluted (in Rs.)		9.36	5.33
	Face value per Share (in Rs.)		2.00	2.00

Notes 1 to 54 form an integral part of the consolidated financial statements

This is the Statement of Profit and Loss referred to in our audit report of even date

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm Registration No. 001076N / N500013

Adi P. Sethna

Partner

Membership No.: 108840

Place : Mumbai
Date : 21 May, 2018

For and on behalf of the Board of Directors

T. S. Sahney

Chairman

DIN : 00003873

Tashwinder Singh

Director

DIN : 06572282

Place: Mumbai

Date: 21 May 2018

H. S. Zaveri

Vice Chairman and

Managing Director

DIN : 00003948

Ashank Desai

Director

DIN : 00017767

S. C. Rangani

Executive Director and

Company Secretary

DIN : 00209069

Tanushree Bagrodia

Chief Financial Officer

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

(Rs. in Lakhs)			
	Particulars	As at 31 March 2018	As at 31 March 2017
A	Cash Flow From Operating Activities		
	Net Profit before tax as per Statement of Profit and Loss	13,529	7,533
	Adjustments for:		
	Depreciation and amortisation expense	3,098	3,232
	Foreign exchange loss/(gain)	(333)	(86)
	Fair valuation gain on derivative instrument measured at FVTPL	(46)	146
	Finance costs	1,415	1,703
	Interest income	(10)	(15)
	Dividend income	(21)	(10)
	Profit on sale of property plant and equipments (net)	(11)	-
	Fair valuation loss / (gain) on financial assets measured at FVTPL	(8)	(4)
	Provision for doubtful debts	485	297
	Changes in Foreign currency translation reserve	(176)	(2)
	Operating profit before working capital changes	17,922	12,794
	Adjustment for movements in:		
	Changes in working capital:		
	Adjustment for (increase)/ decrease in assets		
	- Trade receivables	(3,800)	271
	- Inventories	1,425	(2,757)
	- Bank balances other than cash and cash equivalents	(157)	(2)
	- Other non-current financial assets	12	(25)
	- Other current financial assets	(22)	(498)
	- Other non-current assets	743	195
	- Other current assets	(3,634)	(177)
	Adjustment in increase/ (decrease) in liabilities		
	- Other non-current liabilities	(64)	(90)
	- Other financial liabilities	237	269
	- Trade payables	1,984	1,470
	- Provisions	199	(383)
	- Other current liabilities	2,042	53
	Operating profit after working capital changes	16,887	11,120
	Direct taxes paid (net of refunds)	(3,539)	(2,612)
	Net cash generated from operating activities	13,348	8,508

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018
(Rs. in Lakhs)

	Particulars	As at 31 March 2018	As at 31 March 2017
B	Cash Flow From Investing Activities		
	Purchase of property, plant and equipment and intangible assets	(3,951)	(2,755)
	Sale proceeds of property, plant and equipment	14	43
	Purchase of mutual funds	(752)	(107)
	Refund of Inter - corporate deposits granted to related parties	-	250
	Interest income received	10	15
	Dividend income received	21	10
	Net Cash From Investing Activities	(4,645)	(2,544)
C	Cash Flow From Financing Activities		
	Proceeds from non-current borrowings	403	5,646
	Repayment of current borrowings (net)	(5,879)	(1,664)
	Repayment of non-current borrowings	(1,072)	(7,627)
	Finance costs paid (net)	(1,415)	(1,703)
	Interim dividend declared, deposited in separate bank account	(1,352)	-
	Bank balances towards unclaimed dividend	-	(11)
	Dividend paid	(5)	(1,322)
	Dividend distribution tax paid	(276)	(254)
	Net cash generated used in financing activities	(9,596)	(6,935)
	Net (Decrease) in Cash and Cash Equivalents (A+B+C)	(893)	(971)
	Add: Balance of Cash and Cash Equivalents at the Beginning of the Year	2,158	3,121
	Add: Effects of exchange rate changes on cash and cash equivalents	13	8
	Closing balance of Cash and Cash Equivalents (Refer note 13)	1,278	2,158
	Components of Cash and Cash Equivalents:		
	Cash on Hand	3	3
	Balances with banks on current accounts	1,275	2,155

Notes:

- The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows. Effective 1 April 2017, the Group adopted the amendment to Ind AS 7, which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement.

Notes 1 to 54 form an integral part of the consolidated financial statements

This is the Consolidated Statement of Cash Flow referred to in our audit report of even date

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm Registration No. 001076N / N500013

Adi P. Sethna

Partner

Membership No.: 108840

Place : Mumbai

Date : 21 May, 2018

For and on behalf of the Board of Directors

T. S. Sahney

Chairman

DIN : 00003873

Tashwinder Singh

Director

DIN : 06572282

Place: Mumbai

Date: 21 May 2018

H. S. Zaveri

Vice Chairman and

Managing Director

DIN : 00003948

Ashank Desai

Director

DIN : 00017767

S. C. Rangani

Executive Director and

Company Secretary

DIN : 00209069

Tanushree Bagrodia

Chief Financial Officer

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2018
A. Equity share capital
(Rs. in lakhs)

Equity share capital	Note No.	Number of shares	Amount
As at 01 April 2016	19	96,922,600	1,938
Changes during the year		-	-
As at 31 March 2017		96,922,600	1,938
Changes during the year		-	-
As at 31 March 2018		96,922,600	1,938

B. Other equity (Refer note 20)

Particulars	Reserves and surplus						Fair Value of Equity Instruments through OCI	Foreign currency translation reserve	Total other equity	Non-controlling interest	Total
	Securities premium	General reserve	Capital reserve	Capital redemption reserve	Debt Redemption reserve	Retained earnings					
Opening balance as at 01 April 2016	848	9,475	15	986	750	12,240	382	-	24,696	408	25,104
Transactions during the year									-		-
Net profit / (loss) for the year	-	-	-	-	-	5,165	-	-	5,165	141	5,306
Other comprehensive income / (loss) for the year				-	-	93	95	(2)	186	(1)	185
Less: Interim dividend (Rs. 1.4 per equity share)	-	-	-	-	-	(1,333)	-	-	(1,333)	-	(1,333)
Less: Dividend distribution tax on Interim dividend	-	-	-	-	-	(254)	-	-	(254)	-	(254)
Less: Transfer to debt redemption reserve	-	-	-	-	1,250	(1,250)	-	-	-	-	-
Less: Transfer to capital redemption reserve	-	-	-	25	-	(25)	-	-	-	-	-
Balance as at 31 March 2017	848	9,475	15	1,011	2,000	14,636	477	(2)	28,460	548	29,008
Transactions during the year											-
Net profit / (loss) for the year	-	-	-	-	-	9,071	-	-	9,071	217	9,288
Other comprehensive income / (loss) for the year						67	69	(176)	(40)	4	(36)
Less: Interim dividend (Rs. 1.4 per equity share)	-	-	-	-	-	(1,357)	-	-	(1,357)		(1,357)
Less: Dividend distribution tax on Interim dividend	-	-	-	-	-	(276)	-	-	(276)		(276)
Less: Transfer from retained earnings to debt redemption reserve	-	-	-		1,250	(1,250)	-	-	-		-
Balance as at 31 March 2018	848	9,475	15	1,011	3,250	20,891	546	(178)	35,858	769	36,627

Notes 1 to 54 form an integral part of the consolidated financial statements

For Walker Chandio & Co LLP

Chartered Accountants

Firm Registration No. 001076N / N500013

Adi P. Sethna

Partner

Membership No.: 108840

Place : Mumbai
Date : 21 May, 2018
For and on behalf of the Board of Directors
T. S. Sahney

Chairman

DIN : 00003873

Tashwinder Singh

Director

DIN : 06572282

Place: Mumbai

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H. S. Zaveri

Vice Chairman and

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Director

DIN : 00017767

S. C. Rangani

Executive Director and

Company Secretary

DIN : 00209069

Tanushree Bagrodia

Chief Financial Officer

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**Note 1****Significant accounting policies and other explanatory information for the year ended March 31, 2018****I. Company information**

NRB Bearings Limited ('the Company' or the 'Parent Company'), and its subsidiaries are mainly engaged in the manufacturing and marketing of bearing products. The registered and corporate office of the company is situated at Dhannur, 15, Sir P. M. Road, Fort, Mumbai 400 001, Maharashtra.

The consolidated financial statements (hereinafter referred to as "CFS") for the year ended 31 March 2018 were approved by Board of Directors and authorised for issue on 21 May 2018.

II. Basis of Preparation

The group has prepared its consolidated financial statements to comply in all material respects with the provisions of the Companies Act, 2013 (the Act) and rules framed thereunder and the guidelines issued by Securities and Exchange Board of India. In accordance with the notification issued by the Ministry of Corporate Affairs, the group has adopted Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 under Section 133 of the Act, with effect from 1 April 2017. Till 31 March 2017, the group used to prepare its financial statements as per Companies (Accounting Standards) Rules, 2014 (Previous GAAP) read with rule 7 and other relevant provisions of the Act. There are the first Ind AS Financial Statements of the group. The transition from Previous GAAP to Ind AS has been accounted for in accordance with Ind AS 101 "First Time Adoption of Indian Accounting Standards", with 1 April 2016 being the transition date and balance for the comparative period have been restated accordingly. AS per Ind AS 101, the group has presented a reconciliation of its transition Previous GAAP to Ind AS of its total equity as at 1 April 2016 and 31 March 2017 and reconciliation of total comprehensive income and cash flow for the year ended 31 March 2017. Please refer note 50 and 51 for detailed information on the transition.

III Significant accounting policies**a. Principles of Consolidation of subsidiary**

The CFS incorporates the financial statements of NRB Bearings Limited (Parent) and entities controlled by parent and its subsidiaries.

Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that the control ceases.

The group combines the financial statements of the parent and its subsidiaries, line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. The financial statements of the parent company and its subsidiaries have been consolidated using uniform accounting policies. When necessary, adjustments are made to the financial statements of the subsidiaries to bring their accounting policies in line with the Group's accounting policies. The financial statements of the subsidiary companies used in the consolidation are drawn upto the same reporting date as that of the parent i.e. year ended 31 March 2018.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

Refer note 43 for the list of subsidiaries considered in the CFS.

b. Foreign Currency Transactions

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Indian Rupee (INR), which is parent's functional and presentation currency.

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

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

Foreign currency monetary items are reported using the closing exchange rates. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

Exchange differences on monetary items are recognised in Statement of Profit and Loss in the period in which they arise except for: exchange difference arising on settlement / restatement of long-term foreign currency monetary items recognized in the financial statements for the year ended March 31, 2017 prepared under previous GAAP, are capitalized as a part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets. If such monetary items do not relate to acquisition of depreciable fixed assets, the exchange difference is amortised over the maturity period / upto the date of settlement of such monetary item, whichever is earlier and charged to the Statement of Profit and Loss. The un-amortised exchange difference is carried under other equity as "Foreign currency monetary item translation difference account" net of tax effect thereon, where applicable.

c. Revenue Recognition

Revenue is measured at the fair value of consideration received or receivable. Revenue is recognised only when it can be reliably measured and it is probable that future economic benefits will flow to the group.

d. Other Income

Interest income for all debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Dividend are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the group, and the amount of the dividend can be measured reliably. Interest income is recognised using effective interest method.

e. Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period.

Deferred income tax is provided in full, using the balance sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

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

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

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

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

f. Leases**As a lessee**

Leases where the Group is a lessee and has substantially all the risks and rewards of ownership of the leased assets are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

As a lessor

Lease income from operating leases where the group is a lessor is recognised in income on a straightline basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

g. Impairment of non-financial assets

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

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

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

h. Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**i. Trade receivable**

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

j. Inventories

Raw Material and components, work in progress, Finished Goods and Traded goods are stated at "cost or net realisable value whichever is lower". Good in transit are stated at cost. Cost formulae used is weighted average cost. Due allowance is estimated and made for defective and obsolete items, wherever necessary, based on the past experience of the group.

Cost comprises of all cost of purchase, cost of conversion and other cost incurred in bringing the inventories to their present location and condition.

Costs of conversion and other costs are determined on the basis of standard cost method adjusted for variances between standard costs and actual costs, unless such costs are specifically identifiable, in which case they are included in the valuation at actuals.

k. Investments and financial assets**Classification**

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

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

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

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

Measurement

At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

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

Measurement of debt instruments

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

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

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

Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains / (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

- **Fair value through profit or loss:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains / (losses) in the period in which it arises. Interest income from these financial assets is included in other income.

Measurement of equity instruments

The group subsequently measures all equity investments at fair value. Where the group has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/ (losses) in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Impairment of financial assets

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

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

De-recognition of financial assets

A financial asset is derecognised only when

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

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

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

I. Derivatives

The Group enters into certain derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through profit or loss and are included in other gains / (losses).

m. Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the group or the counterparty.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018
n. Property plant and equipment (including Capital Work-in-Progress)

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

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

Schedule II to the Companies Act, 2013 prescribes useful lives for property, plant and equipments and allows Companies to use higher/lower useful lives and residual values if such useful lives and residual values can be technically supported and justification for difference is disclosed in the financial statements. The management believes that the depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of property, plant and equipment.

Depreciation/ amortisation on fixed assets has been provided on the straight-line method as per the useful life assessed based on technical advice, taking into account the nature of the asset, the estimated use of the asset on the basis of management's best estimation of getting economic benefits from those class of assets.

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

Class of asset	Revised useful life based on SLM (Range)		
	Parent	SNL Bearings Ltd	NRB Bearings Ltd (Thailand)
Leasehold land	60 - 90 years	NA	NA
Buildings and flats / Building on leasehold land	15 – 50 years	15-50 years	30 years
Plant and equipment	3 – 30 years	4 - 30 years	NA
Furniture and fixtures	3 – 10 years	6 years	5 years
Office equipment / Factory equipment	3 – 10 years	3 - 10 years	5 years
Electrical installations	5 – 20 years	15 years	10 years
Vehicles	5 years	6 - 8 years	NA
Land improvement	NA	NA	10 years
Machinery	NA	NA	20 years
Computers	NA	NA	5 years
Intangibles	3 years	3 years	5 years

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

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

o. Investment Properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not used by the Group for business purposes, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Investment properties are depreciated using the straight-line method over their estimated useful lives. Investment properties generally have a useful life of 25-40 years. The useful life has been determined based on technical evaluation performed by the management's expert.

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

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

p. Intangible Assets

Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the intangible assets.

Identifiable intangible assets are recognised when it is probable that future economic benefits attributed to the asset will flow to the group and the cost of the asset can be reliably measured.

Computer softwares are capitalised at the amounts paid to acquire the respective license for use and are amortised over the period of useful lives or period of three years, whichever is less. The assets' useful lives are reviewed at each financial year end.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

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

q. Borrowings and other financial liabilities

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

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

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss. The gain / loss is recognised in other equity in case of transaction with shareholders.

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

r. Borrowing Costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time the assets are substantially ready for their intended use. All other borrowing costs are recognised as an expense in Profit or Loss in the period in which they are incurred.

s. Provisions, Contingent Liabilities and contingent assets

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**t. Employee Benefits**

Short term obligations: Short term employee benefits are recognised as an expense at the undiscounted amount in the statement of profit and loss of the year in which the related service is rendered.

Other long term employee benefit obligations:

Compensated absences: The Group provides for the encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment/availment. The Group makes provision for compensated absences based on an actuarial valuation by actuary. Actuarial gains and losses arising on the measurement of defined benefit obligation is charged/credited to Profit and loss account.

Post employment obligations:

The Group operates the following post employment schemes:

Defined benefit plans:

- i) Gratuity: The Group has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Group has obtained insurance policies with the Life Insurance Corporation of India (LIC) and makes an annual contribution to LIC. The Group makes provision for gratuity based on an actuarial valuation done as per projected unit credit method by an actuary. Actuarial gains and losses arising on the remeasurement of defined benefit obligation is charged/ credited to other comprehensive income.
- ii) Provident fund: For certain employees, the monthly contribution for Provident Fund is made to a Trust administered by the Group. Both the eligible employees and the Group make monthly contributions to the provident fund equal to a specified percentage of the covered employee's salary. The Group contributes a portion to the Employees' Provident Fund Trust ('The PF trust'). The PF trust invests in specific designated instruments as permitted by Indian Law. The rate at which the annual interest is payable to the beneficiaries by the PF trust is being administered by the Government. The Group has an obligation to make good the shortfall, if any, between the return from the investments of the PF trust and the notified interest rate. The Group makes provision for Provident fund based on an actuarial valuation done as per projected unit credit method by an actuary. Actuarial gains and losses on shortfall, if any, arising on the remeasurement of defined benefit obligation is charged/ credited to other comprehensive income.

Defined contribution plans:

- i) Provident fund and family pension fund: Defined contribution plans such as Provident Fund and family pension fund are charged to the Statement of Profit and Loss as incurred. The Group's contribution to Provident Fund and family pension fund is determined based on a fixed percentage of the eligible employees' salary and charged to the Statement of Profit and Loss on accrual basis. The Group's contributions to Defined Contribution Plan are charged to the statement of profit and loss as incurred. The Group does not have any obligation other than the contribution made to the fund administered by the government.

u. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss (excluding other comprehensive income) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events such as bonus issue, bonus element in a right issue, shares split and reserve share splits (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss (excluding other comprehensive income) for the year attributable to equity share holders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

v. Operating Cycle

Based on the nature of products / activities of the Group and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Group has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**w. Contributed equity**

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

x. Critical estimates and judgements

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

The Management believes that these estimates are prudent and reasonable and are based upon the Management's best knowledge of current events and actions. Actual results could differ from these estimates and differences between actual results and estimates are recognised in the periods in which the results are known or materialised.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed.

i) Property, plant and equipment, Investment Properties and Intangible Assets:

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

ii) Income Tax:

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

iii) Contingencies:

The Group has estimated the possible outflow of resources at the end of each annual reporting financial year, if any, in respect of contingencies/claim/litigations against the Group as it is not possible to predict the outcome of pending matters with accuracy.

iv) Impairment of financial assets:

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

v) Impairment of non-financial assets:

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Units (CGU) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent to those from other assets or Groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

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

vi) Defined benefit obligation

The cost of post-employment benefits is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rate of return on assets, future salary increases and mortality rates. Due to the long term nature of these plans such estimates are subject to significant uncertainty. The assumptions used are disclosed in Note 48.

x. Standard issued but not yet effective**Ind AS 115**

On 28 March 2018, the Ministry of Corporate Affairs (MCA), in consultation with the National Advisory Committee on Accounting Standards, has issued Companies (Indian Accounting Standards) Amendment Rules, 2018 to amend the Companies (Indian Accounting Standards) Rules, 2015. This results in introduction of Ind AS 115, Revenue from Contracts with customers, that comprehensively revamps the revenue recognition guidance. Consequently, Ind AS 18 and Ind AS 11 have been withdrawn, and other standards are suitably modified. The amendment is applicable to the group from 01 April 2018. The group is currently assessing the potential impact of this amendment.

Appendix B of Ind AS 21

This appendix is for determining the date of transaction where the entity has received / paid any foreign currency advances. This appendix states that the date of transaction shall be the date on which such advance is received or paid. Therefore these non-monetary advances will not be restated at the time of their adjustment against the particular transaction. The group is currently assessing the potential impact of this amendment.

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

2 Property, plant and equipment

(Rs. in Lakhs)

Particulars	Free Hold Land	Lease hold Land	Buildings & Flats	Plant & Machinery	Furniture & Fixtures	Office equipment	Electrical Installation	Vehicles	Total
Gross carrying amount									
As at 01 April 2016	258	179	9,128	47,080	919	458	1,116	527	59,665
Additions	-	-	126	1,446	46	303	98	-	2,019
Foreign currency translation reserve	-	-	(1)	(5)	(1)	-	(1)	-	(8)
Disposals	-	-	9	297	-	12	73	-	391
As at 31 March 2017	258	179	9,244	48,224	964	749	1,140	527	61,285
Additions	-	-	347	3,239	45	99	128	172	4,030
Foreign currency translation reserve	21	1	70	299	32	2	20	-	445
Disposals	-	-	-	-	-	1	-	187	188
As at 31 March 2018	279	180	9,661	51,762	1,041	849	1,288	512	65,572
Accumulated Depreciation									
As at 01 April 2016	-	26	1,984	29,515	617	415	955	347	33,859
Depreciation charge for the year	-	-	187	2,709	127	53	49	50	3,175
Foreign currency translation reserve	-	-	(1)	2	(1)	-	1	-	1
Disposals	-	-	7	259	-	12	70	-	348
As at 31 March 2017	-	26	2,163	31,967	743	456	935	397	36,687
Depreciation charge for the year	-	4	194	2,629	21	83	60	66	3,057
Foreign currency translation reserve	-	1	25	109	27	2	13	-	177
Disposals	-	-	-	-	-	-	-	185	185
As at 31 March 2018	-	31	2,382	34,705	791	541	1,008	278	39,736
Net Carrying value									
As at 01 April 2016	258	153	7,144	17,565	302	43	161	180	25,806
As at 31 March 2017	258	153	7,081	16,257	221	293	205	130	24,598
As at 31 March 2018	279	149	7,279	17,057	250	309	280	234	25,836

Footnotes:

- Buildings and flats include:
 - Shares in respect of residential premises of a cost of Rs. 2 lakhs (31.03.2017 Rs. 2 lakhs; 31.03.2016 Rs. 2 lakhs) in a co-operative society which is in the process of being transferred in the name of the Holding Company.
 - Cost of shares of an aggregate face value of Rs. 750 (31.03.2017 Rs. 750; 31.03.2016 Rs. 750) in co-operative housing societies viz. 5 shares of Rs. 50 each in Vile Parle Vatika Cooperative Housing Society Limited, 5 shares of Rs. 50 each in The Ganesh Villa Co-operative Housing Society Limited and 5 shares of Rs. 50 each in Vinayak Bhavan Cooperative Housing Society Limited.
- The title deeds/ leasehold right of Land and Buildings, having gross carrying amount aggregating Rs.61 lakhs (31.03.2017 - Rs. 61 lakhs; 01.04.2016 - Rs. 218 lakhs) and net carrying amount aggregating Rs. 60 lakhs as at 31.03.2018 (31.03.2017 -Rs. 60 lakhs; 01.04.2016 - Rs. 201 lakhs), have been transferred to and vested in the Company, pursuant to the Schemes of Amalgamation/Arrangement and the procedural formalities for changing the name of the Company is in process.
- The above amounts includes adjustment of foreign exchange loss aggregating to Rs. 6 lakhs (31 March 2017- Rs. 5 lakhs) against the carrying value of fixed assets. The balance amount, based on aforesaid adjustments, of plant and machinery to be amortised, as at the year-end, aggregates Rs. 1,258 lakhs (31 March 2017- Rs. 1,436 lakhs).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018
3 Investment Properties
(Rs. in Lakhs)

Particulars	Buildings and flats	Total
Gross carrying amount values *		
As at 01 April 2016	41	41
As at 31 March 2017	41	41
As at 31 March 2018	41	41
Accumulated Depreciation *		
As at 01 April 2016	41	41
As at 31 March 2017	41	41
As at 31 March 2018	41	41
Net carrying value		
As at 01 April 2016	-	-
As at 31 March 2017	-	-
As at 31 March 2018	-	-

* There is no addition and disposal to the gross block and depreciation charge for the year ended 31 March 2018 and 31 March 2017.

3.1 Fair value of Investment Property
(Rs. in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Buildings and flats	1,729	1,636	900
Total	1,729	1,636	900

3.2 Income from Investment property generating Rental Income
(Rs. in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
Rental Income derived from investment properties	118	109
Direct Operating expenses from property (including repairs and maintenance) that generated rental income	1	1
Direct Operating expenses from property (including repairs and maintenance) that did not generate rental income	-	-
Income arising from investment properties before depreciation	116	107
Depreciation	-	-
Income from Investment properties (Net)	116	107

3.3 Estimation of fair value of investment properties:

The fair valuation is based on current prices in the active market for similar properties. The main inputs used are quantum, area, location, demand, age of building and trend of fair market rent, ready reckoner rate etc.

This fair value is based on valuations performed by an accredited independent valuer. The fair value measurement is categorised in level 2 fair value hierarchy.

3.4 The carrying value as at 1 April, 2016 as per previous GAAP of the Investment Properties is considered as a deemed cost on the date of transition.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018
4 Intangible assets
(Rs. in Lakhs)

Particulars	Software	Total
Gross carrying value		
As at 01 April 2016	647	647
Additions	14	14
Foreign currency translation reserve *	-	-
Disposals	-	-
As at 31 March 2017	661	661
Additions	71	71
Foreign currency translation reserve	(2)	(2)
Disposals	-	-
As at 31 March 2018	730	730
Accumulated Amortisation		
As at 01 April 2016	555	555
Charge for the year	57	57
Foreign currency translation reserve *	-	-
Disposals	-	-
As at 31 March 2017	612	612
Charge for the year	41	41
Foreign currency translation reserve *	1	1
Disposals	-	-
As at 31 March 2018	655	655
Net carrying value		
As at 01 April 2016	92	92
As at 31 March 2017	49	49
As at 31 March 2018	76	76

* Amount lower than Rs. 100,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018
5 Investments
(Rs. in Lakhs)

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	Quantity (Nos.)	Amount	Quantity (Nos.)	Amount	Quantity (Nos.)	Amount
(i) Investment in Equity shares (fully paid-up)						
Equity investment measured at fair value through other comprehensive income						
a. Quoted						
Indusind Bank Limited (Rs. 10 paid up each)	8,541	155	8,541	122	8,541	83
Eicher Motors Limited (Rs. 10 paid up each)	600	170	600	154	600	115
Hero Motocorp Limited (Rs. 2 paid up each)	6,250	221	6,250	201	6,250	184
b. Unquoted						
21st Century Battery Limited (Rs. 10 paid up each)	10,000	1	10,000	1	10,000	1
Less: Provision for impairment in value		(1)		(1)		(1)
Total investment in equity shares		546		477		382
(ii) Investment in mutual funds measured at fair value through profit and loss (Unquoted)						
DSP Black Rock Equity Fund	50,000	23	50,000	28	50,000	24
Total non-current investments		569		505		406

Notes
Aggregate amount of quoted investments and market value thereof
547
477
382
Aggregate amount of unquoted investments (gross)
24
29
25
Aggregate amount of impairment in the value of investments
(1)
(1)
(1)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018
(Rs. in Lakhs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
NON CURRENT			
6 Loans			
Unsecured, considered good			
Security Deposits	269	267	252
Total	269	267	252
7 Other financial assets			
Margin money deposits with the maturity of more than 12 months	2	16	6
Security deposits	26	26	26
Total	28	42	32
8 Current tax assets (net)			
Advance taxes paid *	1,612	1,610	1,128
Total	1,612	1,610	1,128
*Net of provision for tax 31 Mar 2018 Rs. 18,692 lakhs; 31 Mar 2017 Rs. 18,852 lakhs and 1 April 2016 Rs. 16,428 lakhs			
9 Other non-current assets			
Capital Advances	655	1,013	722
Prepayments	17	34	4
Balance with government authorities	-	685	993
Advance sales tax	477	518	419
Others	36	36	52
Total	1,185	2,286	2,190
CURRENT			
10 Inventories			
Raw materials and components *	4,478	5,406	4,124
Work-in-progress	4,421	3,817	3,196
Finished goods	3,577	5,045	4,889
Stores & Spares	3,327	2,960	2,262
Total	15,803	17,228	14,471

* Includes Goods-in-transit as on 31 March 2018 Rs. 129 lakhs, 31 March 2017 Rs. 326 lakhs and 1 April 2016 Rs. 58 lakh

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018
11 Investments (Current)
(Rs. in Lakhs)

	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	Quantity (Nos.)	Amount	Quantity (Nos.)	Amount	Quantity (Nos.)	Amount
Investment in Mutual Funds Measured at fair value through profit and loss (unquoted):						
HDFC liquid fund - regular plan - Dividend - Daily reinvest	-	-	3,475	35	-	-
Kotak Low Duration Fund Standard weekly dividend (Regular plan)	3,674	37	3,513	36	-	-
Reliance liquid fund - treasury plan - daily dividend option dividend reinvestment	2,433	37	2,330	36	-	-
Aditya Birla Sun Life Floating Rate Fund - Growth	112,471	261	-	-	-	-
Aditya Birla Sun Life Short Term Fund	152,384	102	-	-	-	-
HDFC Treasury Advantage Plan fund	4,318,271	435	-	-	-	-
Total		872		107		-

(Rs. in Lakhs)
12 Trade receivables

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Secured, considered good	68	195	164
Unsecured, considered good	23,276	19,170	19,783
Unsecured, considered doubtful	2,987	3,232	2,935
Less : Provision for doubtful debts	(2,987)	(3,232)	(2,935)
Total	23,344	19,365	19,947

13 Cash and cash equivalents
(Rs.inLakhs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Balances with banks			
- Current Accounts	1,105	2,065	1,780
- EEFC Account	170	90	16
Deposits with the original maturity of less than three months	-	-	1,300
Cheques on Hand	-	-	22
Cash on Hand	3	3	3
Total	1,278	2,158	3,121

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018
(Rs. in Lakhs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
14 Bank balances other than cash and cash equivalents			
Margin money deposits (Fixed deposit pledge with banks)	116	61	52
Deposits with maturity of more than 3 months but less than 12 months	102	-	7
Unpaid dividend (refer note below)	1,381	29	18
Total	1,599	90	77
Footnote:			
Includes interim dividend declared on 20 March 2018, deposited in separate bank account Rs. 1,357 lakhs.			
15 Loans			
Unsecured, considered good			
Inter Corporate Deposit (Refer note 45)	-	-	250
Loans and Advances to employees	85	96	76
Security Deposits	152	157	50
Other Loans and Advances	17	20	36
Total	254	273	412
16 Other financial assets			
Interest accrued on fixed deposits	3	-	-
Derivative Assets	380	299	60
Total	383	299	60
17 Current tax assets			
Income tax refund	89	89	89
Total	89	89	89
18 Other current assets			
Advances recoverable in kind for value to be received	6	4	-
Export incentive and duty drawback receivable	925	529	353
Advance to suppliers	698	367	285
Balance with government authorities	4,245	1,177	1,377
Prepayments	416	355	358
Gratuity (Refer note 48)	22	-	-
Total	6,312	2,432	2,373

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018
(Rs. in Lakhs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
19 Equity share capital			
Authorised:			
100,000,000 (31 March 2017 and 01 April 2016: 100,000,000) Equity Shares of Rs. 2 each	2,000	2,000	2,000
Total	2,000	2,000	2,000
Issued, Subscribed and Paid-Up:			
96,922,600 (31 March 2017 and 01 April 2016: 96,922,600) Equity Shares of Rs. 2 each fully paid up	1,938	1,938	1,938
Total	1,938	1,938	1,938

(i) Reconciliation of number of Equity Shares outstanding at the beginning and at the end of the year:

Particulars	2017-18		2016-17		2015-16	
	(In Nos.)	(Rs. in lakhs)	(In Nos.)	(Rs. in lakhs)	(In Nos.)	(Rs. in lakhs)
Shares outstanding at the beginning of the year	96,922,600	1,938	96,922,600	1,938	96,922,600	1,938
Shares outstanding at the end of the year	96,922,600	1,938	96,922,600	1,938	96,922,600	1,938

(ii) Rights attached to equity shares:

- Right to receive dividend as may be approved by the Board / Annual General Meeting.
- The equity shares are not repayable except in the case of a buy back, reduction of capital or winding up in terms of the provisions of the Companies Act, 2013.
- Every member of the Company holding equity shares has a right to attend the General Meeting of the Company and has a right to speak and on a show of hands, has one vote if he is present in person and on a poll shall have the right to vote in proportion to his share of the paid-up capital of the Company.

(iii) Details of shareholders holding more than 5% shares in the company:

Name of Shareholder	As at 31 March 2018		As at 31 March 2017		As at 01 April 2016	
	Number of shares held	% of Holding	Number of shares held	% of Holding	Number of shares held	% of Holding
Trilochan Singh Sahney Trust 1 (held by a trustee in his individual name)	34,829,642	35.94%	35,740,266	36.88%	36,486,909	37.65%
Hanwantbir Kaur Sahney	2,867,000	2.96%	2,867,000	2.96%	4,972,000	5.13%
Harshbeena Sahney Zaveri	8,500,167	8.77%	8,454,769	8.72%	5,165,019	5.33%
Nalanda India Equity Fund Limited	9,682,667	9.99%	9,682,667	9.99%	9,682,667	9.99%
SBI Magnum Global Fund	-	-	4,400,000	4.54%	5,159,663	5.32%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018
20 Other equity
(Rs. in Lakhs)
Reserves and surplus

	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Securities Premium Reserve	848	848	848
General Reserve	9,475	9,475	9,475
Capital Reserve	15	15	15
Capital Redemption Reserve	1,011	1,011	986
Debenture Redemption Reserve	3,250	2,000	750
Retained Earnings	20,891	14,636	12,240
Fair Value of Equity Instruments through OCI	546	477	382
Foreign currency translation reserve	(178)	(2)	-
Total	35,858	28,460	24,696

i) Securities Premium Reserve

	As at 31 March 2018	As at 31 March 2017
Opening balance	848	848
Transaction during the year	-	-
Closing balance	848	848

ii) General Reserve

	As at 31 March 2018	As at 31 March 2017
Opening balance	9,475	9,475
Transaction during the year	-	-
Closing balance	9,475	9,475

iii) Capital Reserve

	As at 31 March 2018	As at 31 March 2017
Opening balance	15	15
Transaction during the year	-	-
Closing balance	15	15

iv) Capital Redemption Reserve

	As at 31 March 2018	As at 31 March 2017
Opening Balance	1,011	986
Add: Transfer from retained earnings	-	25
Closing balance	1,011	1,011

v) Debenture Redemption Reserve

	As at 31 March 2018	As at 31 March 2017
Opening balance	2,000	750
Add: Transfer from retained earnings	1,250	1,250
Closing balance	3,250	2,000

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

	(Rs. in lakhs)	
	As at 31 March 2018	As at 31 March 2017
vi) Retained Earnings		
Opening Balance	14,636	12,240
Add: Profit for the year	9,071	5,165
Add: Other comprehensive income for the year	67	93
Less: Interim dividend for the year ended 1.4 per fully paid up shares for 31 March 2018 (31 March 2017- INR 1.4 per fully paid share)	(1,357)	(1,333)
Less: Dividend distribution tax on dividend on Interim dividend	(276)	(254)
Less: Transfer to debenture redemption reserve	(1,250)	(1,250)
Less: Transfer to capital redemption reserve		(25)
Closing balance	20,891	14,636
vii) Fair Value Gain on Equity Instruments through OCI		
Opening balance	477	382
Change in Fair value of FVOCI equity instrument	69	95
Closing balance	546	477
viii) Other comprehensive income (items which will be reclassified to profit and loss):		
Foreign currency translation reserve		
Opening balance	(2)	-
Add: Addition during the year	(176)	(2)
Closing balance	(178)	(2)

Nature and purpose of reserves
i) Securities Premium Reserve

Securities premium is used to record the premium received on issue of shares. The amount will be utilised in accordance with the provisions of the Companies Act, 2013.

ii) General Reserve

General Reserve is created from time to time by way of transfer of profits from retained earnings for appropriation purpose. This reserve is a distributable reserve.

iii) Capital Redemption Reserve

It is created on account of merger and the same will be utilised in accordance with the provision of Companies Act 2013.

iv) Debenture Redemption Reserve

The Group had issued non convertible debentures and accordingly Debenture redemption reserve is required to be created pursuant to the Companies (Share capital and debentures) Rules 2014. The same will be utilised in accordance with the provision of Companies Act 2013.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018
v) Retained Earnings

Retained earnings represents the accumulated profits / losses made by the group over the years.

vi) Fair Value of Equity Instruments through OCI

The Group has elected to recognise changes in the fair value of equity investments in Other Comprehensive Income. These changes are accumulated within the FVOCI equity investment reserves within equity and will be transferred to retained earnings on derecognition of these equity instruments.

vii) Foreign currency translation reserve

The exchange differences arising on translation of foreign operations are recognised in other comprehensive income and accumulated in a separate reserve within equity. The same is cumulatively reclassified to profit or loss when the foreign operation is disposed off.

21 Borrowings (Non-Current)

(Rs. in lakhs)

	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Non convertible Debentures - Unsecured (Refer note (a) below)	1,984	4,983	2,989
External commercial borrowings from bank - Secured (Refer note (b) below)	1,764	2,403	1,460
Foreign Currency Term Loan from banks - Secured (Refer note (c) below)	2,403	2,397	-
Term Loan from others - Secured (Refer note (d) below)	-	-	538
Deferred sales tax loan - Unsecured (Refer note (e) below)	735	950	1,166
Total	6,886	10,733	6,153

	Particulars	Security	Terms of repayment of principal	No: of install- ment o/s	Rate of interest	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
a	Non-convertible Debentures							
	300 Non convertible debentures of face value of Rs. 10,00,000 each	Unsecured	Redeemable at par, on 03 August 2018	1	9.93%	3,187	3,187	3,188
	200 Non convertible debentures of face value of Rs. 10,00,000 each	Unsecured	Redeemable at par, on 14 June 2020	1	9.49%	2,157	2,156	-
					Total	5,344	5,343	3,188
	Comprises of							
	Long Term Borrowings					1,984	4,983	2,989
	Current maturities of long term borrowings*					3,360	360	199
						5,344	5,343	3,188

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

b	External commercial borrowings from bank							
	External commercial borrowings	Secured by hypothecation of charge on specified plant and machinery of the company	Quarterly installments starting from 04 February 2019 to be completed in 04 February 2022	13	6.40%	1,791	2,428	-
	External commercial borrowings	Secured by hypothecation of charge on specified plant and machinery of the company	Quarterly installments completed in February 2017	-	Libor+274 bps to Libor + 350	-	-	873
	External commercial borrowings	Secured by hypothecation of charge on specified plant and machinery of the company	Half yearly installment repaid prematurely in February 2017	-	Libor+274 bps to Libor + 350	-	-	3,739
					Total	1,791	2,428	4,612
	Comprises of					1,764	2,403	1,460
	Long Term Borrowings					27	25	3,152
	Current maturities of long term borrowings *							
						1,791	2,428	4,612
c	Foreign Currency Term Loan from banks							
	Term Loan	Secured by hypothecation of charge on specified plant and machinery of the company	Quarterly installments starting from 14 June 2018 to be completed in 14 December 2021	15	5.95% to 6.00%	3,051	2,404	-
	Capex Buyer's credit	Secured by hypothecation of charge on specified plant and machinery of the company	Structured installment to be completed by June 2016	-	Libor+270 bps to Libor + 290 bps	-	-	970
	Term Loan	Secured by hypothecation of charge on specified plant and machinery of the company	Completed in November 2016	-	Libor+200 bps	-	-	2,157
					Total	3,051	2,404	3,127
	Comprises of					2,403	2,397	-
	Long Term Borrowings					648	7	3,127
	Current maturities of long term borrowings*							
						3,051	2,404	3,127
d	Term Loans from others							
	Term Loan	Secured by hypothecation of charge on specified plant and machinery of the company	Half yearly structured installments starting from June 2015 to be completed in June 2017	-	11%	-	458	1,388
	Term Loan	Secured against property plant and equipment's purchased out of the borrowings.	Monthly instalments up to December 2018.		12%	-	-	167
					Total	-	458	1,555
	Comprises of					-	-	538
	Long Term Borrowings					-	458	1,017
	Current maturities of long term borrowings*					-	458	1,555
e	Deferred sales tax loan							
	Deferred sales tax loan	Unsecured	Annual installments to be completed by May, 2025	9	-	950	1,166	1,384
					Total	950	1,166	1,384
	Comprises of					735	950	1,166
	Long Term Borrowings					215	216	218
	Current maturities of long term borrowings*					950	1,166	1,384

* Includes interest/instalments payable, recognised as part of carrying value of financial liabilities at amortised cost.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018
22 Current tax liability (Net)
(Rs. in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Provision for tax (net of advance tax Rs. 3,249 lakhs (31 March 2017 - Rs. Nil and 01 April 2016 Rs. 268 lakhs)	491	5	9
Total	491	5	9

23 Deferred tax liabilities (net)
(Rs. in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Deferred tax liability on account of :			
Depreciation and amortisation expense	(1,900)	(1,830)	(1,776)
Outside basis tax	(182)	(77)	(27)
Financial Liability at amortised cost	(5)	(5)	(5)
	(2,087)	(1,912)	(1,808)
Deferred tax assets on account of :			
Provision for Gratuity	27	11	132
Amortisation of borrowing	1	1	-
Provision for doubtful debts	1,036	1,118	1,016
Voluntary retirement compensation	29	44	59
Provision for compensated absence	299	262	269
Fair valuation of derivative contracts	56	71	21
Unrealised profits on intercompany transactions	62	47	43
Others	(1)	(1)	10
	1,509	1,553	1,550
Total	578	359	258

24 Other non-current liabilities

Unearned revenue	-	68	158
Others	4	-	-
Total	4	68	158

25 Short Term Borrowings

Secured			
Loans from banks *	4,700	3,004	6,010
Cash credit	1,241	1,142	1,078
Loans in foreign currency from banks	1,028	4,586	4,469
Unsecured			
Commercial papers [Maximum balance outstanding during the year Rs. 8,500 lakhs (31 March 2017 Rs. 8,500 lakhs; 01 April 2016 Rs. 6,000 lakhs)]	3,500	7,000	6,000
Total	10,469	15,732	17,557

Footnotes:

* Secured by a pari passu charge on inventories and trade receivables, present and future.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018
(Rs. in lakhs)

Particulars	Security	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Cash credit - repayable on demand	Secured by a pari passu charge on trade receivable and inventories.	19	81	16
Cash credit - repayable on demand	Secured by Irrevocable Standby Letter of Credit (SBLC) issued by Citibank N.A, India.	1,222	1,061	1,062
		1,241	1,142	1,078
Loans in foreign currency from banks				
Packing credit loan	Secured by a pari passu charge on inventories and trade receivables, present and future.	1,028	4,298	3,517
Buyer's credit	Secured by a pari passu charge on inventories and trade receivables, present and future.	-	288	952
		1,028	4,586	4,469

26 Trade Payables
(Rs. in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at 01 April 2016
Micro and Small Enterprises [Refer note (a) below]	4	1	4
Other than Micro and Small Enterprises	11,868	9,941	8,431
Total	11,872	9,942	8,435

(a) Disclosures under the Micro, Small and Medium Enterprises Development Act, 2006:

- An amount of Rs. 4 lakhs (31 March 2017 Rs. 1 lakh, 01 April 2016 Rs. 4 lakhs) was due and outstanding to suppliers as at the end of the accounting year on account of principal and interest respectively.
- No interest was paid during the year in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 and no amount was paid to the supplier beyond the appointed day.
- No amount of interest is due and payable for the period of delay in making payment but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006
- No interest was accrued and unpaid at the end of the accounting year.
- No further interest remaining due and payable even in the succeeding years for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018
27 Other financial liabilities
(Rs. in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at 01 April 2016
Current Maturities of Long-Term Borrowings (Refer note 21)			
- Non Convertible debentures	3,360	360	199
- External commercial borrowings from bank	27	25	3,152
- Foreign currency term loan from banks	648	7	3,127
- Term loans from others	-	458	1,017
- Deferred sales tax loan	215	216	218
Derivative Liability	313	278	-
Security deposits	863	865	838
Unpaid dividends (unclaimed) (Refer footnote i)	24	29	18
Dividend payable (Refer footnote ii)	1,357	-	-
Other Payables			
- Property plant and equipments	739	79	122
- Employee related liability	721	517	553
Total	8,267	2,834	9,244

Footnotes:

- There is no amount outstanding and due as at the balance sheet date to be credited to the Investor Education and Protection Fund.
- Represents interim dividend declared by the board of directors at their meeting dated 20 March 2018.

28 Other current liabilities
(Rs. in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at 01 April 2016
Unearned revenue	68	90	86
Statutory dues	2,656	732	680
Advances received	204	96	96
Others	31	-	3
Total	2,959	918	865

29 Provisions

Provision for employee benefits			
- Compensated Absences	863	758	778
- Gratuity	74	33	384
Others	8	-	105
Total	945	791	1,267

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018
30 Revenue from Operations (Rs. in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Rendering of services		
Sale of Products		
Finished goods	86,217	78,605
Other operating revenues		
Scrap Sales	721	550
Others	446	327
Total	87,384	79,482

Note:

Excise duty on sales was included under Revenue from operations and disclosed separately under Expenses upto 30 June 2017. Post implementation of Goods and Services Tax (GST) from 1 July 2017, revenue from operations is reported net of GST and hence to that extent sale of products for the year end 31 March 2018 are not comparable.

31 Other Income (Rs. in Lakhs)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Dividend Income on financial assets measured at FVOCI	14	8
Dividend Income on financial assets measured at FVTPL	7	2
Interest Income on financial assets measured at amortised cost		
- From banks on deposits	10	15
Fair value changes on financial assets measured at FVTPL	13	4
Fair valuation gain on derivative instrument measured at FVTPL	46	-
Profit on sale of property plant and equipments (net)	11	-
Rent	125	121
Net gain on foreign currency transactions and translation	909	10
Refund of duty*	-	580
Other non-operating income	82	55
Total	1,217	795

* Represents refund of taxes and duty received by the Group under the Package Scheme of Incentives - 2007.

32 Cost of material consumed (Rs. in Lakhs)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Raw material consumed		
Opening stock	5,406	4,125
Add: Purchases	31,077	29,256
Less: Closing stock	(4,478)	(5,406)
Total	32,005	27,975

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018
33 Changes in inventories of finished goods and work-in-progress
(Rs. in Lakhs)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Work-in-progress		
Opening	3,817	3,196
Closing	4,421	3,817
	(604)	(621)
Finished goods		
Opening	5,045	4,889
Closing	3,577	5,045
	1,468	(156)
Total	864	(777)

34 Employee Benefits Expense
(Rs. in Lakhs)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Salaries, allowances and other benefits	12,256	11,160
Contribution to provident and other funds	837	816
Staff welfare expenses	1,401	1,186
Total	14,494	13,162

35 Finance Costs
(Rs. in Lakhs)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Interest Expense on financial liabilities measured at amortised cost		
- Borrowings	620	627
- Others	605	884
Other Borrowing Costs	190	192
Total	1,415	1,703

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018
36 Other Expenses
(Rs. in Lakhs)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Consumption of stores and spare parts	6,470	6,161
Processing charges	2,179	1,780
Power and fuel	2,698	2,758
Repairs and maintenance -	-	-
Buildings	234	353
Plant and machinery	458	401
Others	108	86
Insurance	176	139
Rent	156	116
Rates and taxes	76	123
Legal and professional fees	899	751
Directors' fees and commission	72	49
Commission on sales	883	696
Travelling and conveyance	940	767
Postage, telephone and fax	76	66
Bank charges	87	48
Advertisement and sales promotion expenses	366	166
Forwarding charges	3,260	2,502
Provision for doubtful debts	485	297
Lease rent (Refer Note 53)	77	69
IT expenses	552	463
Excise duty on Increase/ (decrease) in inventories of finished goods	(803)	76
Net loss on foreign currency transactions and translation	-	507
Fair valuation loss on financial assets measured at FVTPL	5	-
Fair valuation loss on Derivative contracts	-	146
Auditors' remuneration (refer note 36.1 below)	68	71
Expenditure on Corporate Social Responsibility	159	142
Miscellaneous expenses	1,638	1,788
Total	21,319	20,521

36.1 Auditors' remuneration (excluding service tax / Goods and service tax)

For statutory audit (including limited review)	53	57
For tax audit	5	6
For other services	1	7
For reimbursement of expenses	2	1
Fees to erstwhile auditors'	7	-
Total	68	71

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018
37 TAX EXPENSE
(Rs. in Lakhs)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Current tax expense		
Current tax for the year	4,161	2,216
Tax adjustment in respect of earlier years	3	(42)
Total current tax expense	4,164	2,174
Deferred taxes		
Change in deferred tax liabilities	77	53
Net deferred tax expense/ (credit)	77	53
	4,241	2,227

37.1 Tax reconciliation (for profit and loss)

Profit before income tax expense	13,529	7,533
Tax at the rate of 34.608% (for 31 March 2017 - 34.608%)*	4,682	2,607
<u>Tax effect of amounts which are not deductible / not taxable in calculating taxable income</u>		
Depreciation	(2)	71
Non deductible expenses for tax purpose	34	39
Deduction under 80IC	(121)	(121)
Exempt income	(6)	(82)
Additional allowances for tax purpose	(245)	(360)
Profit on sale of property, plant and equipment	(4)	(3)
Adjustment due to change in tax rates	(121)	129
Tax adjustment of prior years	3	(42)
Others	21	(11)
Income tax expense	4,241	2,227

* The tax rate used for reconciliation above is the Corporate tax rate of 34.608% payable by parent entity in India on taxable profits under Indian tax law.

38 Other Comprehensive Income (OCI)

	Year ended 31 March 2018	Year ended 31 March 2017
Items that will not be reclassified to profit or loss		
Actuarial gain/(loss) on remeasurements of the net defined benefit plans	107	140
Fair value changes on equity instruments through other comprehensive income	69	95
Tax on above	(36)	(48)
	140	187
Items that will be reclassified to profit or loss		
Exchange differences in translating the financial statements of a foreign operation	(176)	(2)
Tax on above	-	-
	(176)	(2)
Total	(36)	185

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018
39 Fair value measurements
(Rs. in lakhs)
Financial instruments by category:

Particulars	31 March 2018			31 March 2017			01 April 2016		
	FVOCI	FVTPL	Amor- tised cost	FVOCI	FVTPL	Amor- tised cost	FVOCI	FVTPL	Amor- tised cost
Financial Assets - Non-current									
Investments	546	23	-	477	28	-	382	24	-
Non-current Loans	-	-	269	-	-	267	-	-	252
Other financial assets	-	-	27	-	-	42	-	-	32
Financial Assets - Current									
Trade receivables	-	-	23,344	-	-	19,365	-	-	19,947
Cash and cash equivalents	-	-	1,278	-	-	2,158	-	-	3,121
Bank Balances other than cash and cash equivalents	-	-	1,599	-	-	90	-	-	77
Investments	-	872	-	-	107	-	-	-	-
Loans	-	-	254	-	-	273	-	-	412
Other financial assets	-	380	3	-	299	-	-	60	-
Financial Liabilities - Non-Current									
Non-current borrowings (including current maturities)	-	-	11,136	-	-	11,799	-	-	13,866
Financial Liabilities - Current									
Short term borrowings	-	-	10,469	-	-	15,732	-	-	17,557
Trade payables	-	-	11,872	-	-	9,942	-	-	8,435
Other current financial liabilities	-	313	3,704	-	278	1,490	-	-	1,531

I. Fair value hierarchy

The fair value of the financial assets and liabilities is included at the amount that would be received on selling an asset or paid on transferring a liability in an orderly transaction between market participants on the measurement date. This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair value is disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. For example, listed equity instruments that have quoted market price.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

During the periods mentioned above, there have been no transfers amongst the levels of hierarchy.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018
II. Valuation techniques used to determine fair value

Significant valuation techniques used to value financial instruments include:

The fair value for investment in equity instrument and mutual fund is based on the quoted market prices. Fair value of security deposits, loans is based on discounted cash flows using a discount rate determined considering incremental borrowing rate. Non current borrowings are fair valued using effective interest rates.

Fair valuation of interest rate swap and foreign currency option contracts are calculated on the basis of estimated mid-market levels, estimated bid-side or offer side levels, or on the basis of indicative bid or offer or unwind prices or on such other appropriate basis. It is derived from other proprietary or other pricing models based on certain assumptions.

Fair valuation of forward exchange contracts is determined using forward exchange rates on the balance sheet date

The carrying amounts of Trade receivables, cash and cash equivalent, other bank balances, current investments, short term loans, other current financial assets, short term borrowings, trade payables, other current financial liabilities are considered to be approximately equal to the fair value.

III. Valuation Process

The finance department performs the calculations of financial assets and liabilities required for financial reporting purposes. This team reports directly to the chief financial officer (CFO). Discussions of valuation processes and results are held at least once every three months, in line with the quarterly reporting periods.

IV. Financial assets and liabilities measured at fair value - recurring fair value measurement:

(Rs. in lakhs)

Particulars	31 March 2018			31 March 2017			01 April 2016		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Assets									
Mutual fund investments measured at FVTPL	895	-	-	135	-	-	24	-	-
Investments in equity instrument measured at FVOCI	546	-	-	477	-	-	382	-	-
Interest rate swap and foreign currency option	-	221	-	-	140	-	-	-	-
Forward contract	-	159	-	-	159	-	-	60	-
Financial Liability									
Interest rate swap and foreign currency option	-	278	-	-	278	-	-	-	-
Forward contract	-	35	-	-	-	-	-	-	-

V. Fair value of financial assets measured at amortised cost (It is categorised under Level 2 of fair value hierarchy)

(Rs. in lakhs)

Particulars	31 March 2018		31 March 2017		01 April 2016	
	Carrying Amt	Fair Value	Carrying Amt	Fair Value	Carrying Amt	Fair Value
Financial Assets						
Security deposits	269	269	267	267	252	252
Other non current assets	28	28	42	42	32	32
Financial Liabilities						
Non-current borrowings (including current maturities)	11,136	10,501	11,799	10,623	13,866	12,722

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018
40 Financial risk management

The group's principal financial liabilities comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the group's operations. The group's principal financial assets include loans, trade and other receivables, investments and cash and cash equivalents that are derived directly from its operations.

The group is exposed to credit risk, market risk and liquidity risk. The group's senior management oversees the management of these risks.

A Credit risk

The group is exposed to credit risk from its operating activities (primarily for trade receivables) and from its financing activities (deposits with banks and other financial instruments).

Credit risk management

To manage credit risk, the group follows a policy of providing 0-90 days credit on the basis of nature of customers. The credit limit policy is established considering the current economic trends of the industry and geographies in which the group is operating.

However, the trade receivables are monitored on a periodic basis for assessing any significant risk of non-recoverability of dues and provision is created accordingly.

Bank balances and deposits are held with only high rated banks and majority of other security deposits are placed majorly with government agencies.

Age of receivables that are past due:
(Rs. in lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Upto 3 months	15,249	10,813	9,924
3 - 6 months	4,124	2,920	3,104
6 - 12 months	3,611	3,152	4,232
More than one year	3,347	5,712	5,622
Total	26,331	22,597	22,882
Provision for expected credit loss created	(2,987)	(3,232)	(2,935)

B Liquidity risk

Liquidity risk is the risk that the Group will not be able to settle or meet its obligations on time or at a reasonable price. This risk arises from obligations on account of the Group's financial liabilities such as borrowings, trade payables etc.

Liquidity risk management

The group's corporate finance department is responsible for liquidity and funding management and settlement. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the group's net liquidity position through rolling forecasts on the basis of expected cash flows.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments at each reporting date:

Maturities of financial liabilities
(Rs. in lakhs)

As at 31 March 2018	Within 1 year	Between 1 and 2 years	Beyond 2 years	Total
Non-derivative				
Non-current borrowings (including current maturities)	4,250	1,865	5,021	11,136
Short term borrowings	10,469	-	-	10,469
Trade payables	11,872	-	-	11,872
Other current financial liabilities	3,704	-	-	3,704
Derivative				
Interest rate swap, foreign currency option and forward contract	144	90	79	313
Total	30,437	1,955	5,100	37,494

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018
(Rs. in lakhs)

As at 31 March 2017	Within 1 year	Between 1 and 2 years	Beyond 2 years	Total
Non-derivative				
Non-current borrowings (including current maturities)	1,066	4,484	6,250	11,800
Short term borrowings	15,732	-	-	15,732
Trade payables	9,942	-	-	9,942
Other current financial liabilities	1,490	-	-	1,490
Derivative				
Interest rate swap, foreign currency option and forward contract	278	-	-	278
Total	28,647	4,484	6,250	39,381

(Rs. in lakhs)

As at 01 April 2016	Within 1 year	Between 1 and 2 years	Beyond 2 years	Total
Non-derivative				
Non-current borrowings (including current maturities)	7,713	2,517	3,636	13,866
Short term borrowings	17,557	-	-	17,557
Trade payables	8,435	-	-	8,435
Other current financial liabilities	1,531	-	-	1,531
Total	35,236	2,517	3,636	41,389

C Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: Foreign currency risk, interest rate risk and price risk.

(i) Foreign currency risk

The group is exposed to foreign exchange risk on their receivables, payables and other financial obligations which are denominated in USD, EUR, CHF and JPY. The fluctuation in the exchange rate of INR relative to these currencies may have a material impact on the Group's assets and liabilities.

Foreign currency risk management

In respect of the foreign currency transactions, the Group hedges substantial exposure via forward contracts and foreign currency options, remaining exposures are unhedged since the management believes that the same is insignificant in nature and also it will be offset by the corresponding receivables and payables which will be in the nature of natural hedge.

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

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

(Rs. in lakhs)

Particulars	31 March 2018			
	USD	EURO	CHF	JPY
Financial liabilities				
Trade payables	132	639	12	630
Capital creditors	-	38	-	648
Loans Payable	4,843	1,028	-	-
Foreign currency option contracts	(3,365)	-	-	-
Financial assets				
Trade receivables	7,224	8,603	-	-
Balance with government authorities	-	1,309	-	-
Bank balance in EEFC account	129	41	-	-
Forward contract receivable	(2,477)	(1,019)	-	-
Net exposure to foreign currency assets / (liabilities)	3,266	7,229	(12)	(1,278)

(Rs. in lakhs)

Particulars	31 March 2017			
	USD	EURO	CHF	JPY
Financial liabilities				
Trade payables	269	626	11	740
Capital creditors	-	3	-	-
Loans Payable	4,832	4,586	-	-
Forward contract payable	(46)	(26)	-	(67)
Foreign currency option contracts	(3,356)	-	-	-
Financial assets				
Trade receivables	6,480	6,112	-	-
Balance with government authorities	-	1,257	-	-
Bank balance in EEFC account	72	18	-	-
Forward contract receivable	(2,016)	(787)	-	-
Net exposure to foreign currency assets / (liabilities)	2,837	1,410	(11)	(673)

(Rs. in lakhs)

Particulars	01 April 2016			
	USD	EURO	CHF	JPY
Financial liabilities				
Trade payables	1,372	427	58	554
Capital creditors	-	3	-	-
Loans Payable	10,879	1,329	-	-
Forward contract payable	(1,014)	-	-	-
Financial assets				
Trade receivables	7,279	6,620	-	-
Balance with government authorities	-	1,673	-	-
Bank balance in EEFC account	16	-	-	-
Forward contract receivable	(1,820)	(592)	-	-
Net exposure to foreign currency assets / (liabilities)	(5,762)	5,943	(58)	(554)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018
Sensitivity to foreign currency risk

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

(Rs. in lakhs)

Currencies	31 March 2018		31 March 2017	
	Increase by 2%	Decrease by 2%	Increase by 2%	Decrease by 2%
USD	65	(65)	57	(57)
EUR	145	(145)	28	(28)
CHF	(0)	0	(0)	0
JPY	(26)	26	(13)	13

Sensitivity analysis to foreign currency risk includes an exposure to foreign exchange fluctuations on long term foreign currency loans of \$37 lakhs equivalent to Rs. 2405 lakhs (31 March 2017 - \$82.42 lakhs equivalent to Rs. 5344 lakhs) that have been capitalised into the cost of the related assets and are expected to impact profit or loss over a period of 7 to 11 years in the form of adjustment to the depreciation charge.

(ii) Cash flow and fair value interest rate risk

The group's interest rate risk is mainly due to the long term borrowing acquired at floating interest rate. The group's policy is to maintain most of its borrowing at fixed rate using interest rate swaps to achieve this when necessary. During 31 March 2018 and 31 March 2017, the Group's borrowing at variable rate were mainly denominated in USD.

The fixed rate borrowing is carried at amortised cost, hence it is not subject to interest rate risk since the carrying amount and future cash flows will not fluctuate because of change in market interest rates.

The group's borrowing structure at the end of reporting period are as follows:

(Rs. in lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Variable rate borrowings	7,111	11,018	14,841
Fixed rate borrowings	14,494	16,513	16,582
Total	21,605	27,531	31,423

As at the end of the reporting period, the group had the following variable rate borrowings and interest rate swap contracts outstanding:

(Rs. in lakhs)

Particulars	31 March 2018		31 March 2017		01 April 2016	
	Balance	% of total loans	Balance	% of total loans	Balance	% of total loans
Variable rate loan	7,111	33%	11,018	40%	14,841	47%
Interest rate swaps	(4,842)	-22%	(4,829)	-18%	(4,612)	-15%
Net exposure to cashflow interest rate risk	2,269	10%	6,189	22%	10,229	33%

Sensitivity analysis - Variable rate borrowing

(Rs. in lakhs)

Interest rate	Impact on profit before tax	
	31 March 2018	31 March 2017
Increase by 50 basis points	(0.76)	(1.35)
Decrease by 50 basis points	0.76	1.35

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018
Sensitivity analysis - Interest rate swap
(Rs. in lakhs)

Interest rate	Impact on profit before tax	
	31 March 2018	31 March 2017
Increase by 50 basis points	0.97	0.71
Decrease by 50 basis points	(0.97)	(0.71)

(iii) Price Risk

The Group is exposed to price risk from its investment in equity instruments measured at fair value through other comprehensive income and mutual fund measured at fair value through profit and loss.

(Rs. in lakhs)

Sensitivity	31 March 2018	31 March 2017
Impact on profit before tax for 5% increase in value	72	31
Impact on profit before tax for 5% decrease in value	(72)	(31)

41 Capital Management
A. Risk management

The Group's objectives when managing capital are to

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

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

B. The capital composition is as follows:
(Rs. in lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Gross debt	21,605	27,531	31,423
Less: Cash and bank balances	(1,278)	(2,158)	(3,121)
Net debt (A)	20,327	25,373	28,302
Equity (B)	38,565	30,946	27,042
Gearing ratio (A / B) (%)	52.71%	81.99%	104.66%

C. Loan covenants

With respect to the borrowings, there are standard covenants in the loan agreements between the lenders and the Group. These covenants are monitored by the Group on a regular basis. There has been no default on the financial covenants or on the loans by the Group.

D. Dividends
(Rs. in lakhs)

	As at 31 March 2018	As at 31 March 2017
i) Equity Shares		
Interim dividend - Rs. 1.4 per share for each fully paid up share for 31 March 2018 (31 March 2017- Rs. 1.4 per share for each fully paid share)	1,357	1,333
Dividend distribution tax on interim dividend	276	254
Dividends not recognised at the end of the reporting period	1,163	-
In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of Rs. 1.2 per fully paid equity share (31 March 2017 – Rs. Nil). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018
42 Net debt reconciliation
(Rs. in lakhs)

Particulars	Short term borrowings (A)	Non Current borrowing including current maturity (B)	Cash and cash equivalents (C)	Net Debt (D)
Net debt as on 1 April 2017	15,732	11,800	2,158	25,374
Cash flows	(5,879)	(670)	(893)	(5,665)
Interest paid	(605)	(810)	-	(1,415)
Finance cost	605	810	-	1,415
Exchange gain/loss	616	6	13	609
Net debt as on 31 March 2018	10,469	11,136	1,278	20,327

43 Interest in other entities

The Consolidated Financial Statements present the Consolidated Accounts of NRB Bearings Limited with its following subsidiaries

(Rs. in lakhs)

Sr. No	Name of the Subsidiaries	Principal place of business and country of incorporation	Activities	Proportion of ownership interest 31 March 2018	Proportion of ownership interest 31 March 2017	Proportion of ownership interest 01 April 2016
1	SNL Bearings Limited	India	Manufacture and marketing of bearing products	73.45%	73.45%	73.45%
2	NRB Bearings Europe GmbH	Europe	Marketing of bearing products and customer support services	100%	100%	100%
3	NRB Bearings (Thailand) Limited	Thailand	Manufacture and marketing of bearing products	100%	100%	100%

44 Non controlling interests (NCI)
(Rs. in lakhs)

Below is the summarised financial information for SNL Bearings Limited as it has non controlling interests that are material to the group. The amount disclosed is before inter-company elimination:

Summarised balance sheet	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Current assets	2,448	1,564	1,349
Current liabilities	442	420	504
Net current assets	2,006	1,144	845
Non - Current assets	947	974	916
Non - Current liabilities	124	127	211
Net non-current assets	823	847	705
Net assets	2,829	1,991	1,550
Accumulated NCI	769	548	408

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018
(Rs. in lakhs)

Summarised statement of profit and loss	Year ended 31 March 2018	Year ended 31 March 2017
Revenue	3,928	3,766
Profit for the year	822	662
Other comprehensive income	16	(3)
Total comprehensive income	838	658
Profit allocated to NCI	217	141
Other comprehensive income allocated to NCI	4	(1)

(Rs. in lakhs)

Summarised cash flows	Year ended 31 March 2018	Year ended 31 March 2017
Cash flow from operating activities	975	643
Cash flow from investing activities	(914)	(225)
Cash flow from financing activities	(62)	(483)
Net increase / (decrease) in cash and cash equivalents	(1)	(65)

45 Related Party Disclosure:

As per Ind AS 24 "Related party Disclosures", disclosure of transactions with the related parties as defined in the Accounting Standard are given below:

(I) Names of related parties and nature of relationship where control exists:

Individual having substantial interest in the voting power and the power to direct by agreement, the financial and operating policies of the Company.	Mr. T. S. Sahney, Chairman
Key Management Personnel	Ms. H. S. Zaveri, Vice Chairman & Managing Director Mr. T. S. Sahney (Chairman. Executive upto 30 September 2016) Mr. S. C. Rangani, Executive Director & Company Secretary Mr. Sumit Mitra (Director in NRB Bearings, Europe, GmbH) Mr. A.S. Kohli (Executive director in NRB Bearings (Thailand), Limited) Mr. D. S. Sahney Mr. Tashwinder Singh Ms. A. A. Gowariker Mr. Ashank D Desai Mr. J. D. Diwan Mr. Vivek Sahai w.e.f. 08 November 2017 Mr. J. S. Maini Mr. V. S. Iyer upto 12 January 2017 Mr. Rustom Desai w.e.f. 23 January 2017
A firm where Chairman is a partner	New Indo Trading Company
Trust in which KMP has significant influence	Trilochan Singh Sahney Trust 1
A Company wherein Mr. T. S. Sahney, Chairman and Ms. H. S. Zaveri, Vice Chairman & Managing Director are directors and shareholders having Management Control.	NRB Industrial Bearings Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018
(II) Transactions with related parties during the year:
(Rs. in lakhs)

Name of Related Party	Nature of Transaction	Volume of transaction		Receivable as at			Payable as at		
		31 March 2018	31 March 2017	31 March 2018	31 March 2017	01 April 2016	31 March 2018	31 March 2017	01 April 2016
NRB Industrial Bearings Limited	Sale of raw materials / finished goods	117	151	21	4	3	-	-	-
	Purchase of raw materials	5	7	-	-	-	48	41	259
	Inter Corporate deposit repayment received (including interest repayment)	-	256	-	-	-	-	-	-
	Inter Corporate deposit receivable (including interest receivable)	-	-	-	-	256	-	-	-
	Guarantee revoked	278	2,213	-	-	-	-	-	-
	Guarantee given by NRB Bearings Limited	-	-	139	417	2,630	-	-	-
Trilochan Singh Sahney Trust 1 (shares held by a trustee in his individual name)	Dividend paid	488	500	-	-	488	-	-	-
Mr. T. S. Sahney	Remuneration and commission (as Executive Chairman)	-	175	-	-	-	-	41	46
	Sitting fees and commission (as Non-executive Chairman)	62	-	-	-	-	59	-	-
Ms. H. S. Zaveri	Remuneration and commission	380	287	-	-	-	82	51	46
Mr. S. C. Rangani	Remuneration	80	81	-	-	-	-	-	-
Mr. D. S. Sahney	Sitting fees and commission	6	5	-	-	-	4	-	1
Mr. A. S. Kohli	Remuneration	26	25	-	-	-	-	-	-
Others	Sitting fees and commission to non-executive directors	59	30	-	-	-	26	22	4
	Dividend paid	170	142	-	-	-	170	-	-
New Indo Trading Company	Service charges	-	5	-	-	-	-	-	1

Footnote:

- i) No amounts pertaining to related parties have been provided for as doubtful debts. Further, no amounts have either been written off or written back during the year.

(III) Key managerial personnel compensation
(Rs. in lakhs)

Particulars	31 March 2018	31 March 2017
Short term employee benefits#	467	548
Post-employment benefits	19	20
Total compensation*	486	568

* This aforesaid amount does not include benefits determined on actuarial basis as the same is not determinable for individuals.

46 Collateral / Security pledged

The carrying amount of assets pledged as security for current and non-current borrowings of the group are as follows:

(Rs. in lakhs)

Particulars	31 March 2018	31 March 2017	01 April 2016
Property, plant and equipment	6,151	8,360	11,915
Inventories and trade receivables	39,147	36,592	34,418
Total assets pledged	45,298	44,952	46,333

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018
47 Contingent liabilities, Capital and other commitments (Rs. in lakhs)

	Particulars	31 March 2018	31 March 2017	01 April 2016
a	Contingent liabilities not provided for			
	Income Tax	754	1,823	1,713
	Sales Tax & Value Added Tax	339	302	316
	Corporate guarantees issued on behalf of group Company	139	417	2,630
	The group is in further appeal in respect of matters stated in income tax and sales tax matters			
	The Indian Subsidiary Company had received an Order dated 6th September, 2004 from the Employees Provident Fund Organisation raising a demand of Rs. 161.36 lakhs including interest of Rs. 46.73 lakhs for default in making payment of Employees Provident Fund and allied dues for the period April, 1986 to February, 2003. The subsidiary Company has been making contributions to the 'SNL Officers Provident Fund Trust' and 'SNL Employee's Provident Fund Trust', being Trusts formed by the Subsidiary Company in earlier years; these Trusts have net assets of Rs. 162.40 lakhs and Rs. 92.25 lakhs respectively as at 31st March, 2017 as reflected in their audited balance sheets. As per the order, the existence of the said Trusts and the act of switching over from Employees trust to the Officers trust on salary exceeding the statutory limit fixed by the Employees Provident Fund and Miscellaneous Act, 1952, have been considered violative of the Act. The authorities had attached one of the subsidiary Company's bank accounts and had recovered an amount of Rs. 2.75 lakhs in an earlier year. The subsidiary Company has contested the above demand and on a writ petition filed by the Subsidiary Company in the High Court of Jharkhand, Ranchi, the High Court has directed the authorities not to take coercive steps till the disposal of the petition. The Subsidiary Company denies all the allegations made against it since the Subsidiary Company had made the necessary applications to grant exemption to the Trusts which was neither granted nor rejected in spite of several reminders from time to time. In view of the facts of the case, the Subsidiary Company does not expect any liability in this regard.			
b	Commitments			
	Estimated value of contracts remaining to be executed on capital account & not provided for (net of advances)	6,422	2237	4463

48 Employee benefits

As per Indian Accounting Standard-19 'Employee Benefits', the disclosure of Employee benefits as defined in the Standard are given below:

(A) Defined Contribution Plan:

Amount of Rs. 605 (P.Y Rs. 602) lakhs is recognized as expense and included in "Note No. 34 - Employee Benefits Expenses (Rs. in lakhs)

	31 March 2018	31 March 2017
i) Employer's Contribution to Provident Fund	364	362
ii) Employer's Contribution to Family Pension Fund	141	138
iii) Employer's Contribution to Superannuation Fund	100	102
	605	602

(B) Defined Benefit Plan :

The group has the following defined benefits plans:

Particulars	Remarks
Gratuity	Funded through LIC
Provident Fund (PF)	Funded through Trust

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018
(1) Contribution to Gratuity fund (funded scheme)

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

i Actuarial assumptions

Particulars	31 March 2018	31 March 2017
Expected return on plan assets	7.68% - 7.78%	7.00% - 7.39%
Discount rate (per annum)	7.68% - 7.78%	7.00% - 7.39%
Rate of salary increase	6% - 10%	6% - 10%
Rate of Employee Turnover	2% - 11%	2% - 11%
Mortality rate during employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Mortality Rate After Employment	N.A.	N.A.

ii Changes in the present value of defined benefit obligation (Rs. in lakhs)

Particulars	31 March 2018	31 March 2017
Present value of obligation at the beginning of the year	3,197	3,076
Interest cost	229	241
Current service cost	167	154
Actuarial (gain) /loss	(129)	(8)
Past service cost	9	-
Benefits paid	(237)	(266)
Present Value of obligation at the end of the year	3,236	3,197

iii Changes in the Fair value of Plan Assets

Particulars	31 March 2018	31 March 2017
Fair value of plan assets at beginning of the year	3,164	2,693
Interest income	227	211
Contributions	52	394
Mortality charges and taxes	-	-
Benefits paid	(237)	(266)
Return on plan assets, excluding amount recognised in net interest expense	(22)	132
Actuarial (gain) /loss	-	-
Fair Value of Plan Assets at the end of the year	3,184	3,164

iv Assets and liabilities recognised in the balance sheet

Particulars	31 March 2018	31 March 2017
Present value of the defined benefit obligation at the end of the year	3,236	3,197
Less: Fair value of plan assets at the end of the year	(3,184)	(3,164)
Net liability recognised	52	33
Recognised under provisions		
Current assets	(22)	
Current provisions	74	33

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018
v Expenses recognised in the Statement of Profit and Loss (Rs. in lakhs)

Particulars	31 March 2018	31 March 2017
Current Service Cost	167	154
Past Service Cost	9	-
Net interest (income)/ expense	2	30
Net gratuity cost recognised in the current year	178	184
Included in note 34 'Employee benefits expense'	178	184

vi Expenses recognised in the Statement of Other comprehensive income (OCI)

Particulars	31 March 2018	31 March 2017
Actuarial (gains) / losses	(129)	(8)
Return on Plan Assets, Excluding Interest Income	22	(132)
Net (Income)/Expense For the Period Recognized in OCI	(107)	(140)

vii Reconciliation of Net asset / (liability) recognised:

Particulars	31 March 2018	31 March 2017
Net asset / (liability) recognised at the beginning of the period	(33)	(383)
Company contributions	52	394
Benefits paid directly by company	-	(0)
Amount recognised in other comprehensive income	107	140
Expenses recognised at the end of period	(178)	(184)
Net asset / (liability) recognised at the end of the period	(52)	(33)

viii Categories of Assets

Particulars	31 March 2018	31 March 2017
Insurance fund	100%	100%
Total	100%	100%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018
ix Sensitivity Analysis:

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

(Rs. in lakhs)

Particulars	31 March 2018	31 March 2017
Delta Effect of +1% Change in Rate of Discounting	(446)	(459)
Delta Effect of -1% Change in Rate of Discounting	441	453
Delta Effect of +1% Change in Rate of Salary Increase	465	479
Delta Effect of -1% Change in Rate of Salary Increase	(423)	(433)
Delta Effect of +1% Change in Rate of Employee Turnover	14	9
Delta Effect of -1% Change in Rate of Employee Turnover	(15)	(10)

x Maturity Analysis of the Benefit Payments: From the Fund:

(Rs. in lakhs)

Projected Benefits Payable in Future Years From the Date of Reporting:	31 March 2018	31 March 2017
1 year	325	368
2 to 5 years	2,421	1,256
6 to 10 years	2,304	1,505

xi General descriptions of Significant Defined plans:

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

(2) Provident Fund (PF) :

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

i Actuarial assumptions

(Rs. in lakhs)

Particulars	31 March 2018	31 March 2017
Mortality rate	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Discount rate (per annum)	7.70%	7.00%
Interest rate guarantee (per annum)	8.55%	8.65%
Attrition rate based on ages :		
Upto 30 years	3.00%	3.00%
31 to 40 years	2.00%	2.00%
Above 40 years	1.00%	1.00%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018
ii Assets and liabilities recognised in the balance sheet (Rs. in lakhs)

Particulars	31 March 2018	31 March 2017
Present value of the defined benefit obligation at the end of the year	273	267
Less: Fair value of plan assets at the end of the year	(274)	(267)
Net liability	(1)	-

iii Major categories of Plan Assets (as percentage of Total Plan Assets)

Particulars	31 March 2018	31 March 2017
Government of India securities	8%	8%
State Government securities	23%	20%
High quality corporate bonds	28%	26%
Equity shares of listed companies	9%	10%
Special Deposit Scheme	26%	26%
Funds managed by Insurer	2%	6%
Bank balance and others	4%	4%
Total	100%	100%

iv Sensitivity Analysis:

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

(Rs. in lakhs)

Particulars	31 March 2018		31 March 2017	
	Decrease	Increase	Decrease	Increase
Change in Discount Rate by - / + 1%	274	272	267	266
Change in Interest Rate guarantee by - / + 1%	269	278	263	271

v Maturity Profile of Defined Benefit Obligation:

	31 March 2018	31 March 2017
Weighted average duration (based on discounted cash flows)	7 years	7 years

(C) Other Long Term Benefits:

Compensated absences recognized in the statement of profit and loss for the current year, under the employee cost in Note 34, is Rs. 184 lakhs (Year ended 31st March 2017 Rs. 151 lakhs).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018
49 Segment reporting
a) Primary segment: Business segment

The Group is primarily engaged in manufacturing of roller and ball bearings and other activities having similar economic characteristics, primarily operated out of India and regularly reviewed by the Chief Operating Decision Maker for assessment of Group's performance and resource allocation. For the purpose of disclosure of segment information, the Group considers these operations as a single business segment as all the product Groups are mainly having similar risks and returns.

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

b) Secondary segment: Geographical segment

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

- i) within India
- ii) outside India

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
1) Segment revenue		
- Within India	69,770	62,776
- Outside India	17,614	16,706
2) Carrying amount of segment assets		
- Within India	25,611	25,042
- Outside India	3,013	2,821

None of the customers contribute materially to the revenue of the Group.

50 First time adoption of Ind AS
A First Ind AS Financial statements

These are the Group's first separate financial statements prepared in accordance with Ind AS applicable as at 31 March 2018.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 31 March 2018, the comparative information presented in these financial statements for the year ended 31 March 2017 and in the preparation of an opening Ind AS balance sheet at 1 April 2016 (the date of transition). In preparing its opening Ind AS balance sheet, the Group has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2014 and other relevant provisions of the Act (previous GAAP or Indian GAAP).

An explanation of how the transition from previous GAAP to Ind AS has affected the Group's financial position, financial performance and cash flows is as follows:

i) Optional exemptions availed
Deemed cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets and investment property covered by Ind AS 40 Investment Properties.

Accordingly, the Group has elected to measure all of its property, plant and equipment, intangible assets and investment property at their previous GAAP carrying value.

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

Ind AS 101 provides the option to apply Ind AS 103 prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combination prior to the transition date.

The Group has availed the business combination exemption on first time adoption of Ind AS and accordingly the business combinations prior to date of transition have not been restated to the accounting prescribed under Ind AS 103 – Business combinations.

The Group applies the requirements of Ind AS 103 – Business combinations to business combinations occurring after the date of transition to Ind AS

Investment in subsidiaries

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its subsidiaries as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

Accordingly, the Group has elected to measure all of its investments in subsidiaries at their previous GAAP carrying value.

Long term foreign currency monetary items

A first time adopter may continue the policy adopted for accounting for exchange differences arising from transition of long-term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP.

Accordingly, the Group has elected to continue the current accounting policy adopted for accounting of exchange differences arising from translation of long-term foreign currency monetary items.

Cumulative translation differences

Ind AS 21 requires translation differences arising on translation of foreign operations to be accumulated in the separate reserve within equity. Applying these requirements retrospectively would require an entity to determine the cumulative translation differences at the date of transition and separately classify these within equity. A first time adopter has the option not to comply with this requirement at the date transition and can reset the cumulative translation differences to zero at the date of transition.

Accordingly, the Group has elected to reset the cumulative translation differences to zero at the date of transition.

ii) Mandatory exceptions applied**Estimates**

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP except where Ind AS required a different basis for estimates as compared to the previous GAAP.

De-recognition of financial assets and liabilities

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Group has applied the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

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

The Group has classified its financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

Government loans

As per Ind AS 101, If a first-time adopter did not, under its previous GAAP, recognise and measure a government loan at a below-market rate of interest on a basis consistent with Ind AS requirements, it shall use its previous GAAP carrying amount of the loan at the date of transition to Ind AS the carrying amount of the loan in the opening Ind AS balance sheet. An entity shall apply Ind AS 101 to the measurement of such loans after the date of transition to Ind AS. Under the previous GAAP, loans are carried at an amount which the loan will be repaid. Accordingly, the Group applies this exception and does not make any changes to the interest free deferred sales tax loans outstanding as at the date of transition.

51 First time adoption reconciliations
Reconciliation of equity from Previous GAAP to Ind AS
(Rs. in lakhs)

Particulars	Note	Equity as at 31 March 2017	Equity as at 01 April 2016
Equity as per previous GAAP		32,255	28,324
GAAP adjustments:			
Impact on account of financial asset measured at FVOCI	B.1	477	382
Impact on account of borrowings measured at amortised cost	B.2	10	12
Impact on fair valuation of derivative contract	B.3	(204)	(60)
Impact on account of provision for expected credit loss	B.4	(2,528)	(2,526)
Impact on account of fair valuation of mutual funds	B.5	23	19
Tax impact due to above adjustments	B.7	910	916
Others		3	(25)
Total - GAAP adjustments		(1,309)	(1,282)
Equity as per Ind AS		30,946	27,042

Reconciliation of total comprehensive income / (loss) for the year 2016-17
(Rs. in lakhs)

Particulars	Note	31 March 2017
Net profit / (loss) after tax as per previous GAAP		5,538
GAAP adjustments:		
Impact on borrowings accounted at amortised cost	B.2	(2)
Fair valuation of derivative contracts	B.3	(145)
Impact on account of provision for expected credit loss	B.4	(2)
Impact on account of fair valuation of mutual funds	B.5	4
Impact of recognising actuarial (gains) / losses on defined benefit obligations in OCI	B.6	(140)
Deferred tax on undistributed reserves	B.7	(52)
Deferred tax on intercompany inventory	B.7	4
Tax impact due to above adjustments	B.7	74
Others		27
Total - GAAP adjustments		(232)
Net profit / (loss) after tax as per Ind AS		5,306
Impact on account of financial asset measured at FVOCI	B.1	95
Impact of recognising actuarial gains / losses on defined benefit obligations in other comprehensive income	B.6	140
Impact of deferred taxes on the above adjustments	B.7	(48)
Others		(2)
Total comprehensive income / (loss) after tax as per Ind AS		5,491

All the adjustments on account of Ind AS are non-cash in nature, hence there is no material impact on the Statement of Cash flows

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

B.1	<p>Impact on account of financial asset measured at FVOCI</p> <p>Previous GAAP – Non-current investment are measured at cost less provision for other than temporary diminution in value.</p> <p>Ind AS – Investment in equity shares are financial assets. For the purposes of Ind AS 109, these will be accounted at fair value through other comprehensive income at each reporting date. Consequent to the change, the impact on equity at transition date and as at 31 March 2017 is Rs. 381 lakhs and Rs. 476 lakhs respectively and the impact in statement of OCI for the year ended 2016-17 is Rs. 95 lakhs.</p>
B.2	<p>Impact on borrowings accounted at amortised cost</p> <p>Previous GAAP – The borrowings are recorded at transaction value and transaction costs/processing fees is charged as finance cost to profit and loss in the year in which the cost is incurred.</p> <p>Ind AS – As per Ind AS 109, borrowings are financial liabilities which are initially recorded at fair value and subsequently at amortised cost as per effective interest rate method. Consequent to this change, the impact on equity at transition date and as at 31 March 2017 is Rs. 12 lakhs and Rs. 10 lakhs respectively and an impact in statement of profit and loss for the year ended 2016-17 is Rs. (2) lakhs.</p>
B.3	<p>Impact on fair valuation of derivative contract</p> <p>Previous GAAP - Derivative contracts include foreign exchange forward contracts, interest rate swap and foreign currency option contracts. For forward contracts the premium or discount arising at the inception of foreign exchange forward contracts (except on contracts related to long term monetary item) entered into to hedge an existing assets or liability, were amortised as expense or income over the life of the contract. Exchange difference on such contract were recognised in the statement of profit and loss in the reporting period in which the exchange rate changes. For Interest rate swap and option contracts, Mark to market losses are accounted in profit and loss as and when incurred and gains are ignored.</p> <p>Ind AS - Under Ind AS, all derivatives are measured at fair value through profit and loss and mark-to-market gains or losses are recorded in the period when incurred. Consequent to the change, the impact on equity at the transition date and as at 31 March 2017 is Rs. (60) lakhs and Rs. (205) lakhs respectively and subsequently an impact of Rs. (145) lakhs was made in the statement of profit or loss for the year ended 31 March 2017.</p>
B.4	<p>Impact on account of creation of provision based on expected credit loss model</p> <p>Previous GAAP - The Group provides for doubtful debts based on the realization period and policy framed, based on the incurred loss model i.e. when there is an objective evidence of impairment.</p> <p>Ind AS - As per Ind AS 109, impairment loss shall be recognised as per the expected credit losses model on all financial assets (other than those measured at fair value) Consequent to the change, the impact on equity at the transition date and as at 31 March 2017 is Rs. (2,526) lakhs and (2,528) lakhs respectively and subsequently an impact of Rs. (2) lakhs was made in the statement of profit or loss for the year ended 31 March 2017.</p>
B.5	<p>Impact on account of fair valuation of mutual funds</p> <p>Previous GAAP – Investments in mutual fund were classified as non current investments and accounted at cost less provision for other than temporary diminution in value..</p> <p>Ind AS – Under Ind AS, mutual funds are classified as financial assets and need to be recognised at fair value through profit and loss.</p> <p>Consequent to the change, the impact on equity at transition date and as at 31 March 2017 is Rs.19 lakhs and Rs. 23 lakhs respectively and the impact in statement of profit and loss for the year ended 2016-17 is Rs. 4 lakhs.</p>

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

B.6	Impact of recognising actuarial gains / (losses) on defined benefit obligations in other comprehensive income Previous GAAP - Actuarial gains / losses on defined benefit obligations are recognised in statement of profit and loss. Ind AS - Actuarial gains / losses on defined benefit obligations are recognised in other comprehensive income (OCI). Consequently, actuarial gain of Rs. 140 lakhs has been recognised in OCI during the year ended 31 March 2017.
B.7	Impact on account of deferred taxes <p>The impact of transition adjustments together with Ind AS mandate of using balance sheet approach (against profit and loss approach in the previous GAAP) for computation of deferred tax has impacted the reserves on date of transition, with consequential impacts to the statement of profit and loss for the subsequent periods.</p> <p>Consequent to the change, the impact of Rs. 916 lakhs and Rs. 910 lakhs was made as on transition date and as at 31 March 2017 respectively. It also includes tax impact on undistributed reserves, unrealised intercompany inventory of subsidiary and other tax impact of Rs. (52) lakhs, Rs. 4 lakhs and 74 lakhs respectively which are recognised in profit and loss account for the year ended 31 March 2017. Further, Rs. (48) lakhs was reclassified from statement of profit and loss to OCI for the year ended 31 March 2017.</p>

52 Research & Development Expenses:

Particulars	31 March 2018	31 March 2017
(i) Charged to the statement of profit & loss	1,160	967
(ii) Capitalized to property plant and equipments	86	19

53 Lease rentals

The Group has taken certain vehicles on operating lease. Lease rental charged to the statement of profit and loss for the year ended 31 March 2018 is Rs. 69.30 lakhs (31 March 2017 - Rs. 69.30 lakhs). The minimum lease payments to be made in future as at the year end, in respect of non-cancellable lease are as follows:

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
For a period not later than one year	46	58
For a period later than one year and not later than five years	45	95
For a period later than five years	-	-

54 Earnings per share
(Rs. in lakhs)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Net Profit /(loss) after tax for the year	9,071	5,165
Profit / loss attributable to equity share holders	9,071	5,165
Weighted Average Number of equity shares outstanding during the year	96,922,600	96,922,600
Basic and Diluted Earnings Per Share (Rs.)	9.36	5.33
Face Value per Share (Rs.)	2.00	2.00

Note:

The group does not have any outstanding dilutive potential equity shares as at 31 March 2018 and 31 March 2017. Consequently, basic and diluted earnings per share of the group remains the same.

Notes 1 to 54 form an integral part of the consolidated financial statements

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

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm Registration No. 001076N / N500013

Adi P. Sethna

Partner

Membership No.: 108840

Place : Mumbai

Date : 21 May, 2018

For and on behalf of the Board of Directors

T. S. Sahney

Chairman

DIN : 00003873

Tashwinder Singh

Director

DIN : 06572282

Place: Mumbai

Date: 21 May 2018

H. S. Zaveri

Vice Chairman and

Managing Director

DIN : 00003948

Ashank Desai

Director

DIN : 00017767

S. C. Rangani

Executive Director and

Company Secretary

DIN : 00209069

Tanushree Bagrodia

Chief Financial Officer



NRB BEARINGS LIMITED

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

Tel: 022 22664160 **Fax:** 022 22660412

Website: www.nrbbearings.com **Email:** sc.rangani@nrb.co.in

CIN: L29130MH1965PLC013251

ATTENDANCE SLIP (To be presented at the entrance of the meeting hall)

1. Name and Registered Address :
of the Sole / First name Member

2. Name(s) of Joint-Holder(s), if any :

3. Registered Folio No. :
/DP ID No.* /Client ID No.*
(*Applicable to Members holding
shares in dematerialized form)

4. No. of Equity Shares held :

I hereby record my presence at the **53rd ANNUAL GENERAL MEETING** of the Company held on Thursday, August 9, 2018 at 3.30 p.m. at M C Ghia Hall, Dubash Marg, Mumbai 400 001. We request you to take note of my/our following details for sending in future, any documents/intimations by electronic mode

Email addressContact nos:.....

Signature of Shareholder/Proxy

Note: Please fill up this attendance slip and hand it over at the entrance of the meeting hall. Members are requested to bring their copies of Annual Report to the meeting.

E- VOTING PARTICULARS

EVSN(Electronic Voting Sequence Number)	USER ID	PASSWORD
180710014		Existing Password **

****If you are a first time user then follow the steps mentioned on Page no. 5, Para 8 of the Notes to Notice of the Annual General Meeting.**



NRB BEARINGS LIMITED

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

Tel: 022 22664160 **Fax:** 022 22660412

Website: www.nrbbearings.com **Email:** sc.rangani@nrb.co.in

CIN: L29130MH1965PLC013251

[Pursuant to section 105(6) of the Companies Act,2013 and rule 19(3)of the Companies (Management and Administration Rules,2014]

PROXY FORM

Name of the member(s) and Registered Address	As mentioned overleaf
DP ID*/ CLIENT ID/FOLIO NO	As mentioned overleaf
Email Id :	As mentioned overleaf

I/We being the members of NRB Bearings Limited, hereby appoint:

- | | | | |
|----|----|------------------|----------------|
| 1) | of | having e-mail ID | or failing him |
| 2) | of | having e-mail ID | or failing him |
| 3) | of | having e-mail ID | or failing him |

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **53rd ANNUAL GENERAL MEETING** of the Company, to be held on Thursday, August 9,2018 at 3.30 p.m. at the M C Ghia Hall, Dubash Marg, Mumbai 400 001 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolutions	For	Against
ORDINARY BUSINESS		
1. Adoption of the Audited Financial Statements (standalone and consolidated) for the year ended 31 st March,2018 and Reports of the Board of Directors and Auditors.		
2. To declare Final dividend on Equity Share Capital for the year ended 31st March, 2018.		
3. Reappointment of Mr.D S Sahney (DIN. 00003956) who retires by rotation and being eligible seeks re-appointment.		
4. Appointment of Auditors and fixing their remuneration.		
SPECIAL BUSINESS		
1. Re-appointment of Mr. Satish Rangani (DIN00209069) as Whole-Time Director.		
2. Ratification of remuneration to the Cost Auditors.		

Signed this _____ day of August 2018

Affix
revenue
stamp

Signature of Shareholder _____

Signature of Proxy _____

Notes:

- 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.
- A Proxy need not be a member of the Company.
- For the resolution, explanatory statement, and notes, please refer to the Notice of 53rd AGM.

FINANCIAL HIGHLIGHTS

Rs. in lakhs

Year Ended	31.03.14	31.03.15	31.03.16	31.03.17	31.03.18
Sales (Net)					
Domestic	44633.61	48773.04	51666.62	57377.00	64990.00
Exports	13585.00	15484.17	13484.28	13292.00	16957.00
Sales Total	58218.61	64257.21	65150.90	70669.00	81947.00
Operating Profit	10517.54	11836.95	10743.47	10193.00	15096.00
Profit Before Tax	5471.58	7418.94	6382.00	6757.66	12030.96
Tax (Net)	1653.47	2212.48	1784.00	1824.76	3839.62
Profit After Tax	3818.11	5206.46	4598.00	5122.45	8315.40
Retained Earnings	2580.97	3503.59	2964.84	3515.87	6682.24
Dividend	1066.15	1453.84	1356.92	1356.92	1356.92
Tax on dividend	170.99	249.03	276.24	249.66	276.24
Earnings per share (FV Rs.2)	3.94	5.37	4.74	5.09	8.45
Dividend %	55	75	70	70	70
Shareholders' Funds	23666.67	27170.26	30135.40	32352.56	39034.80
Funds Employed	35336.05	39515.96	42481.10	40750.70	47432.94
Fixed Assets (Gross)	52320.15	51256.86	54528.26	55845.21	60177.52
Fixed Assets (Net)	23560.89	22256.66	22736.57	21849.35	23602.13
Fixed Asset Turnover (times)	2.47	2.89	2.87	3.23	3.47
Net Current Assets	6910.66	12206.46	10863.67	14042.54	17228.57
Working Capital Turnover (times)	8.42	5.26	6.00	5.03	4.76
Shareholder Nos	9494	10330	9706	11273	22141
Employee Nos	1593	1571	1670	1613	1557

Fixed Asset Turnover - Net sales/Net Fixed Assets at year end

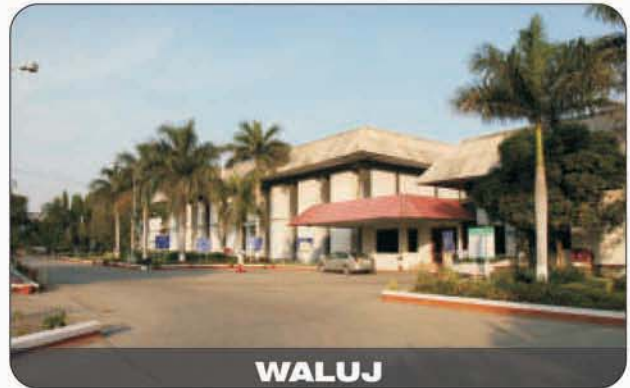
Working capital Turnover - Net sales/Net current assets as at year end

Final Dividend not provided as per INDAS, resulting in Retained Earnings, Dividend amount & %, Tax on dividend not being comparable.

NRB PLANTS



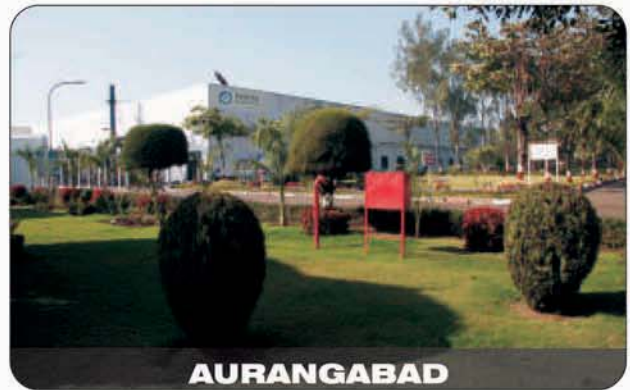
THANE



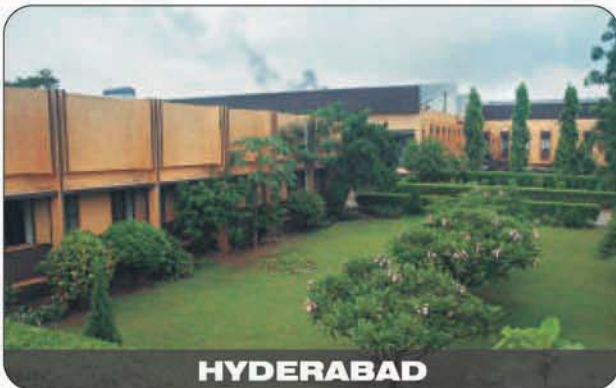
WALUJ



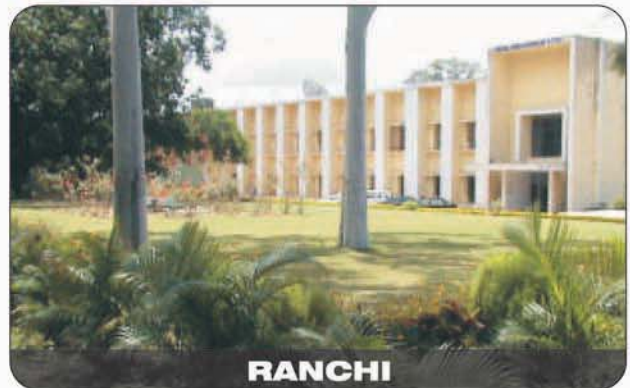
JALNA



AURANGABAD



HYDERABAD



RANCHI



THAILAND



PANTNAGAR