

June 30, 2015

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

fax: 2723121/3719/2702037

Code No. 505827

Dear Sir,

Sub : Annual General Meeting

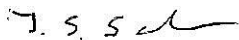
Annual General Meeting of the company will be held on Friday 24th July, 2015 at 11.00 a.m. at M C Ghia Hall, K Dubash Marg, Mumbai 400 001. The Annual Reports have been dispatched to the shareholders.

Enclosing six copies of the Annual Report along with Form A for your record. The Auditor, Managing Director and the CFO of the company has signed the form A except Mr. Uday Khanna-Audit Committee Chairman who is travelling abroad and shall return by 15th July, 2015 has not signed the same.

As soon as he arrives India we shall get the same signed and resubmit Form A.

Thanking you,

Yours truly,
For NRB BEARINGS LTD.




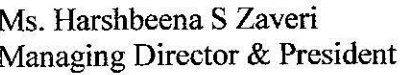

T S SAHNEY
EXECUTIVE CHAIRMAN

cc: The 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
Fax: 26598237/38

FORM A

Format of covering letter of the annual audit report to be filed with the stock exchanges

1.	Name of the Company:	NRB Bearings Limited
2.	Annual standalone financial statements for the year ended	31 st March, 2015
3.	Type of Audit observation	<p>Emphasis of matter</p> <p>We draw attention to Note 45 to the financial statements. As stated in Note, the latest available audited financial statements for the year ended 31st March, 2015 of NRB Bearings (Thailand) Limited (NRB, Thailand), a wholly owned subsidiary, wherein the Company has an investment of Rs. 1,640.56 lacs in equity shares, reflect erosion of its net worth. In the opinion of the management of the Company, the diminution in value of investment in NRB, Thailand is not considered as other than temporary, for the reasons stated therein.</p> <p>Our opinion is not modified in respect of this matter</p> <p>Note in the standalone financial statements</p> <p>NOTE 45</p> <p>The Company has an investment of Rs. 1,640.56 lacs in equity shares of NRB Bearings (Thailand) Limited (NRB, Thailand) a wholly owned subsidiary, whose net worth has eroded as per the latest audited financial</p>

		<p>statements as at 31st March 2015. To strengthen the operations and financial health of NRB, Thailand, the Company has initiated several measures to increase sales (via new customer acquisition and increased penetration of the existing customer base) and improve cash flows. Significant efforts are being implemented to mine synergies between the Company and NRB, Thailand thus improving efficiencies and profitability of NRB, Thailand. The Company is committed to NRB, Thailand as a key investment to achieve its overall growth plan. Therefore, in view of the Management, the diminution in value of investments in NRB, Thailand is temporary.</p>
4.	Frequency of observation	The Emphasis of matter continues from previous year.
5.	<p>To be signed by-</p> <p>Mr. Uday Khanna Audit Committee Chairman</p> <p></p> <p>Ms. Harshbeena S Zaveri Managing Director & President</p> <p></p> <p></p> <p>Ms. Tanushree Bagrodia Chief Financial Officer</p>	


Auditor of the Company

Refer our Audit Report dated 18th May, 2015 on the standalone financial statements of the Company

For DELOITTE HASKINS & SELLS

Chartered Accountants

(Firm's Registration No. 117365W)



Saira Nainar

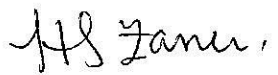

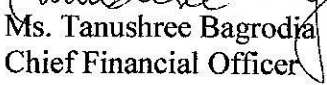
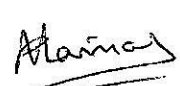
(Partner)

(Membership No. 040081)

Mumbai, 26 June, 2015

FORM A

Format of covering letter of the annual audit report to be filed with the stock exchanges

1.	Name of the Company:	NRB Bearings Limited
2.	Annual consolidated financial statements for the year ended	31 st March, 2015
3.	Type of Audit observation	Unqualified
4.	Frequency of observation	Not applicable
5.	To be signed by- Mr. Uday Khanna Audit Committee Chairman  Ms. Harshbeena S Zaveri Managing Director & President  Ms. Tanushree Bagrodia Chief Financial Officer  Auditor of the Company Refer our Audit Report dated 18 th May, 2015 on the consolidated financial statements of the Company For DELOITTE HASKINS & SELLS Chartered Accountants (Firm's Registration No. 117365W)  Saira Nainar (Partner) (Membership No. 040081) Mumbai, 26 June, 2015	



50th Annual Report



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

NRB BEARINGS LTD.
DHANNUR, 15 SIR PM ROAD
FORT, MUMBAI - 400 001 INDIA
PHONE: +91 22 - 2266 4160/2266 4998
FAX: +91 22 - 2266 0412
WWW.NRBBEARINGS.COM

CERTIFICATIONS:

ISO 9001:2008
ISO/TS 16949:2009
ISO 14001:2004

OHSAS 18001:2007
REACH COMPLIANT
ELV COMPLIANT

CIN : L29130MH1965PLC013251

Directors	: Trilochan Singh Sahney - Executive Chairman Harshbeena S Zaveri - Managing Director & President Tashwinder Singh Uday Khanna S B (Ravi) Pandit Aslesha A Gowariker Devesh S Sahney Satish C Rangani - Executive Director & Company Secretary
Bankers	: BNP Paribas Citibank N.A. DBS Bank
Auditors	: Deloitte Haskins & Sells
Solicitors	: Wadia Ghandy & Co. 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 Pantnagar Udhamsingh Nagar, Uttarakhand 263153
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 50th Annual General Meeting of the members of the Company will be held at M C Ghia Hall, K Dubash Marg, Mumbai 400 001 on Friday 24th July, 2015 at 11.00 a.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, 2015 and the reports of the Board of Directors and the auditors thereon.
2. To declare a dividend for the year ended 31st March, 2015.
3. To appoint a Director in place of Ms. H S Zaveri (DIN 00003948) who retires by rotation and is eligible for re-appointment.
4. To consider and if thought fit, to pass with or without modifications, the following resolution:

“RESOLVED THAT the appointment of M/s.Deloitte Haskins & Sells, Chartered Accountants, (Registration no. ICAI 117365W) as Auditors of the Company be and is hereby ratified to hold office until the conclusion of the Annual General Meeting to be held for the financial year ending 31st March, 2017, subject to annual ratification by the shareholders, on such remuneration plus out-of-pocket expenses, as may be mutually agreed upon between the Board of Directors and the Auditors.”

SPECIAL BUSINESS

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

Appointment of Ms.A A Gowariker as an Independent Director

“RESOLVED THAT pursuant to the provisions of section 149, 152 read with schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (appointment and qualifications of Directors) Rules 2014 and Clause 49 of the Listing Agreement, Ms. A A Gowariker, DIN 03634905 who was appointed as an additional Director pursuant to the provisions of section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office upto the date of this Annual General Meeting, and in respect of whom the Company has received a notice in writing pursuant to section 160 of the Act from a member proposing her candidature for the office of Director be and is hereby appointed as Independent Director of the Company, to hold office for a term of 5 consecutive years with effect from 5th September, 2014.

6. To consider and if thought fit, to pass, 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, and who holds office upto 24th July, 2015 for a further period of 18 months as a Whole-Time Director, designated Executive Director & Company Secretary, of the Company, on the terms and conditions including remuneration as set out below, 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 subject to the same not exceeding the limits specified under schedule V to the Companies Act, 2013.”

Mr. S C Rangani, Executive Director & Company Secretary shall carry out duties as may be entrusted to him subject to the supervision and control of the Managing Director & President.

Basic

Rs.5,93,250 p.m

Perquisites

In addition to the basic salary the perquisites of reimbursement of medical expenses, medical insurance premium and leave travel assistance not exceeding Rs.2,00,000 p.a. will also be payable.

Contribution to Provident Fund and provision of car with driver and telephone at residence will not be considered as perquisites nor included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable, under the Income-Tax Act.

7. To consider and if thought fit, to pass, the following Resolution as a Special Resolution.

Re-appointment of Ms.H S Zaveri, Managing Director & President, for a further period of five years from 1.10.2015 to 30.9.2020

"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, consent of the Company be and is hereby accorded to the appointment of Ms.H S Zaveri Din 00003948, as Managing Director & President with effect from 1st October, 2015 for a period of five years upon the terms and conditions and stipulations contained in the draft Agreement to be entered into between the Company and Ms.H S Zaveri, a copy whereof is placed before the meeting and for the purpose of identification initialled by the Chairman hereof. The terms and conditions are as under:

- A. Ms. H S Zaveri, Managing Director & President shall carry out duties as may be entrusted to her subject to the supervision and control of the Board of Directors.

B. Basic

Rs.5,75,000 p.m the grade of Rs.5,00,000 - Rs.15,00,000

Annual increments effective 1st April each year will be decided by the Board and will be merit based and take into account the Company's performance.

Cash allowances

Other allowance Rs. 9,60,000 p.m. payable as per the rules of the Company

Perquisites

In addition to the basic salary the perquisites noted below will also be payable.

(i) Housing

1. Free unfurnished accommodation in case the accommodation is owned by the Company.
2. In case the accommodation is hired by the Company the expenditure by the Company on hiring such unfurnished accommodation for the Managing Director will be subject to a ceiling of 60% of the salary over and above 10% payable by the Managing Director.
3. In case no accommodation is provided by the Company house rent allowance subject to a ceiling of 60% of the monthly basic salary.

- (ii)** The expenditure incurred by the Company on providing gas, electricity, water and furnishings for the accommodation shall be valued as per the Income tax rules 1962.

(iii) Leave travel assistance

Once in a year, incurred in accordance with the rules specified by the Company, subject to a ceiling of Rs.1,72,000 p.a.

(iv) Club Fees

Reimbursement of membership fees for clubs.

(v) Reimbursement of Medical Expenses

Reimbursement of medical expenses for self, spouse and dependent children.

(vi) Medical/Accident Insurance

As per rules of the Company.

(vii) Personal Accident Insurance

Premium not exceeding Rs.6,500/- p.a.

- (viii)** Provision of car with driver and telephone at residence will not be considered as perquisites.

- (ix)** Contribution to Provident Fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable, under the Income-Tax Act. Gratuity payable will not exceed half a month's salary for each completed year of service.

C. Commission-

Such remuneration by way of Commission at the rate of Rs.75,00,000 p.a. for each financial year, in addition to the above salary and perquisites in a particular financial year, subject to the overall ceiling stipulated in sections 198 of the Act. The amount of commission shall be payable after the annual accounts are approved by the Board of Directors and adopted by the shareholders.

D. Minimum Remuneration

"RESOLVED FURTHER THAT, in the event that during the currency of the tenure of Ms.H S Zaveri as the 'Managing Director & President ", the Company has no profits or its profits are inadequate, the consent of Company be and is hereby accorded, subject to the approval of the Central Government in this regard, to continue to pay the remuneration as mentioned herein and as determined by the Board of Directors to Ms.H S Zaveri without any requirement of Ms.H S Zaveri refunding to the Company, in accordance with the provisions of Section 197 of the Act, such part of the remuneration as agreed herein, which may be in excess of the remuneration payable to her in accordance with the provisions of the Act."

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

By Order of the Board

S C Rangani

May 18,2015

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 19th July,2015 to 24th July, 2015 (both days inclusive).

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.

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 18th July, 2015.

In respect of shares held in electronic form, to those "Deemed Members" whose names appear on the statements of beneficial ownership furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) at the end of business hours on 18th July, 2015.

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 18th July, 2015.

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 dividends (interim and final) for the financial year ended 31st March, 2007 to the IEPF. Pursuant to the provisions IEPF (uploading of information regarding unpaid and unclaimed amounts lying with Companies) Rules 2012 the Company has uploaded such details as on 11th August, 2014 (date of last AGM) on the website of the Company.

8. PROCESS FOR MEMBERS OPTING FOR E-VOTING

In case of members receiving e-mail:

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form

PAN 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 8 digits of the Sequence number which is mentioned in address label affixed on Annual Report as sr no. 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 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.

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.

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) 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.

- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting.
- Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) 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.
- 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. (xvii) above to cast vote.
- (B) The voting period begins on July 21, 2015 at (9.00 am IST) and ends on July 23, 2015 (at 5.00 pm) 2015. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of July 18, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (C) 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.
- (D) 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.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013**Item No:5****Appointment of Ms. Aslesha A Gowariker as an Independent Director**

Ms. Aslesha A Gowariker was appointed as Additional Independent Director on the Board of the Company since September 2014 based on the recommendation of the Nomination and Remuneration Committee. She is a law graduate from Mumbai University and has been working with M/s. Desai & Diwanji, Solicitors for over 16 years and is currently Partner and part of Mergers & Acquisitions and Project Finance groups of the firm. She has substantial experience in advising foreign investors, investment banks and Indian promoters on transactions across various industry sectors, such as, healthcare/pharma, hotels and hospitality, auto, real estate, media and entertainment, oil/telecom/power/gas/roads and ports within infrastructure about legislation related to the concerned sectors and advising on regulations pertaining to Ministry of Finance, FIPB, RBI and SEBI. The board has decided to appoint her for a further term of five years as Non Executive Independent Director in terms of provisions of section 152 of the Companies Act, 2013.

The Board considers that her 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 Ms. Aslesha A Gowariker 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**Re-appointment of Mr. Satish Rangani as Whole-Time Director**

Mr. Satish Rangani has been Executive Director since October 2012. His current term of two years expires on 24th July, 2015 and is proposed to be extended for a further period of 18 months on terms and conditions as recommended by the Nomination and Remuneration Committee. Mr. Rangani is a commerce graduate and has a Masters degree in Business Management from Mumbai University and is also an associate member of the Institute of Company Secretaries of India. He has 42 years experience in the aggregate as a key member of the management teams with responsibilities for finance & accounts, commercial, IT, secretarial and legal of which the last 22 years has been with the Company, initially as CFO and Company Secretary and currently as Executive Director & Company Secretary.

The Company has received notice under section 160 of the Companies Act, 2013 along with the requisite deposit from a member proposing the candidature of Mr. Satish Rangani for the office of Director. 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.6 of the accompanying notice. Except Mr. Satish Rangani none of the other Directors, key management personnel and their relatives are interested or concerned with the resolution.

Item No: 7 –Re-appointment of Ms. H S Zaveri as Managing Director & President

Ms. H S Zaveri has been Managing Director & President since October 2010. Her current term of five years expires on 30th September, 2015 and is proposed to be extended for a further period of five years on terms and conditions as recommended by the Nomination and Remuneration Committee.

Ms. Zaveri graduated with distinction and honors from Wellesley College, an institution renowned for developing women leaders. She continues to be deeply involved with her Alma Mater as member of the Wellesley Business Leadership Council.

She was awarded The Leading Woman in Manufacturing Sector Award by Women In Leadership Forum (WIL) in 2009, and the Best CEO Award by the Quality Circle Forum of India for her contribution to the Quality movement in India. Fortune Magazine has ranked her amongst the 15 most powerful businesswomen in India since 2011.

As President and CEO of NRB Bearings Limited, she has spearheaded NRB's foray into Design Engineering and R & D which enabled NRB to become a supplier to the world's foremost automotive companies. Currently exports constitute 25 percent of NRB's sales turnover with exports to Global leaders such as Volvo, Mercedes and Audi.

Actively engaged with various business associations, she is Past President of Ball & Roller Bearing Manufacturers Association (BRBMA), Past Deputy Chairman of Western Region and Executive Committee Member of the Automotive Component Manufacturing Association (ACMA). She serves as an elected member on the CII Western Region and Maharashtra State Councils, the Executive Committee of ACMA, and the West India Council of the Indo American Chamber of Commerce (IACC).

The Company has received notice under section 160 of the Companies Act, 2013 along with the requisite deposit from a member proposing the candidature of Ms. H S Zaveri for the office of Director. The Board considers that her 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.7 of the accompanying notice. Except Ms. H S Zaveri, Mr. T S Sahney and Mr. D S Sahney, none of the other Directors, key management personnel and their relatives are interested or concerned with the resolution.

As required by clause 49 of the Listing Agreement entered into with the Stock Exchanges, the statement below gives the relevant details of the Directors being appointed/re-appointed under items 5, 6 & 7 of the accompanying notice.

Name of Director	Ms. H S Zaveri	Ms. A A Gowariker	Mr. S C Rangani
DIN	00003948	03634905	00209069
Date of Birth	01.03.1960	14.4.1967	13.11.1948
Nationality	Indian	Indian	Indian
Date of appointment on Board	6.4.1994	5.9.2014	31.10.2012
Qualification	AB, USA	LLB	B.Com, MMS, ACS
Shareholding in Company	5007065	-	6000
List of Directorships held in other companies (excluding foreign, private and section 8 companies)	SNL Bearings Ltd NRB Industrial Bearings Ltd Karamchand Thapar (Coal sales) Ltd	-	SNL Bearings Ltd
Memberships/Chairmanships of Audit and Stakeholders Relationship Committees across public companies	SNL Bearings Ltd - Member of Audit Committee and Stakeholders Relationship Committee	-	SNL Bearings Ltd - Member-Stakeholders Relationship Committee

By Order of the Board

S C Rangani

May 18, 2015

Executive Director & Company Secretary

BOARD'S REPORT

To
The Members
NRB BEARINGS LIMITED
Mumbai

Your Directors have pleasure in presenting their Fiftieth Annual Report together with Audited Accounts for the year ended 31st March, 2015.

1. Financial Results

Year ended	Consolidated		Standalone	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
	Rs.lacs	Rs.lacs	Rs.lacs	Rs.lacs
Revenue from operations (Net)	67030.87	60747.95	65559.00	59449.39
Profit before tax	7802.80	5180.42	7418.94	5471.58
Provision for taxation				
Current (net)	2446.10	1570.16	2239.34	1447.52
In respect of earlier years	17.11	22.98	17.11	22.98
Deferred tax	(30.55)	144.26	(43.97)	109.70
In respect of earlier years	--	73.27	--	73.27
Profit after taxation	5323.09	3298.43	5206.46	3818.11
Add: Balance brought forward	8880.38	14203.47	7911.10	11209.53
	11323.31	16529.77	9624.15	13442.26
Appropriation:				
Dividend	1453.84	1066.15	1453.84	1066.15
Tax on distributed profits	296.24	181.19	249.03	170.99
General Reserve	--	381.81	--	381.81
Debenture Redemption Reserve	--	500.00	--	500.00
Capital Redemption Reserve	150.00	200.00	--	--
Profit & Loss Account	12303.39	8880.38	14826.90	11323.31
	14203.47	11209.53	16529.77	13442.26

2. Appropriation

Dividend

Directors recommend dividend of Rs.1.50/-per equity share of Rs.2/- (Rs.1.10 per share for previous year) payable to members/beneficial owners as per the Register of Members as applicable aggregating Rs. 1453.84 lacs.

3. Operations/Outlook

During the first 6 months of the financial year, there was moderate improvement in the country's economic climate with GDP growth improving to 5.5%, Services sector continuing its strong growth trend, Agriculture also contributing with reasonable development and only IIP showing an erratic trend with a 1.5% growth. The change in Government in May'2014 raised high expectations that a strong government not constrained by coalition politics will usher in significant reforms that can accelerate growth. Globally, the sharp drop in crude oil prices helped contain inflation, the Indian Rupee, after a year of volatility in 2013-14, stabilized against the USD and improved against the Euro, with only the RBI continuing its conservative approach - reducing repo rates, though not to the expected levels.

Despite the positive environment, the revival of the investment cycle has not happened and economic growth remains subdued with industrial production remaining lackluster. The overall volatility has had a negative influence on consumer sentiment and demand. Barring the two wheeler segment and some traction in the high value 4-wheeler segments of passenger cars and commercial vehicles, the automotive sector, one of the largest consumers of the Company's products, saw de-growth in the farm equipment/off highway segment. Your Company aggressively pushed sales in the domestic market and for exports and successfully increased sales in these segments and once again achieved its highest ever sales revenues of Rs.65559 lacs (previous year Rs.59449 lacs) a growth of 10.30% and also achieved its highest ever exports revenues of Rs.15811 lacs (previous year Rs.14250 lacs). Profit after tax has also improved to Rs.5206 lacs (previous year Rs.3818 lacs) helped by the lower charge on depreciation.

There is still optimism that the new government at the Centre will accelerate economic activity and RBI will ease interest rates once inflation is contained, thus favourably impacting the overall sentiment in the manufacturing sector. Domestic consumption remains a key growth engine for the Indian economy and with significant additions to the working age population, rising disposable incomes particularly in rural areas and the government revived spending on infrastructure and in the social sector to foster inclusive growth, will help India realize its long term development potential in a sustainable way. Your Company, with a clear and dedicated customer focus, is investing in and building its R&D capabilities, developing product lines with better profit margins and streamlining its production processes to eliminate waste from operations.

4. Finance

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 non convertible debentures aggregating Rs.20 crores were redeemed in May 2014. Accordingly all the debentures stand extinguished.

c. Particulars loans, guarantees or investments

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 had, on the recommendation of the Nomination & Remuneration Committee appointed Mr. S B (Ravi) Pandit and Ms. Aslesha A Gowariker as Additional Directors of the Company in the category of independent Directors w.e.f. 5th September, 2014. Mr. S B (Ravi) Pandit has informed that he will not be in a position to continue after the the ensuing AGM on account of work pressures. In the case of Ms. A A Gowariker, the notice for the forthcoming Annual General Meeting (AGM) includes her appointment as independent Director under the Companies Act, 2013 for a period of five years w.e.f. 5th September, 2014.

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 clause 49 of the Listing Agreement.

Ms. H S Zaveri retires by rotation pursuant to Article 111 of the Articles of Association and is eligible for reappointment.

Mr. Satish Rangani is proposed to be re-appointed as Whole time Director, designated Executive Director & Company Secretary, for a further period of 18 months on the expiry of his present contract on 24th July, 2015 and the same has been included in the notice for the forthcoming AGM.

Familiarisation Programme for Independent Directors

In order to familiarize the Independent Directors with the business of the Company presentation was made by the CFO covering nature and scope of business, nature of industry in which Company operates, profitability and future plans. Regularly at meetings updates are given to the Board.

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 independent Directors have also met separately in March 2015.

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. The remuneration policy is posted on the company's website.

Meetings

During the year four Board meetings and five Audit committee meetings were convened and held (details in Corporate Governance Report). The intervening gap between the meetings was less than four months. 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, 2015 the Company has three subsidiaries viz. SNL Bearings Ltd (SNL), NRB Bearings (Thailand) Ltd and NRB Bearings Europe GmbH. The consolidated results include the working of these subsidiaries.

SNL Bearings, in which your Company holds 73.45% equity, has reported PAT of Rs.454.96 lacs (previous year Rs.338.85 lacs). Despite the challenging environment in the Indian economy, SNL has achieved sales growth. Profit before tax (PBT) has increased by 36% from Rs.496.05 lakhs (Previous year) to Rs.673.47 lakhs on account of higher volumes and improved cost competitiveness. SNL will further capitalize on growth opportunities during the current year and enhance profitability and widen its ability to serve customers with emphasis on improving quality and productivity.

NRB Bearings (Thailand) Ltd, a wholly owned subsidiary, has increased its sales by 30% to THB 113.6 million (Rs.22.6 crores). The share of manufacturing revenues out of total revenues has been 51% at THB 58.3 million (Rs.11.6 crores) and trading revenues are 49% at THB 55.3 million (Rs.11.0 crores). The Company has turned EBITDA positive for the year and the loss has been lower at THB 14.9 million (Rs.2.98 crores). New business is being finalized with global European and Japanese customers and manufacture of new products as well as enhanced production of needle rollers, planned during FY 2015-16 will help in improving the financial results during the coming years..

NRB Bearings Europe GmbH, a wholly owned subsidiary was set up during the year in view of increasing exports to Europe. The Company provides marketing and customer support services. The income during the year is EURO 163,227 (Rs.110 lacs) and the resultant profit after tax is EURO 5,257 (Rs.3.58 lacs).

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 1 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. In April 2015 nine workmen opted for VRS at Chikalthana and the total compensation payable is Rs.75.62 lacs.

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 on attitudinal and behavioural aspects.

The Company has a Vigil Mechanism and Whistle Blower Policy. Details of the same have been given in Annexure 2 forming part of this report and are posted on the website of the Company.

9. Business Risk Management

Pursuant to the requirement of clause 49 of the Listing Agreement, the Company has constituted a Risk Committee, the details of the committee and its terms of reference are set out in the corporate governance report forming part of the Board's Report.

10. 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. ISO14001:2004 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.

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, reduction & recycling of wastes; and adherence to emission norms.

There have been numerous initiatives by the 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 tree plantation and drawing competitions.
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, reporting of near-miss incidents and first aid awareness. We strive to achieve "Zero-Accident Tolerance".

3. Setting up of Solar Lights in factory premises and air ventilators on factory roof to save electricity, improve air quality and protect usage of natural resources electricity.
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.

11. Corporate social responsibility

NRB has always believed in and worked towards "inclusive growth"- improving the quality of life of the people we touch and in the communities where we operate.

During the year, your Company has encouraged and supported young engineers and budding technology/automotive enthusiasts through the following sponsorships:

- 1 Team IIT Bombay Racing team "BAHA" in 2013-14 & 2014-15 as one of the largest educational motorsport event hosted by the Institution of Mechanical Engineers in Europe with over 100 participating nations.
- 2 On a regular basis we conduct Blood Donation camps across locations to help the society to donate blood in case of any emergency.
- 3 NRB Hyderabad & Chikalthana plants have taken a special step by starting a "Summer Water Camp" to help the needy and poor people to provide water in the scorching heat.
- 4 NRB believes in "Go Green" policy. NRB takes initiatives in planting trees and plants in and around the NRB factories.

In line with the activities specified in schedule VII relating to the provisions of sections 135 of the Companies Act, 2013 NRB has decided to focus on :

Promotion of education

Promoting gender equality and empowering woman

Employment enhancing vocational skills

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 for studies in mathematics and engineering.

Company has supported a Pune based NGO – Gyan Prakash Foundation (GPF). GPF is a registered non-profit organization with a focus on quality education for children in rural India. NRB is supporting GPF efforts towards making a notable impact in the rural education landscape through their BRIDGE programme which is an intervention that bridges the gaps in readiness of children entering school- from Anganwadis or directly without any pre-school experience- to create positive impact on learning outcomes and dropout rates.

The Company has contributed 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 Ivy-league quality education at an affordable price.

The liberal education helps develop intellect, nurtures critical thinking and provides specialisation with a broader foundation of knowledge. It provides an attractive proposition to students who want an Ivy League/Oxbridge level education without leaving India at an estimated cost of 1/5th that of a top-ranked university in the West.

The average of the last 3 years profits works out to Rs.5,954 lacs and @ 2% the amount to be spent by the Company on CSR activities works out to Rs.119 lacs during FY 2014-15. The Company has actually spent Rs.122 lacs during FY 2014-15 on the identified activities.

12. Corporate governance

Pursuant to clause 49 of the listing agreements with the stock exchanges, a Management Discussion and Analysis, Corporate Governance Report and Auditors' Certificate regarding compliance of conditions of Corporate Governance are made part of the Annual Report.

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 paragraph V of clause 49 has been done by the Managing Director and the VP: 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.

13. 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, 2015 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.

14. 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. There are no materially significant RPT by the Company with promoters, Directors, key managerial personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

All RPT are placed before the audit committee as also the board for approval. Prior approval of the audit committee is obtained on a quarterly 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.

15. Auditors

Statutory Auditors

M/s Deloitte Haskins & Sells, Chartered Accountants retire at the ensuing Annual General Meeting and offer themselves for re-appointment. In terms of Clause 41(1)(h) of the Listing Agreement, the statutory auditors are subjected to the

Peer Review process of the ICAI and hold a valid certificate issued by the Peer review Board of ICAI.

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

The product "Bearings" was subject to cost audit under the Central Government rules. The cost audit report for the year ended 31.3.2014 was reviewed by the audit committee at their meeting held on 1st August, 2014 and has been filed in xbrl format on 22nd September, 2014. Cost audit for the year ended 31st March, 2015 is not applicable.

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, Practicing Company Secretary to undertake the Secretarial Audit of the Company. The report is annexed as Annexure 3.

16. Extract of Annual Return

The details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith as Annexure 4.

17. Particulars of employees

The information required pursuant to section 197 read with Rule 5 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.

18. Acknowledgement

The Directors wish to convey their appreciation for the tremendous support of our workforce- both unionized and management and 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 their confidence in its management.

On behalf of the Board

(Ms) H S Zaveri

Managing Director & President

Mumbai : May 18,2015

ANNEXURE 1

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.
- At Jalna, replaced high capacity motors with lower capacity motors and/or variable frequency drives, replaced belt drive spindles with energy efficient spindles, imported sensor probes and amplifiers replaced with indigenous ones. Total savings Rs.7.15 lacs p.a.

Air cooling and exhaust systems improved for better shop floor environment with savings in power consumption of Rs.40 lacs p.a., oil consumption reduced resulting in savings of Rs.3.5 lacs and developed system for collecting rain water and re-charging which is expected to save 4 crore litres of water with savings of Rs.1.5 lacs by way of tanker water not being required.

- At Waluj, installed energy efficient pumps for cooling tower, introduced timers for certain machines and water cool condensers converted to air cool condensers for certain machines. Total savings of Rs.15.19 lacs p.a.
- At Hyderabad installed LED lamps and 18 W CFL lamps in place of 100 W incandescent bulbs. Automatic shut off for compressor motors resulting in energy savings of 18000 units annually and eliminated operations through tool modification. Total savings of Rs.1.58 lacs.p.a.

- At Thane, converted power supply connections from Star-delta to Star for grinding motors and fitted energy efficient compressors and water pumps resulting in savings of Rs.19.2 lacs p.a.
- At Aurangabad, fitted AC drives on certain machines, replaced conventional gear boxes and slip ring drives and panel boxes with improved ones, converted ductable AC into AHU, fitted LED lights and solar day light system, resulting in total savings of Rs.41.82 lacs p.a.

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

During the year, your Company has focused more on technology development of extra life bearings, standardization, optimization and diversification of single bearings solution to multiple automobile platforms.

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:

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"> • Shock resistance bearings with resilient material • Study, analysis and development for Automatic transmission. • Discrete technology adoption for product optimization with VA/VE concept & software development for the same. • Pressure velocity studies through application specific tests for gyroscopic and centrifugal effect. • Bearing life enhancement factors by bench mark testing • Extra life and light weight bearings. • Strategic alliance with customers through application and analytical engineering support for environmental friendly solutions. • Enhancing Supplier capability both for Quality and quantity • Development of new material, lubrication and surface coating.
Benefits derived as a result of the above R&D	<ul style="list-style-type: none"> • Cost reduction • Life enhancement and reliability improvement • Product standardization for platform creation • Compressing time for product development. • Development of high performance product for automatic transmission. • Customized product, process specifications based on application requirement. • Reputed customers entrusting futuristic high technology projects to the Company.
Future plan of action	<ul style="list-style-type: none"> • Launching new series of Unitized bearing • Lubrication and rust prevention development • Special CRB's • Precision transmission & engine components • Developing composite materials for low friction. • Enhancing testing capabilities for heavy gear boxes, heavy engines and cage capability. • Development of special software for design and CAE. • REACH compliance • Optimizing product design for longer life and less torque.
Expenditure on R&D	During the year an amount of Rs.726.79 lacs has been incurred on revenue and capital account for R & D expenses.

C. Foreign exchange earnings and outgo

Foreign exchange earnings	Rs. 15232 lacs
Foreign exchange outgo	Rs. 12367 lacs

On behalf of the Board

(Ms.) H S Zaveri

Managing Director & President

Mumbai : May 18, 2015

ANNEXURE 2- 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 comes into 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 Managing Director & President reporting directly to the Audit Committee of the Board.

The Corporate Compliance Committee comprises the Managing Director & President, 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 Managing Director & President 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.

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March, 2015

[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, 2015 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, 2015 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, 1992;
 - c) 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 : NIL

I have also examined compliance with the applicable clauses of the Listing Agreement entered into by the Company with the Stock Exchanges in India.

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

I report that during the year under review there was no action/event in pursuance of –

- (a) The Securities and Exchange Board of India (Issue and Listing of Debts Securities) Regulations, 2008
- (b) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (c) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998.
- (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

I further report that based on the information provided by the Company, its officers and authorised representatives during the conduct of the audit and also on the review of quarterly compliance reports by respective department heads/Executive Director & Company Secretary and Managing Director, taken on record by the Board of Directors of the Company, in my opinion adequate systems and processes and control mechanism exists in the Company to monitor and ensure compliance with applicable general laws like labour laws, competition law, environmental laws .

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed 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 the size and operation of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period except for passing of Special Resolutions u/s 180(1)(c) and 180(1)(a) of the Act in the Annual General Meeting held on 11/08/2014 thereby increasing the borrowing power and authorising the Board to create charge on assets of the Company, issue of Corporate Guarantee to associate company NRB Industrial Bearings Ltd, and grant of inter-company loans being material related party transactions , there was no other specific event/action in pursuance of the above referred laws, rules, regulations, guidelines, etc. having major bearing on the Company's affairs.

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

Place: Mumbai
Date : May 18,2015

ANNEXURE 4

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31/03/2015

[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 400 001, Maharashtra
 Email id. : sc.rangani@nrbbearings.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. Sunil Khade,
 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	41.70
2.	Ball & roller bearings	2913	39.11
3.	Automobile components	2913	14.40

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	L99999MH1979PLC134191	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)
3.	NRB Bearings Europe GmbH Carl - Benz Str. 23 64658 Fuerth (Odenwald) Germany	Foreign Company	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	22697087	--	22697087	23.42	18648517	--	18648517	19.24	(4.18)
b) Central Govt	--	--	--	--	--	--	--	--	--
c) State Govt	--	--	--	--	--	--	--	--	--
d) Bodies Corp.	--	--	--	--	--	--	--	--	--
e) Banks/ FI	--	--	--	--	--	--	--	--	--
f) Any other (Trust)	37755640	--	37755640	38.95	37755640	--	37755640	38.95	--
Sub-total (A) (1)	60452727	--	60452727	62.37	60452727	--	56404157	58.20	(4.18)
(2) Foreign									
a) NRIs – Individuals	--	--	--	--	--	--	--	--	--
b) Other – Individuals	--	--	--	--	--	--	--	--	--
c) Bodies Corp.	--	--	--	--	--	--	--	--	--
d) Banks/ FI	--	--	--	--	--	--	--	--	--
e) Any Other ...	--	--	--	--	--	--	--	--	--
Sub-total (A) (2)	60452727	--	60452727	62.37	60452727	--	56404157	58.20	(4.18)
Total Shareholding of Promoters (A) = (A) (1)+(A)(2)	60452727	--	60452727	62.37	60452727	--	56404157	58.20	(4.18)
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	1158531	7000	1165531	1.20	13746311	7000	13753311	14.19	12.99
b) Banks/ FI	5800	--	5800	0.01	28533	--	28533	0.03	0.02
c) Central Govt.	--	--	--	--	--	--	--	--	--
d) State Govt	--	--	--	--	--	--	--	--	--
e) Venture Capital Funds	--	--	--	--	--	--	--	--	--
f) Insurance Companies	--	--	--	--	--	--	--	--	--
g) FIIs	18415196	--	18415196	19.00	11368878	--	11368878	11.73	(7.27)
h) Foreign Venture Capital Funds	--	--	--	--	--	--	--	--	--
i) Others (Specify)	--	--	--	--	--	--	--	--	--
Sub-total (B) (1)	19579527	7000	19586527	20.21	25143722	7000	25150722	25.95	5.74

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	
(2) Non-Institutions									
a) Bodies Corp.	7687751	4000	7691751	7.94	4848004	4000	4852004	5.01	(2.93)
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual Share holders holding nominal share capital upto Rs.1 Lakh	6402380	565260	6967640	7.19	5593861	536260	6130121	6.32	(0.87)
ii) Individual Share holders holding nominal share capital in excess of Rs. 1 Lakh	1809842	--	1809842	1.87	967574	--	967574	1.00	(0.87)
c) Any Other									
i) NRI's/ OCBs	232599	0	232599	0.24	323647	0	323647	0.33	0.09
ii) Clearing Members	181114	--	181114	0.19	47242	--	47242	0.05	(0.14)
iii) Foreign Nationals	400	--	400	0.00	2400	--	2400	0.00	0.00
iv) Trusts	--	--	--	--	44733	--	44733	0.05	0.05
v) Foreign Portfolio Investment Corporation	--	--	--	--	3000000	--	3000000	3.10	3.10
Sub-total (B) (2)	16314086	569260	16883346	17.42	14827461	540260	15367721	15.86	(1.56)
Total Public Shareholding (B) = (B)(1) + (B)(2)	35893613	576260	36469873	37.63	39971183	547260	40518443	41.80	4.17
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	96346340	576260	96922600	100	96375340	547260	96922600	100	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	
1	Arti D. Sahney	407000	0.42	0	407000	0.42	0	0
2	Bhupinder Singh Sahney	320434	0.33	0	17970	0.02	0	(0.31)
3	Devesh S Sahney	3634600	3.75	0	3634600	3.75	0	0
4	Hanwantbir Kaur Sahney	388000	0.40	0	4972000	5.13	0	4.73
5	Harshbeena Sahney Zaveri	4732243	4.88	0	5007065	5.17	0	0.29
6	Jasjiv Singh Devinder S Sahney	611802	0.63	0	373495	0.39	0	(0.24)
7	Rajiv Devinder Sahney	853350	0.88	0	853350	0.88	0	0
8	Sahir Zaveri	33252	0.03	0	33252	0.03	0	0
9	Trilochan Singh Sahney	11716406	12.09	0	3349785	3.46	0	(8.63)
10	Trilochan S. Sahney	37755640	38.95	0	37755640	38.95	0	0
	Total	60452727	62.37	0	56404157	58.20	0	(4.17)

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

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	No. of Shares	% of total Shares of the Company	
1.	Bhupinder Singh Sahney	320434	0.33	17970	0.02	(0.31)
2.	Hanwantbir Kaur Sahney	388000	0.40	4972000	5.13	4.73
3.	Harshbeena Sahney Zaveri	4732243	4.88	5007065	5.17	0.29
4	Trilochan Singh Sahney	11716406	12.09	3349785	3.46	(8.63)

(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		Share holding at the end of the year		
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company	% change in shareholding during the year
1	Nalanda India Equity Fund Ltd.	9682667	9.99	9682667	9.99	-
2	SBI Magnum Multiplier Plus Scheme 1993	0	0	6352301	6.55	6.55
3	ICICI Prudential Life Insurance Company	5415214	5.59	4114624	4.25	(1.34)
4	DSP Blackrock Micro Cap Fund	0	0	4091192	4.22	4.22
5	Sundaram Mutual Fund A/c Sundaram Smile	0	0	2295138	2.37	2.37
6	Acacia Partners, LLP	3481480	3.59	1080000	1.11	(2.48)
7	HDFC Small & Midcap Fund	0	0	935000	0.96	0.96
8	Acacia Institutional Partners, LLP	2144430	2.21	900000	0.93	(1.28)
9	JP Morgan India Smaller Companies Fund	554912	0.57	554912	0.57	-
10	Acacia Conservation Fund LP	600000	0.62	540000	0.56	(0.06)

(v) Shareholding of Directors and Key Managerial Personnel:

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	No. of Shares	% of total Shares of the Company	% change in shareholding during the year
1	Uday Khanna	-	-	20000	0.02	0.02
2.	Satish Rangani	6000	0.00	6000	0.00	-
3.	Tanushree Bagrodia	-	-	-	-	-

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	16185.48	13116.32	--	29301.80
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	127.06	25.78	--	152.84
Total (i+ii+iii)	16312.54	13142.10	--	29454.64
Change in Indebtedness during the financial year				
Addition	9178.00	1123.00	--	10301.00
Reduction	5940.00	2732.00	--	8672.00
Net Change	3238.00	(1609.00)	--	1629.00
Indebtedness at the end of the financial year				
i) Principal Amount	19423.48	11507.32	--	30930.80
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	129.77	7.52	--	137.29
Total (i+ii+iii)	19553.25	11514.84	--	31068.09

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/WTD/ Manager			Total Amount (in Rs.)
		Mr. T. S. Sahney (Executive Chairman)	Ms. H. S. Zaveri (Managing Director & President)	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	60,00,000	57,25,000	61,80,000	1,79,05,000
	(b) Value of perquisites u/s 17(2)	62,90,923	130,82,151	973,316	203,46,390
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	--	--	--	--
2	Stock Option	--	--	--	--
3	Sweat Equity				
4	Commission _ as % of profit _ others, specify...	52,07,000	43,35,000	--	95,42,000
5	Others, please specify Sitting Fees (p.a.)	--	--	--	--
	Total (A)	174,97,923	231,42,151	71,53,316	477,93,390
	Ceiling as per the Act (Sec197)				520,70,000

B. Remuneration to Other Directors

Sr. No.	Particulars of Remuneration	Name of Directors							Total Amount (Rs in lakhs)
		Ms. Kala Pant	Mr. Uday Khanna	Ms. A. A. Gowarikar	Mr. D.S. Sahney	Mr. Taswind-er Singh	Mr. Anand Desai	Mr. S B (Ravi) Pandit	
1	Independent Directors								
	• Fee for attending board / committee meetings	70,000	1,40,000	60,000	--	90,000	10,000	10,000	3,80,000
	• Commission	54,250	1,30,200	75,950		130,200	21,700	21,700	4,34,000
	• Others, please specify								
	Total (1)	124,250	270,200	135,950	--	220,200	31,700	31,700	8,14,000
2	Other Non-Executive Directors								
	• Fee for attending board / committee meetings	--	--	--	30,000	--	--	--	30,000
	• Commission	--	--	--	130,200	--	--	--	130,200
	• Others, please specify								
	Total (2)	--	--	--	160,200	--	--	--	160,200
	Total (B)=(1+2)	124,250	270,200	135,950	160,200	220,200	31,700	31,700	974,200
	Total Managerial Remuneration	124,250	270,200	135,950	160,200	220,200	31,700	31,700	974,200
	Overall Ceiling as per the Act	Within ceiling limit							

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

Sr. No.	Particulars of Remuneration	Name of KMP	Total Amount (Rs in lakhs)
		Ms. Tanushree Bagrodia (CFO & VP-IT)	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	33,83,712/-	33,83,712/-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	56,38,536/-	56,38,536/-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		
2	Stock Option	--	--
3	Sweat Equity	--	--
4	Commission _ as % of profit _ others, specify...	--	--
5	Others, please specify	--	--
	Total (A)	90,22,248/-	90,22,248/-

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	--	--	--	--	--

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 18, 2015

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, 2015.

Mumbai : May 18, 2015

H S ZAVERI
MANAGING DIRECTOR & PRESIDENT

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 60% -65 % of the demand while the rest is supplied to the Aftermarket (15% -20%) 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

As a young nation, India needs multi nodal mobility solutions: personal mobility, urban mobility, inter- urban mobility- new vehicle models are being constantly introduced, there is expansion of the public transport systems, dedicated freight corridors for movement of farm produce and goods from and to the rural areas.

The annual production of the domestic organized sector (as represented under Ball & Roller Bearing Manufacturers Association-BRBMA) has grown by 14% at Rs. 5150 crores for the year 2014-15. Your Company's market share in the domestic organized sector is 13% approximately,

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.

During fiscal 2014-15, manufacturing and industrial activity remained sluggish for the major part of the year as demand did not take off with business confidence remaining low reflecting in low investments and low capacity utilization. With the election of a new government at the Centre, optimism continues even as the overall economy has improved only marginally. Positive actions on reforms, infrastructure and inclusive growth by the government, focused spending on future growth projects is likely to pave the way for a sustainable demand led recovery.

The commercial vehicles segment is dependent on activities in mining, infrastructure and logistics. Increased investment and activities in mining coupled with higher logistical requirements from E-commerce sectors augur well for the segment. Railways, one of the lifelines of the Indian economy, now has a clear roadmap of growth – the government's push for dedicated freight corridors, high speed network for both freight and passenger routes, improved safety is expected to increase the spending. With a gradually recovering world economy, government initiatives like 'Make in India', inviting private sector players in defence production, re-opening of mines, coupled with the new governance regime is expected to boost confidence of global investors and act as a catalyst for overall growth in industry.

While the long term outlook of the Indian economy remains positive there are some challenges in the immediate short term – falling rural incomes if impacted by a below normal monsoon, high interest rate regime prompted by continuing inflation could dampen demand for 2/3 wheelers and farm equipment, volatility in currency adversely impacting steel prices- could dampen the hopes of a smooth demand-led recovery. Creation of right investment sentiment is key to India's long term sustainable growth with speedy clearances to ensure that industrial growth is fast tracked again. With abilities to consistently deliver quality and reliability at an unbeatable cost position, India has the potential to become highly export competitive country for several goods and services and the Indian bearings industry can be part of this elite group of manufacturers.

To meet growing customer expectations, your Company has regularly invested in modern manufacturing technology and has taken a number of initiatives to strengthen its competitive advantage- partnering with customers with a focus on application engineering and R&D to develop advanced products for their new generation vehicles, building processes to ensure high precision is embedded in all products and quality improvements are a continuing process and exploring ways to minimise waste, reduce costs and increase productivity.

During 2014-15, the farm equipment (tractors) and light commercial vehicles witnessed de-growth with demand being subdued. The two wheeler/three wheeler and multi utility vehicles demand saw reasonable growth; while demand for heavy vehicles improved over the previous year, it continued to be significantly below the levels achieved in earlier years. Tabled below are growth estimates for 2015-16 projected by the Company, after assessing demand forecasts with all major OEMs:

	Vehicle Production (Nos)			
User Industry	2014-15	2013-14	% growth	2015-16 Est % growth
2-Wheelers				
Motorcycle	130,23,210	12,471,488		
Scooter	4,721,415	3,679,193		
Mopeds	755,345	732,210		
Total	18,499,970	16,879,891	9.58	8
3-Wheelers	949,021	830,120	14.33	15
Passenger Cars	2,416,862	2,311,972	4.06	7
MUV/MPV	803,310	760,679	4.95	
HCV/MCV	268,553	221,626	21.21	10
LCV	428,530	477,238	-10.25	-10
Tractors	588,504	683,157	-14	-8
Total	23,954,750	22,183,322	7.99	12

Source: SIAM for 2014-15 and 2013-14, production data and Company estimates

Financials

Revenue from operations, net of excise duty has increased by 10.28% to Rs.65559 lacs from Rs.59449 lacs in 2013-14. Domestic sales increased by 9.3% to Rs.48773 lacs from Rs.44634 lacs while exports increased by 14% to Rs.15484 lacs from Rs.13585 lacs in 2013-14.

The table below sets forth the key expense items as a percentage of net revenues for 2014-15 and 2013-14. Savings in employee costs and other overheads, on account of higher volumes and lower depreciation and finance charges have resulted in improved margins.

	% of Turnover -Year ended March 31	
	2015	2014
Revenue from operations (net of excise duty)	65559(100%)	59449(100%)
Expenditure:		
- Material (Including change in stock)	40.80	40.70
- Employee Cost	15.40	15.50
- Manufacturing and Other expenses (Net)	25.70	26.00
Total Expenditure	81.90	82.20
Profit before Depreciation, Interest and Tax	18.10	17.80
Depreciation	4.30	5.60
Finance costs (Net)	2.40	2.90
Profit before Exceptional Items and Tax	11.40	9.30

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

Ratio/ Year Ended	SKF 31.12.2014	FAG 31.12.2014	NRB 31.03.2015
Operating Profit (PBDIT) to Net Sales - %	14.91	17.32	18.10
RONW-PAT/Net Worth - %	14.32	14.60	19.20
ROCE –PBT/Cap employed - %	22.00	16.20	10.20
EPS *	38.50	92.00	5.37

* 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 Lacs

EVA	2014-15	2013-14
EBIT	9006	7191
Less: Adjusted Tax	3061	2444
NOPAT (Net Operating Profit less tax)	5945	4747
Equity	27170	23667
Debt	30931	29302
Total Invested Capital	58101	52969
Post Tax Cost of Debt %	4.00	8.30
Cost of Equity %	12.30	13.30
Weighted Average Cost of Capital % (WACC)	7.88	10.53
Weighted Average Cost of Capital (WACC)	4579	5578
EVA (NOPAT – WACC)	1366	-831

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 @ 7.8% 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 improved during the year. Capital employed in the business has gone up with additional borrowings at lower cost mainly by way of foreign currency borrowings, and with yields on long term government bonds having gone down, the weighted average cost of capital has reduced and operating profits having grown with increased volumes. As a result, the EVA has shown improvement.

Segment wise Performance

Your Company has a single reportable segment of ball and roller bearings as the primary business segment for the purpose of AS17. The assets and liabilities of the Company are all expended towards this business segment.

Geographical segment information is also given in Note.32.

Opportunities and Threats

Opportunities

- The Automotive Mission Plan I (AMP-I) (2006-16) had envisaged India to become an international hub for designing and manufacturing of automobiles and auto components with output reaching USD 145 billion and accounting for more than 10% of the country's(GDP) and providing employment to 25 million people by 2016. The Indian automotive industry currently accounts for around 7 % of the GDP and employs about 19 million people both directly and indirectly. It is estimated to become the third largest auto market in the world by 2016, accounting for more than 5 per cent of global vehicle sales. Growing to 6 million units annually by 2020 India is poised to become a global production hub.
- The Automotive Mission Plan (AMP)II for the period 2016-26 will be finalised by mid 2015 and is expected to lay down an ambitious road map for the industry's growth. Factors like emergence of large automotive clusters in the country, Delhi-Gurgaon-Faridabad in the north, Chennai- Bengaluru-Hosur in south, Pune-Aurangabad in the west and Jamshedpur-Kolkata in east would help fuel growth. Besides, a growing working population and an expanding middle class are expected to remain key demand drivers.
- India currently is the second largest two-wheeler manufacturer, the largest motorcycle producer and the fifth largest commercial vehicle manufacturer in the world. India will have to gear itself to changes including electric and hybrid cars, climate change, green consciousness and carbon emissions.
- Road infrastructure development has been lagging. Under the 12th Five Year Plan, the Government has reaffirmed its commitment to develop dedicated freight corridors which will give impetus to people movement and to movement of goods by reducing per tonne-km transportation costs. With the consequential linkage to our industry, it should be a big demand booster.
- India's arable land is next only to the US' and with productivity levels getting a shot in the arm with technology , micro-irrigation, superior raw materials, cheaper and readily available financing, a boost for farm equipment requirements is imminent
- Most of the worlds 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 product supplies of inferior quality and which are unsafe and unreliable in use, pose a risk to people, to industry and to the economy by way of unexpected downtime, safety hazards and financial losses. These probably account for a fourth of the bearings sold in the replacement market and the problem continues owing to the slow legal process, in spite of industry-wide efforts to thwart the unscrupulous suppliers. In addition to educating users and increasing awareness about the need to use safe sources like the authorized distribution channel, the Company is also working actively to deter the culprits and mitigate its risk by partnering with competent agencies and BRBMA.
- 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 - hence there is need to evaluate alternative propulsion options like the hybrid and plug-in electric cars. 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.
- Following the slowing demand in the developed markets of the US and Europe, cheap imports from China and other South-East Asian countries, have put pressure on Indian suppliers to price their products lower and are proving to be a big threat for the domestic bearings industry, as many customers are opting for cheaper imported options. Supply chain readiness and a stronger focus on reducing costs, minimising waste and increasing efficiency of operations are the main challenges to counter the same.

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, the Executive Director and Company Secretary, CFO, Heads of Manufacturing, HR and Sales and Marketing, 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 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) 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 changed significantly during the year, with the slowdown in economic growth leading to moderation in demand as the automotive industry, the largest consumer of bearings, has strong linkages with the economy. Also the slowdown in the EU markets have impacted the demand for the companies products in overseas markets.

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.

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.

To achieve our stated objective to cross sales revenues of Rs 1000 crores by end 2017, we at NRB continue with our people approach to harness employee potential and encourage team work. 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, they also serve as a platform to interact with peers from diverse backgrounds and spread the values of togetherness, positive thinking and mutual respect.

We continuously aim to provide career development and growth opportunities to our people through our Talent Management Process. It provides dual opportunities for people to grow in the managerial and technical capabilities aligned with their career aspirations. We continuously encourage our people to broaden their horizons and fulfill their potential via a wide and varied range of learning and development opportunities be it class room, on the job or experiential.

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. This is being continuously improved upon to enable building a bench strength of talented future leaders of tomorrow.

Permanent employees directly employed by the Company currently total 1622 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

Transparency and accountability are the two basic tenets of Corporate governance. 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. To succeed requires the highest standards of corporate behavior towards everyone you work with, the communities we touch and the environment on which we have an impact. This is the road to sustainable, profitable growth and creating long term value for the shareholders, the employees and the business partners.

The Company is in full compliance with the requirements of clause 49 of the Listing Agreement with the Indian Stock Exchanges.

1. Board of Directors

(i) Composition:

The Board's strength is eight members, with an Executive Chairman, two executive Directors and five non-executive Directors. All Directors including Non-executive Directors are professionally competent. The Board of Directors has been constituted with the appropriate combination of independent, non-independent Directors as per Clause 49 of the Listing Agreement with the Stock Exchanges.

Dr. K S Pant did not seek re-election on health grounds on the completion of her term in August, 2014.

Mr. S B (Ravi) Pandit and Ms. A A Gowariker have been appointed as additional Directors with effect from 5th September, 2014 vide circular resolution of the same date.

The composition and category of Directors in the Board of the Company are:

Name of Director	DIN	Category	No. of Directorships (Chairmanship) of other Indian companies as on 31.03.2015	No. of Membership In mandatory Committees (Chairmanship) of other companies (other than NRB) as on 31.03.2015
Mr. T S Sahney	00003873	E & NID	1(1)	-
Ms. H S Zaveri	00003948	E & NID	3(1)	2
Mr. D S Sahney	00003956	NE & NID	1	1
Mr. S C Rangani	00209069	E & NID	1	1
Mr. Tashwinder Singh	06572282	NE & ID	-	-
Mr. Uday Khanna	00079129	NE & ID	5	-
Mr. S B (Ravi) Pandit	00075861	NE & ID	5(1)	2
Ms. A A Gowariker	03634905	NE & ID	-	-

E & NID – Executive & Non Independent Directors

NE & ID – Non Executive & Independent Directors

NE & NID – Non Executive and Non Independent Directors

None of the Directors is a member of more than 10 Committees or a Chairman of more than 5 Committees (as stipulated in clause 49 of the Listing Agreement), across all Indian Companies in which he is a Director.

All the Independent Directors of the company furnish declaration annually that they qualify the conditions of their being independent. All such declarations are placed before the Board. Further, pursuant to Section 164(2) of the Companies Act, 2013 all the Directors have provided declarations annually in Form DIR-8 that they have not been disqualified to act as Director. No Director is related to any other Director on the Board in terms of the definition of 'relative' given under the Companies Act, 2013.

Membership in mandatory committees are only membership in Audit Committee and Stakeholders' Relationship Committee.

Other Directorships do not include Alternate Directorships, Directorships of Private Limited companies, Section 8 Companies and of Companies incorporated outside India.

Ms. H S Zaveri and Mr. D S Sahney are the daughter and son respectively of Mr. T S Sahney.

(ii) Board Meetings:

The Board of the Company, as also the various specialized committees constituted by the Board, held as many as 20 meetings including 5 meetings of the Board during 2014-15.

The maximum interval between any two meetings was less than four months. The Board held its meetings on 17th April, 2014, 22nd May, 2014, 1st August, 2014, 11th November, 2014 and 12th February, 2015.

(iii) Attendance of Directors:

The overall attendance of Directors was 89.47%. The attendance of whole-time Directors was 90%.

At the Board Meetings held during 2014-15 and the last Annual General Meeting

	Directors	Meetings held during the tenure of the Directors	Meetings Attended	Attendance at the last AGM (11th August, 2014)	Share-holding
1	Mr. T S Sahney	5	5	Yes	3349785
2	Dr. (Ms) Kala S Pant	3	3	Yes	Nil
3	Ms. H S Zaveri	5	4	Yes	5007065
4	Mr. D S Sahney	5	3	Yes	3634600
5	Mr. S C Rangani	5	5	Yes	6000
6	Mr. Tashwinder Singh	5	5	No	-
7	Mr. Uday Khanna	5	5	Yes	20000
8	Mr. S B (Ravi) Pandit	2	1	-	-
9	Ms. A A Gowariker	2	2	-	-
10	Mr. Anand N Desai	1	1	-	-

- Mr. S B (Ravi) Pandit and Ms. A A Gowariker appointed as Additional Directors w.e.f. 5th September, 2014

Overall attendance in the Board Meetings: 89.47%

AGM : 86%

(iv) Profile of Directors being appointed/reappointed are attached as Annexure to AGM Notice.

Period of Contract of Executive Chairman	For a period of 3 years w.e.f. 1.10.2013 to 30.9.2016 The contract may be terminated by either party giving the other party six calendar months notice
Period of Contract of Managing Director & President	For a period of 5 years w.e.f. 1.10.2010 to 30.9.2015 The contract may be terminated by either party giving the other party three calendar months notice. Included in the AGM Notice for re-appointment for further term of five years w.e.f. 1.10.2015 to 30.9.2020
Period of Contract of Executive Director & Company Secretary	For a period of 3 years w.e.f. 31.10.2012 to 24.07.2015 The contract may be terminated by either party giving the other party three calendar months notice. Included in AGM notice for further term of 18 Months w.e.f. 25.07.2015

No severance fees are payable to the above.

2. Audit Committee

The Committee currently comprises of two Non-executive Independent Directors and the Managing Director & President. It is headed by Mr. Uday Khanna as Chairman. The Members of the Committee have fair knowledge of project finance, accounts and Company law. The committee held 5 meetings during the year, which were attended by its members.

During the year, Dr. (Ms) Kala S Pant, Chairman of the Audit Committee retired in August 2014 and Mr. Anand N Desai ceased to be member in May 2014.

The Audit Committee is responsible for overseeing of the Company's financial reporting process, reviewing with management the quarterly/half yearly/annual financial statements before submission to the Board for approval. Other terms of reference, inter alia, include:

- Reviewing with management the quarterly/annual financial statements before submission to the Board, focusing primarily on (i) matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of section 134(3) 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 i.e. transactions of the Company of material nature with promoters or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large.
- Recommending for appointment, remuneration and terms of appointment of auditors of the Company, 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 into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature.
- Scrutiny of inter-corporate loans and investments.
- Valuation of undertakings or assets of the Company, wherever it is necessary.
- Evaluation of internal financial controls and risk management systems
- Review the functioning of the whistle blower mechanism.
- Approval of appointment of CFO (ie. The whole time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background of the candidate.

The Committee has acted as a link between the management, external and internal auditors and the Board of Directors of the Company and has discussed with the external auditors their audit methodology and significant observations as also major issues related to risk management and compliances.

In addition the Committee has discharged other role/function as envisaged under clause 49 of the Listing Agreement of the stock exchanges and the provisions of section 177 of the Companies Act, 2013.

Attendance of Members at the Meetings of the Audit Committee held during 2014 -15

Members	Meetings held during the tenure of the Director	Meetings attended
Dr. (Ms) Kala S Pant (Chairman)**	2	2
Ms. H S Zaveri *	3	2
Mr. Anand N Desai	1	-
Mr. Uday Khanna (Chairman) **	5	4
Ms. A A Gowariker	3	3

Overall attendance: 78.57%

* from 1st August, 2014

** upto 1st August, 2014 Dr. (Ms) Kala S Pant was Chairman of the meeting thereafter, Mr. Uday Khanna became Chairman of the meeting

3. Stakeholders Relationship Committee

The Board of Directors of the Company has renamed the Shareholders/Investors' Grievances Committee of Directors as Stakeholders Relationship Committee as per the provisions of section 178 of the Companies Act, 2013. During the financial year there were more than 1000 shareholders, debenture holders and other security holders. The Committee comprises Mr. T S Sahney, Executive Chairman, Ms. H S Zaveri, Managing Director & President, Ms. A A Gowariker (Chairman of the Committee).

The Committee shall consider and resolve the grievances of security holders of the Company. The chairperson of the committee has been attending the general meetings of the Company.

The shareholders of the Company are serviced by the inhouse investor service department and the share transfer agent- M/s. Universal Capital Securities Pvt. Ltd. The transfers received by the Company are processed and transferred within a fortnight. All requests for dematerialisation of shares are likewise processed and confirmation thereof is normally communicated to the investors and depository participants within 15 days of receipt thereof.

As required by the Stock Exchanges, the Company has appointed Mr. S C Rangani, Company Secretary, as the Compliance Officer to monitor the share transfer process and liaison with the regulatory authorities.

Attendance of the Members at the Meetings of the Stakeholders Relationship Committee of Directors held during 2014-15

Members	Meetings held during the tenure of the Director	Meetings attended
Mr. T S Sahney	4	3
Ms. H S Zaveri	4	4
Dr. (Ms) K S Pant (Chairman)**	2	2
Ms. A A Gowariker (Chairman)**	2	1

* Overall attendance 83%

** upto 1st August, 2014 Dr. (Ms) Kala S Pant was Chairman of the meeting thereafter, Ms. A A Gowariker became Chairman of the meeting

Investor queries

Nature of queries/complaints	2014-15 Nos.
Transfers (including stop transfer), Transmissions	1
Duplicate share certificates	1
Signature verification	0
Non receipt of share certificates	0
Deletion of name	0
Power of Attorney	0
Revalidation of dividend warrants	31
Non-receipt of dividend warrants	0
Change in bank details	1
Change of address	3
Change of address undelivered	0
Non receipt of AGM reports	2
Total	39

All the complaints received during the year have been resolved and there are no pending share transfers as at the year end.

Legal proceedings on share transfer, if any : there are no major legal proceedings relating to transfer of shares

There are no shareholder complaints or transfers pending resolution

4. Nomination and Remuneration Committee

The Nomination and Remuneration committee comprises three non- executive and independent Directors viz. Mr. Tashwinder Singh (Chairman), Mr. S B (Ravi) Pandit and Mr. Uday Khanna.

The Committee shall

- identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every Director's performance.
- Formulate the criteria for determining qualifications, positive attributes and independence of a Director.
- 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 remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully,
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- Remuneration to Directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

There were three meetings of the committee during the year.

Attendance of the Members at the Meetings of the Nomination and Remuneration Committee of Directors held during 2014-15

Members	Meetings held during the tenure of the Director	Meetings attended
Mr. Tashwinder Singh (Chairman)	3	3
Mr. Uday Khanna	3	3
Mr. S B (Ravi) Pandit	2	-

* Overall attendance 75%

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

(Amount in Rs)

Name of Director/KMP	Sitting fees	Commission on profits *	Salary and Perquisites	Total
Mr. T S Sahney	-	52,07,000	1,22,90,923	17,497,923
Ms. H S Zaveri	-	43,35,000	1,88,07,151	2,31,42,151
Mr. Taswinder Singh	90,000	1,30,200		2,20,200
Mr. D S Sahney	30,000	1,30,200		1,60,200
Dr.(Ms) K S Pant	70,000	54,250		1,24,250
Mr. Anand N Desai	10,000	21,700		31,700
Mr. Uday Khanna	1,40,000	1,30,200		2,70,200
Mr. S B (Ravi) Pandit	10,000	21,700		31,700
Ms. A A Gowariker	60,000	75,950		1,35,950
Mr. S C Rangani	-	-	71,53,316	71,53,316
Ms. Tanushree Bagrodia (CFO)	-	-	90,22,248	90,22,248

* Commission to Non-Executive Directors @ 0.125%, with a ceiling of Rs.10 lacs p.a. as determined by the Board of Directors, will be apportioned and payable during 2015-16,

During the last financial year the Directors have been remunerated as per details given above with sitting fees of Rs.10,000 per meeting being paid for the board meetings and all committee meetings. In addition the non executive Directors are entitled to commission @ 0.125%, with a ceiling of Rs.10 lacs p.a. as determined by the Board of Directors, which will be apportioned and payable during 2015-16.

5. CSR Committee

The CSR committee comprises three Directors viz. Ms. Harshbeena Zaveri as Chairman, Mr. Uday Khanna and Mr. S C Rangani.

The Committee is responsible for :

- i. 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
- i. recommending the amount of expenditure to be incurred on such activities
- ii. monitoring the CSR policy from time to time

The Company has been undertaking CSR activities voluntarily in the past and has identified the activities it would like to promote as

- a) promotion of education, both at school and post graduate levels
- b) promoting gender equality and empowering women
- c) ensuring environmental sustainability

During the year two meetings were held on 21st May, 2014 and 19th August, 2014 and were attended by all the members.

The average of the last 3 years profits works out to Rs.5,954 lacs and @ 2% the amount to be spent by the Company on CSR activities works out to Rs.119 lacs during FY 2014-15. The Company has actually spent Rs.122 lacs during FY 2014-15 on the identified activities.

6. Sexual Harassment of Women at workplace (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.

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

7. General Body Meetings

During the year there was no Extra Ordinary General Meeting.

The last 3 Annual General Meetings of the Company were held on the following dates and times:

49th Annual General Meeting on 11th August, 2014 at 11.30 a.m. at M.C.Ghia Hall, K Dubash Marg, Mumbai 400 001

48th Annual General Meeting on 23rd July, 2013 at 3.00 p.m. at M.C.Ghia Hall, K Dubash Marg, Mumbai 400 001

47th Annual General Meeting on 3rd August, 2012 at 3.00 pm at M.C.Ghia Hall, K Dubash Marg, Mumbai 400 001

Special resolutions were passed in respect of enhancement in borrowing powers and power to mortgage/charge the properties of the Company.

2 special resolutions were approved at last AGM and e-voting facility provided.

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

8. Disclosures

Neither the Company nor any of its subsidiaries has entered into any transaction of material nature that may have a potential conflict with interests of the Company or of its subsidiaries, with any of the Directors or their relatives during the year 2014-15. Neither has any non-compliance with any of the legal provisions of law been made by the Company nor any penalty or stricture imposed by the Stock Exchanges or SEBI or any other statutory authority, on any matter related to the capital markets, during the last 3 years.

The Company has formulated a whistle blower policy with adequate safeguards against victimisation of those who avail of this whistle mechanism. Employees continue to be free to report to Management or the Audit Committee on any matter concerning unethical behaviour actual or suspected fraud or violation of the Company's code of Conduct or ethics policy.

9. Process of Board Performance Evaluation:

The process is initiated once every year or at the discretion of the Board Chairman, and normally is scheduled to take place during the meeting for the adoption of annual audited financial results. Copies of the evaluation forms are distributed to each Board member, who will complete the same and return to the Board Chair.

Results are tabulated and analysed prior to the meeting and presented in a summary report to include composite scoring. The Board discusses areas that are working well and those that need attention. Board then decides if changes in its governance practices and policies need to be made going forward. The meetings are to be held in accordance with open meeting requirements and in a manner that is most constructive and useful to the Board.

Evaluation of the Executive Directors and the Independent Directors is carried out by the entire Board except the Director being evaluated. Based on the rating of the performance the Board can decide the strategy to extend or continue the term of appointment or to introduce new candidate as a member of the board so as to create and maintain an effective top level management of the Company for its future growth, expansion and also to maximize the return on investments to the stakeholders.

10. Means of Communication

Information like Quarterly Financial Results and Press Releases on significant developments in the Company that has been made available from time to time to the Press is hosted on the Company's web site www.nrbbearings.com and has also been submitted to stock Exchanges to enable them to put them on their web sites. The Quarterly Financial Results are published in English (Times of India) and vernacular newspapers (Maharashtra Times).

As per the amendment to Listing Agreement a separate e-mail ID of the grievance redressal division/compliance office exclusively for the purpose of registering complaints by investors, the Company has already displayed the e-mail ID on the website. The email ID is investorcare@nrbbearings.co.in.

No separate presentations has been made to institutional investors nor has any separate meeting of analysts held during the year. One on one meetings are held with any institutional investors or analyst as per mutual convenience.

A Report on Management Discussion and Analysis of Accounts has been included elsewhere in this report.

11. General Shareholder Information

The mandatory as also various additional information of interest to investors is voluntarily furnished in the following section on Investor information in this Report.

12. Auditor's Certificate on Corporate Governance

The Auditor's Certificate on Compliance of Clause 49 of the Listing Agreement relating to Corporate Governance is published as an annexure to the Directors' Report.

13. Non mandatory recommendations

- a. Chairman of the Board – Non-executive Chairman

The Company has Executive Chairman, therefore, clause (a) of non-mandatory requirements is not applicable.

- b. Half yearly results to shareholders

The Company forwards half yearly results to all its shareholders. The quarterly financial results are also available on the Company's web site.

- c. Audit Qualifications

Not Applicable

- d. Separate posts of Chairman and CEO

The Company has an Executive Chairman and separately Managing Director & President who functions as the CEO of the Company.

- e. Reporting of the internal auditor

The internal auditor reports directly to the Managing Director / Audit committee.

Auditors' certificate to the members of NRB Bearings Limited on compliance of the conditions of corporate governance for the year ended 31st March, 2015 under clause 49 of the listing agreement with relevant stock exchanges.

We have examined the compliance of the conditions of corporate governance by NRB Bearings Limited, for the year ended on 31st March, 2015, as stipulated in clause 49 of the listing agreements of the said Company with relevant stock exchanges (hereinafter referred to as clause 49).

The compliance of conditions of corporate governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of corporate governance as stipulated in clause 49. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the directors and the management, we certify that the Company has complied with the conditions of corporate governance as stipulated in clause 49.

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.

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

Saira Nainar
Partner
Membership No. 040081

Place: Mumbai
Date: 18th May, 2015

Shareholders' Information

1. Annual General Meeting

Date and Time : 24th July, 2015 at 11.00 a.m.
Venue : M C Ghia Hall, K Dubash Marg
Near Kalaghoda, Fort
Mumbai 400 001

2. Financial Calendar

Financial reporting for the quarter ending June 30, 2015 : July, 2015
Financial reporting for the quarter ending September 30, 2015 : October, 2015
Financial reporting for the quarter ending December 31, 2015 : January, 2016
Financial reporting for the year ending March 31, 2016 : May, 2016
Annual General Meeting for the year ending March 31, 2016 : August, 2016

3. Book Closure Date : 19th July, 2015 to 24th July, 2015
(both days inclusive)

4. Dividend Payment Date : 31st July, 2015

5. Registered Office, plants & website

: Dhannur, 15 Sir P.M.Road
Fort, Mumbai 400 001
(Tel) 22664160/4998
(Fax) 22660412
Pokhran Road No.2, Majiwade, Thane 400 610

E-40, M.I.D.C. Industrial Area,
Chikalthana, Aurangabad 431 210

C-6, Additional M.I.D.C. Industrial Area, Jalna 431 213

E-72, (I) M.I.D.C., Waluj, Aurangabad 431 133

A-5, Uppal Industrial Estate
Hyderabad 500 039

Plot No.33, Sector –II, SIDCUL IIE Pantnagar,
Udhamsingh Nagar, Uttarakhand 263153

Web Site: www.nrbbearings.com

6. Unclaimed Dividends

Pursuant to Section 205C of the Companies Act, 1956, unclaimed dividends remaining unclaimed for seven years from the date of declaration are required to be transferred by the Company to the Investor Education & Protection Fund established by the Central Government, and the various dates for transfer of such amounts are as under.

Financial Year	Date of Declaration at AGM/ BM	Date of the warrant	Due for transfer (30 days after expiry of 7 years)
2007-08	5th August, 2008	14th August, 2008	10th October, 2015
2008-09	12th August, 2009	20th August, 2009	17th October, 2016
2009-10	4th August, 2010	16th August, 2010	10th October, 2017
2010-11	27th July, 2011	10th August, 2011	1st October, 2018
2011-12	3rd August, 2012	16th August, 2012	7th October, 2019
2012-13	23rd July, 2014	2nd August, 2013	27th September, 2020
2013-14	11th August, 2014	19th August, 2014	15th October, 2021

Members who have so far not encashed their dividend warrants or have not received the dividend warrants are requested to seek issue of duplicate warrants.

7. Unclaimed Dividend Amounts

The following dividend amounts continue to remain unclaimed as at 31st March, 2015.

	Deal Nos.	No. of warrants issued	No. of warrants unclaimed	%	Amount of dividend Rs. in lacs	Unclaimed dividend amount Rs.	%
2007-08	704348	6244	272	4.36	1163.07	1,98,686.40	0.17
2008-09	704479	6071	343	5.65	775.38	1,72,350.40	0.22
2009-10	704611	7393	276	3.73	969.23	1,65,866.00	0.17
2010-11	704707	9980	286	2.87	1938.45	3,15,294.00	0.16
2011-12	704788	10470	359	3.43	1938.45	3,33,518.00	0.17
2012-13	704859	10660	256	2.40	1647.68	1,65,483.10	0.10
2013-14	075114	10141	416	4.10	1340.71	2,65,827.00	0.20
Total		60959	2208	3.62	9772.97	16,17,024.90	0.17

2006-07 deal no.704114 final dividend has been transferred to investor protection fund on 9.10.14

8. Bank Details

In order to provide protection against fraudulent encashment of dividend warrants, members are requested to provide, if not provided earlier, their bank account nos., bank account type, names & addresses of bank branches, quoting folio no. to the registrar of the Company/secretarial department to enable us to incorporate the same on your dividend warrants.

9. Bank details for Demat Shareholding

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.

10. Nomination facility

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.

11. Distribution of Shareholding as on 31st March :

	2015				2014			
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	7789	75.403	1123787	1.159	6767	71.277	1154542	1.191
501- 1000	1389	13.446	1239569	1.279	1527	16.084	1394580	1.439
1001- 2000	544	5.266	893208	0.922	553	5.825	935356	0.965
2001- 3000	191	1.849	497909	0.514	196	2.064	513074	0.529
3001- 4000	102	0.987	369712	0.381	93	0.980	339273	0.350
4001- 5000	62	0.600	297644	0.307	95	1.001	456815	0.472
5001- 10000	129	1.249	972096	1.003	124	1.306	927784	0.957
10001 & above	124	1.200	91528675	94.435	139	1.464	91201176	94.097
TOTAL	10330	100.00	96922600	100.00	9494	100.00	96922600	100.00

As on 31st March, 2015 96375340 constituting 99.44% of the share capital has been dematerialized.

The Company has entered into agreements with NSDL and CDSL during the year 2000-01 and has been allotted ISN No.INE 349A 01013. SEBI has notified the Company shares to be traded only in demat form w.e.f.29th April, 2001.

The Company's equity shares of Rs.10/- each have been split into Rs.2/- each effective 4th April, 2007 and the new ISIN No. is INE 349A01021.

12. Categories of shareholdings as on 31st March :

	2015				2014			
Category	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/ clearing members	9890	95.74	25793454	26.61	9157	96.45	31655683	32.66
Corporate Bodies	197	1.91	4852004	5.01	202	2.13	7691751	7.94
Trust	1	0.01	37755640	38.95	1	0.01	37755640	38.95
Foreign Collaborator	-	-	-	-	-	-	-	-
NRI/OCBs	212	2.05	323647	0.33	115	1.21	232599	0.24
FI/FII/Banks/ Foreign national/ Trusts/Foreign Portfolio Investor	21	0.2	14444544	14.90	14	0.15	18421396	19.01
Mutual Funds/ UTI	9	0.09	13753311	14.19	5	0.05	1165531	1.2
TOTAL	10330	100.00	96922600	100	9494	100.00	96922600	100.00

Promoter holdings constituting 56404157 shares (58.20%) of the equity capital are included in the above.

13. Share Transfer System

The Stakeholders Relationship Committee comprising of three 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.

14. Equity History

Details of equity shares issued since inception.

Date	Particulars of issue	No.of shares	Total no.of shares after issue	Equity capital in Rs.
01.06.1965	Issue for cash at par	10	10	1000
27.01.1966	Issue for cash at par	6270	6280	628000
27.01.1966	Allotment to Nadella Without payment in cash	910	7190	719000
16.10.1968	Issue for cash at par	2810	10000	1000000
31.07.1973	Bonus issue 1:1	10000	20000	2000000
24.09.1976	Bonus issue 1:1	20000	40000	4000000
14.02.1979	Bonus issue 3:4	30000	70000	7000000
22.04.1982	Bonus issue 1:1	70000	140000	14000000
03.01.1989	Bonus issue 1:2	70000	210000	21000000
02.11.1990	Bonus issue 1:2	105000	315000	31500000
14.12.1991	Issue on merger of SSPW (Sahney Steel Press Works)	760	315760	31576000
04.11.1993	Bonus issue 5:3	526266	842026	84202600
03.05.1995	Public issue	1272000	9692260*	96922600
04.04.2007	Sub-division 1:5*	48461300	48461300	96922600
08.09.2010	Bonus Issue 1:1	48461300	96922600	193845200
01.10.2012	Demerger- NRB Industrial Bearings Ltd (NIBL)	Entitlement of one share in NIBL for every 4 shares held in NRB as on record date of 26.10.2012.		

*Equity shares sub divided into face value of Rs.10/- on 10.12.1994.

*Equity shares sub divided into face value of Rs.2/- on 4.4.2007

15. Listing on Stock Exchange at

: Equity shares
Bombay Stock Exchange Ltd
P.J.Towers, Dalal Street
Mumbai 400 023

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

Note : Listing fees for the year 2015-16 have been paid to the Stock Exchange- Mumbai and National Stock Exchange.

16. Stock Codes

Bombay Stock Exchange	530367
National Stock Exchange	NRBBEARING
ISIN No. for equity share of Rs.2/-each	INE 349A 01021

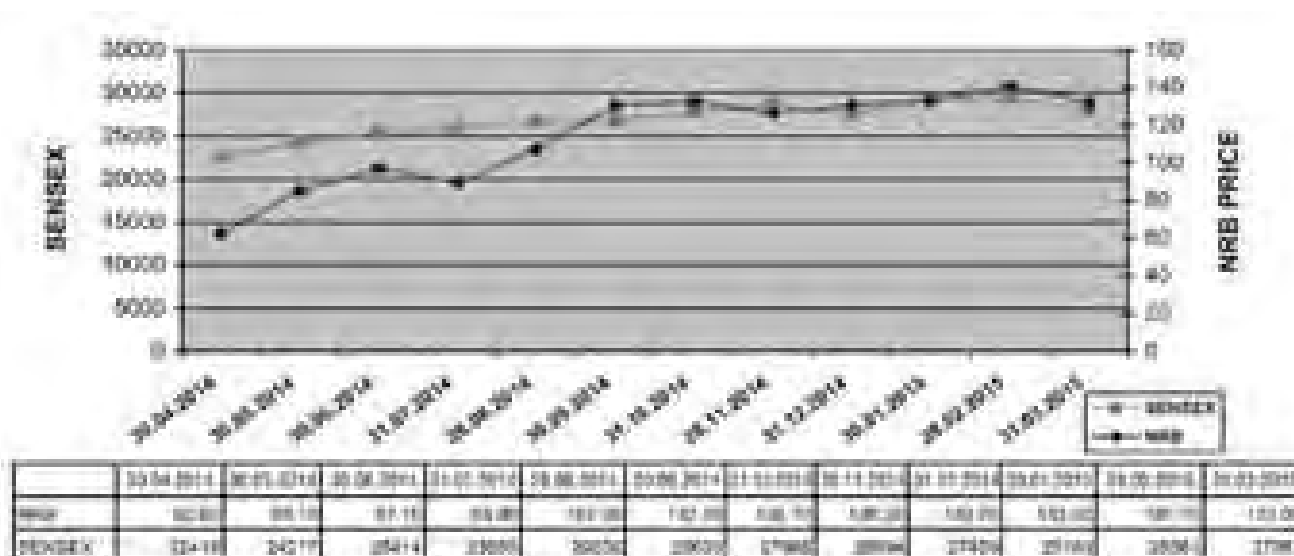
17. Stock Market Data

Bombay Stock Exchange Ltd, Mumbai and National Stock Exchange, Mumbai

Monthly high and low quotations and volume of shares traded

2014-15	Bombay Stock Exchange			National Stock Exchange		
Month	High (Rs)	Low(Rs)	Volume	High (Rs)	Low(Rs)	Volume
April'14	74.50	48.25	2734378	71.60	48.20	3817717
May'14	94.70	61.00	1296956	94.90	61.10	4195162
June'14	101.75	76.10	1645111	101.80	77.05	6731743
July'14	101.00	76.50	2188101	101.00	78.50	5233026
August'14	113.90	87.90	1645761	113.65	87.65	5347740
September'14	137.65	106.50	2728021	137.90	106.25	7329018
October'14	138.50	121.00	451890	138.50	121.00	1929554
November'14	149.10	120.75	1955319	149.30	120.55	3130406
December'14	133.85	113.00	1038106	133.95	114.00	1515506
January'15	146.70	126.70	468774	143.50	127.25	1492309
February'15	148.90	122.35	249656	149.00	120.65	1565559
March'15	153.00	130.10	142378	153.95	131.00	2524559
Total			16544451			44812299

18. Performance (Indexed):



- 19. Registrars and Transfer Agents** : M/s.Universal Securities Pvt.Ltd
(Share transfer and communication regarding Share certificates, dividends and change of address)
(Formerly known as M/s.Mondkar Computers Pvt.Ltd)
21, Shakil Niwas, Mahakali Caves Rd
Andheri (East), Mumbai 400 093
(Registered with SEBI as Share Transfer Agent-Category I)

20. Investor correspondence

The Company Secretary,
NRB Bearings Limited
Dhannur, 15 Sir P.M.Road
Fort, Mumbai 400 001

Tel:022-22664160/4998
Fax:022-22660412
E-mail:sc.rangani@nrbbearings.co.in

As per SEBI circular No.MRD/DoP/Dep/SE/Cir-22/06 dated December 18,2006 has advised all listed companies to designate an email ID of the grievance redressal division/compliance officer exclusively for the purpose of registering complaints by investors. The following is the email ID designated for the same.

investorcare@nrbbearings.co.in

21. Details on use of public funds obtained in the last three years :

No funds have been raised from public in the last three years.

22. Outstanding GDR/Warrants and convertible bonds, conversion date and likely impact on Equity

The Company has no outstanding GDR/Warrants and/or convertible bonds.

23. Financial ratios

	2014-15	2013-14	2012-13	2011-12
Net earnings (Rs.lacs)	5,206.46	3,818.11	4,703.57	4,828.67
Cash earnings (Rs.lacs)	8,037.42	7,144.80	7,700.75	7,606.01
EPS (Rs)	5.37	3.94	4.85	4.98
CEPS (Rs.)	8.29	7.37	7.95	7.85
Dividend per share (Rs.)	1.5	1.1	1.7	2
Dividend payout (%)	32.71	32.4	40.77	46.47
Book value per share (Rs.)	28.03	24.42	21.76	25.26
Price to earnings *	24.58	13.13	6.4	7.22
Price to cash earnings *	15.92	7.02	3.91	4.58
Price to book value *	4.71	2.12	1.43	1.42

* Stock price as on 30th March, 2015 – Rs.132 (closing price)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NRB BEARINGS LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **NRB BEARINGS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31 March, 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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 financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2015, and its profit and its cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to Note 45 to the Financial Statements. As stated in Note, the latest available audited financial statements for the year ended 31 March, 2015 of NRB Bearings (Thailand) Limited (NRB, Thailand), a wholly owned subsidiary, wherein the Company has an investment of Rs. 1640.56 lacs in equity shares, reflect erosion of its net worth. In the opinion of the management of the Company, the diminution in value of investment in NRB, Thailand is not considered as other than temporary, for the reasons stated therein.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31 March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2015 from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements- Refer Note 28 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

Saira Nainar
(Partner)
(Membership No. 040081)

Mumbai, 18 May, 2015

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT**(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date of NRB Bearings Limited for the year ended 31 March, 2015)**

Having regard to the nature of the Company's business/ activities/ results during the year, clause (viii) regarding accumulated losses and cash loss incurred by the Company of paragraph 3 of the Order is not applicable to the Company.

(i) In respect of its fixed assets:

- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a programme of verification of fixed assets to cover all the items once in every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, all fixed assets were physically verified by the Management during the year ended 31 March, 2015. According to the information and explanations given to us no material discrepancies were noticed on such verification.

(ii) In respect of its inventories:

- (a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals except for the inventories which are lying at third party location for which confirmation has been obtained by the management.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.

(iii) According to the information and explanations given to us, the Company has granted loans, unsecured, to company covered in the Register maintained under Section 189 of the Act. In respect of such loans:

- (a) The receipts of principal amounts and Interest have been regular, as per stipulations except interest amounting Rs 9.48 lacs due from Company covered under section 189, where there was delay in receipt of Interest.
- (b) In respect of overdue amounts of over Rs. 1 lac remaining outstanding as at the year-end which pertained to interest only, the amount has been recovered subsequently.

(iv) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods. There are no sales of services. During the course of our audit, we have not observed any major weakness in such internal control system.

(v) According to the information and explanations given to us, the Company has not accepted any deposit from the public during the year in terms of the provisions of Sections 73 and 76 or any other relevant provisions of the Act.

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

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

- (a) The Company has been generally regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable with the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at 31 March, 2015 for a period of more than six months from the date they became payable.

- (c) Details of dues of Income tax, Sales Tax, Customs Duty, Value Added Tax and Cess which have not been deposited as on 31 March, 2015 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved (Rs.in lacs)
The Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	A.Y. 2011-2012 A.Y. 2012-2013	465.54
The Income Tax Act, 1961	Income Tax	Income Tax Appellate Tribunal	A.Y. 2010-2011	37.68
The Bombay Sales Tax Act, 1959	Sales Tax	Deputy Commissioner (Appeals)	A.Y. 1997-1998	1.20
The Central Sales Tax Act, 1956	Sales Tax	Deputy Commissioner (Appeals)	A.Y. 1997-1998 A.Y. 2008-2009 A.Y. 2009-2010 A.Y. 2010-2011 A.Y. 2011-2012 A.Y. 2012-2013	35.11
The Central Sales Tax Act, 1956	Sales Tax	Additional Deputy Commissioner (Appeals)	A.Y. 2012-2013	187.28
The Customs Act, 1962	Custom Duty, Penalty and Fine	Supreme Court	A.Y. 1994-1995	138.87

- (d) The Company has been regular in transferring amounts to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder within time.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to financial institutions, banks and debenture holders.
- (ix) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by others from banks and financial institutions are not, prima facie, prejudicial to the interest of the Company.
- (x) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were obtained, other than temporary deployment pending application.
- (xi) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

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

Saira Nainar
(Partner)
(Membership No. 040081)

Mumbai, 18 May, 2015

BALANCE SHEET AS AT 31ST MARCH, 2015

	Note No.	Rs.lacs	As at 31.03.2015 Rs.lacs	As at 31.03.2014 Rs.lacs
I. EQUITY AND LIABILITIES				
(1) Shareholders' Funds				
(a) Share Capital	3	1938.45	1938.45	
(b) Reserves and Surplus	4	25231.81	21728.22	
			27170.26	23666.67
(2) Non-Current Liabilities				
(a) Long term borrowings	5	9936.21	9218.98	
(b) Deferred tax liabilities (Net)	6	1108.19	1152.16	
(c) Other Long term liabilities	7	752.96	833.04	
(d) Long term provisions	8	548.34	465.20	
			12345.70	11669.38
(3) Current Liabilities				
(a) Short term borrowings	9	17191.59	16447.03	
(b) Trade payables	10	8987.32	7673.62	
(c) Other current liabilities	11	5430.43	5120.64	
(d) Short-term provisions	12	1805.90	1577.71	
			33415.24	30819.00
Total			72931.20	66155.05
II. ASSETS				
(1) Non-current assets				
(a) Fixed assets	13			
(i) Tangible assets		22017.48	20182.99	
(ii) Intangible assets		83.55	74.79	
(iii) Capital work-in-progress		155.63	3303.11	
		22256.66	23560.89	
(b) Non-current investments	14	1931.80	1936.32	
(c) Long term loans and advances	15	3121.04	2928.18	
			27309.50	28425.39
(2) Current assets				
(a) Current investments	16	25.00	150.00	
(b) Inventories	17	14947.66	13149.55	
(c) Trade receivables	18	21609.41	19113.39	
(d) Cash and Cash Equivalents	19	2716.18	510.75	
(e) Short-term loans and advances	20	6313.34	4805.62	
(f) Other current assets	21	10.11	0.35	
			45621.70	37729.66
Total			72931.20	66155.05

See accompanying notes forming part of the financial statements

For and on behalf of the Board of Directors

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

Saira Nainar
Partner

T. S. Sahney
Executive Chairman

H. S. Zaveri
Managing Director & President

S. C. Rangani
Executive Director &
Company Secretary

Uday Khanna

Tashwinder Singh

Tanushree Bagrodia
Chief Financial Officer

A. A. Gowariker
Directors

D. S. Sahney

Mumbai: 18th May, 2015

Mumbai: 18th May, 2015

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

	Note No.	Rs. lacs	Year ended 31.03.2015 Rs. lacs	Year ended 31.03.2014 Rs. lacs
I. Revenue from operations (gross)	22	70635.00		64783.18
Less: Excise duty		5075.97		5333.79
Revenue from operations (net)			65559.03	59449.39
II. Other Income	23		361.57	456.62
III. TOTAL REVENUE (I + II)			65920.60	59906.01
IV. EXPENDITURE				
Cost of materials consumed	24A		26797.13	23511.40
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	24B		(62.78)	717.13
Employee benefit expense	25		10114.77	9238.37
Finance costs	26		1587.05	1719.27
Depreciation and amortization expense	13		2830.96	3326.69
Other expenses	27		17234.53	15921.57
Total Expenses			58501.66	54434.43
V. PROFIT BEFORE TAX (III - IV)			7418.94	5471.58
VI. Tax expense:				
- Current tax		2239.34		1447.52
- In respect of earlier years		17.11		22.98
Net current tax expense		2256.45		1470.50
- Deferred tax		(43.97)		109.70
- In respect of earlier years		-		73.27
Net deferred tax (income)/expense		(43.97)		182.97
			2212.48	1653.47
VII. PROFIT FOR THE YEAR (V - VI)			5206.46	3818.11
Earnings per share				
(of Rs. 2 each) (Refer note 35)				
Basic, as well as diluted (In Rs.)			5.37	3.94
See accompanying notes forming part of the financial statements				

For and on behalf of the Board of Directors

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

T. S. Sahney
Executive Chairman

H. S. Zaveri
Managing Director & President

Saira Nainar
Partner

S. C. Rangani
Executive Director &
Company Secretary

Uday Khanna **Tashwinder Singh**

Tanushree Bagrodia
Chief Financial Officer

A. A. Gowariker
Directors

D. S. Sahney

Mumbai: 18th May, 2015

Mumbai: 18th May, 2015

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

		Year ended 31.03.2015 Rs. lacs	Year ended 31.03.2014 Rs. lacs
A. CASH FLOW FROM OPERATING ACTIVITIES:			
NET PROFIT BEFORE TAX		7418.94	5471.58
Adjustments for:			
Depreciation/amortisation	2830.96		3326.69
Foreign exchange loss/(gain) - unrealised	154.33		(6.21)
Finance cost (net)	1587.05		1719.27
Dividend income	(70.12)		(68.26)
Profit on sale of fixed assets (net)	(82.98)		(79.94)
Receivables written off	138.14		0.05
Provision for doubtful debts	45.54		19.58
Liability no longer payable	-		(42.92)
Provision for compensated absences	83.15		17.23
Provision for gratuity	91.97		(255.31)
		4778.04	4630.18
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES AND OTHER ADJUSTMENTS		12196.98	10101.76
Changes in working capital:			
Adjustment for (increase)/ decrease in operating assets			
- Trade receivables	(2384.21)		(2998.96)
- Short-term loans and advances	(1147.40)		(1324.24)
- Long-term loans and advances	35.44		(14.65)
- Inventories	(1798.11)		270.64
Adjustment in increase/ (decrease) in operating liabilities			
- Other long term liabilities	(80.08)		442.09
- Trade payables	1268.52		928.70
- Other current liabilities	213.07		(123.93)
		(3892.77)	(2820.35)
NET CASH GENERATED FROM OPERATIONS		8304.21	7281.41
Direct taxes paid (net of refund)		(2623.93)	(1209.96)
NET CASH FROM OPERATING ACTIVITIES		5680.28	6071.45
B. CASH FLOW FROM INVESTING ACTIVITIES:			
Purchase of fixed assets (including adjustments on account of capital advances)		(1869.83)	(5459.42)
Sale of fixed assets		569.16	193.39
Purchase of equity shares in a subsidiary		(20.48)	-
Sale of current investments		150.00	200.00
Inter Corporate deposit to subsidiary/ group Company		(605.00)	(882.95)
Dividend income		70.12	68.26
NET CASH USED IN INVESTING ACTIVITIES		(1706.03)	(5880.72)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015 (contd.)

	Rs. lacs	Year ended 31.03.2015 Rs. lacs	Rs. lacs	Year ended 31.03.2014 Rs. lacs
C. CASH FLOW FROM FINANCING ACTIVITIES:				
Proceeds from long term borrowings		4128.46		3571.03
Proceeds from short term borrowings (net)		622.34		4320.02
Repayment of long term borrowings		(3671.25)		(993.91)
Increase/(Decrease) in cash credit		-		(3141.15)
Finance cost paid (net)		(1612.35)		(1871.30)
Dividend paid		(1066.15)		(1647.68)
Tax on dividend		(170.99)		(269.82)
NET CASH USED IN FINANCING ACTIVITIES		(1769.94)		(32.81)
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)		2204.31		157.92
Cash and cash equivalents as at the beginning of the year		495.70		337.78
Cash and cash equivalents as at the end of the year (Refer note 19)		2700.01		495.70

See accompanying notes forming part of the financial statements

For and on behalf of the Board of Directors

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

Saira Nainar
Partner

T. S. Sahney
Executive Chairman

S. C. Rangani
Executive Director &
Company Secretary

Tanushree Bagrodia
Chief Financial Officer

H. S. Zaveri
Managing Director & President

Uday Khanna **Tashwinder Singh**

A. A. Gowariker **D. S. Sahney**
Directors

Mumbai: 18th May, 2015

Mumbai: 18th May, 2015

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE

1. Corporate Information:

NRB Bearings Limited incorporated in 1965, is engaged in the manufacture of ball and roller bearings.

2. Significant accounting policies:

1. Basis of accounting

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable. The financial statements have been prepared on accrual basis under the historical cost convention.

2. Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

3. Fixed assets and depreciation/amortisation

- (a) All fixed assets are stated at cost of acquisition, including any attributable cost for bringing the asset to its working condition for its intended use less accumulated depreciation/amortization and impairment losses, if any.
- (b) 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 Company uses its external technical expertise along with historical and industry trends for arriving at the economic life on an asset.

Class of asset	Revised useful life based on SLM (Range)
Leasehold land	Over period of lease
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
Intangibles	3 years

- (c) Also see Note 2(13) below.

4. Impairment

The carrying amounts of assets are reviewed at each balance sheet date to ascertain whether there is any indication of impairment based on internal/external factors. Impairment loss is provided to the extent the carrying amount of assets exceeds their recoverable amount. Recoverable amount is the higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Net selling price is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the cost of disposal.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

5. Foreign currency transactions

- i. Transactions in foreign currency are recorded at the original rates of exchange in force at the time transactions are effected.
- ii. Foreign currency denominated assets and liabilities are reported as follows:
 - a) Monetary items are translated into rupees at the exchange rates prevailing at the balance sheet date. Non-monetary items such as fixed assets are carried at their historical rupee values.
 - b) Gains/losses arising on settlement of foreign currency transactions or restatement of foreign currency denominated assets and liabilities (monetary items) are recognised in the statement of profit and loss, except for long term assets/liabilities which pertain to acquisition of fixed assets which are adjusted in the cost of fixed assets (Refer Note 43).
- iii. In case of forward exchange covers, the premium or discount arising at the inception of the contract is amortised as expense or income over the life of the contract except those relating to hedged long term liabilities which pertain to acquisition of fixed assets which are adjusted to the cost of fixed assets. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognised as income or as expense in the period in which such cancellation or renewal is made.
- iv. Swap transactions are entered by the Company to hedge its exposure against movements in foreign exchange rates and interest rates.
- v. Gains/losses arising on swap transactions are recognized in the statement of profit and loss.

6. Investments

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

7. Inventories

Inventories are valued at the lower of cost (weighted average method) and net realisable value. Costs of conversion and other costs are determined on the basis of standard cost method adjusted for variances between standard costs and actual costs, unless such costs are specifically identifiable, in which case they are included in the valuation at actuals.

8. Sale of products

- (a) Sales are recognized when the seller has transferred to the buyer, the property in the goods, for a price, or all significant risk and rewards of ownership have been transferred to the buyer without the seller retaining any effective control over the goods.
- (b) Sales are inclusive of excise duty but exclusive of sales tax and value added tax and are net of sales return.

9. Other Income

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

10. Employee benefits

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

- (b) Long term benefits:

- (i) Defined Contribution Plans :

1. Provident and Family Pension Fund

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

The contributions are made to the Regional Provident Fund Commissioner. Provident Fund and Family Pension Fund are classified as Defined Contribution Plans as the Company has no further obligations beyond making the contribution.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

2. Superannuation

The eligible employees of the Company are entitled to receive post employment benefits in respect of superannuation scheme, in which the Company makes monthly contributions at 15% of employees' eligible salary. The contributions are made to an insurance Company on behalf of the trust managed by the Company (currently HDFC Standard Life Insurance Company Limited). Superannuation scheme is classified as Defined Contribution Plan as the Company has no further obligations beyond making the contribution.

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

(ii) Defined Benefit Plan / Other Employee Benefit :

1. Gratuity

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

Vesting occurs upon completion of five years of service. The Company has arrangements with insurance companies (currently ICICI Prudential Life Insurance Company Limited, HDFC Standard Life Insurance Company Limited and Kotak Mahindra Old Mutual Life Insurance Company Limited) for future payments of gratuities on behalf of the trusts established for this purpose. The Company accounts for gratuity benefits payable in future based on an independent actuarial valuation as at the year end. Actuarial gains and losses are recognized in the statement of profit and loss.

2. Compensated absences

The Company provides for encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment/availment. The liability is provided based on the number of days of unutilised leave at each balance sheet date on the basis of an independent actuarial valuation as at year end. Actuarial gains and losses are recognized in the statement of profit and loss.

11. **Voluntary retirement compensation**

Voluntary retirement compensation is fully expensed in the year in which the liability is incurred.

12. **Research and development expenditure**

Capital expenditure on research and development is treated in the same way as other fixed assets. Revenue expenditure is written off in the year in which it is incurred.

13. **Borrowing costs**

Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised. A qualifying asset is an asset that necessarily takes substantial period of time to get ready for its intended use. Other borrowing costs are recognised as an expense in the period in which they are incurred.

14. **Operating Lease**

Assets taken on lease under which, all the risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Lease payments under operating leases are recognised as expenses on accrual basis in accordance with the respective lease agreements.

15. **Taxation**

Taxation expenses comprise current tax and deferred tax.

- (a) Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961.
- (b) Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

16. Provisions and Contingent Liabilities

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

17. Earnings per share

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

Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

18. Cash flow statement

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

19. Cash and cash equivalents (for purpose of cash flow statement)

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents.

20. 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 twelve months for the purpose of classification of its assets and liabilities as current and non-current.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 3 - Share Capital

	As at 31.03.2015 Rs. lacs	As at 31.03.2014 Rs. lacs
Authorised:		
100,000,000 (as at 31.03.2014 100,000,000)		
Equity shares of Rs. 2 each	2000.00	2000.00
Issued, subscribed and fully paid up:		
96,922,600 (as at 31.03.2014 96,922,600)		
Equity shares of Rs. 2 each fully paid up	1938.45	1938.45
Per balance sheet	1938.45	1938.45

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

Particulars	As at 31.03.2015		As at 31.03.2014	
	Number of shares	Rs. lacs	Number of shares	Rs. lacs
Shares outstanding at the beginning of the year	96922600	1938.45	96922600	1938.45
Shares outstanding at the end of the year	96922600	1938.45	96922600	1938.45

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

	As at 31.03.2015		As at 31.03.2014	
	Number of shares	% of holding	Number of shares	% of holding
Equity Shares:				
Trilochan Singh Sahney	-	-	11716406	12.09
Trilochan Singh Sahney Trust 1 (held by a trustee in his individual name)	37755640	38.95	37755640	38.95
Hanwantbir Kaur Sahney	4972000	5.13	-	-
Harshbeena Sahney Zaveri	5007065	5.17	-	-
Nalanda India Equity Fund Limited	9682667	9.99	9682667	9.99
ICICI Prudential Life Insurance Company Limited	-	-	5415214	5.59
SBI Magnum Multiplier Plus Scheme 1993	6352301	6.55	-	-

iii) **Aggregate number of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash, bonus shares and shares bought back for the period of five years immediately preceding the Balance Sheet date:**

Particulars	As at 31.03.2015 Number of shares	As at 31.03.2014 Number of shares
Fully paid up by way of bonus shares in financial year 2011	48461300	48461300

iv) **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 FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 4 - Reserves and Surplus

	As at 31.03.2015	As at 31.03.2014
Rs. lacs	Rs. lacs	Rs. lacs
Capital reserve	25.00	25.00
Capital redemption reserve	11.10	11.10
Securities premium account	847.61	847.61
Debenture redemption reserve :		
Opening balance	1000.00	500.00
Add: Transfer from Surplus in the statement of Profit & Loss	-	500.00
Less: Transfer to General Reserve	1000.00	-
Closing balance	-	1000.00
General reserve :		
Opening balance	8521.20	8139.39
Add: Transfer from Surplus in the statement of Profit & Loss	-	381.81
Add: Transfer from debenture redemption reserve	1000.00	-
Closing balance	9521.20	8521.20
Surplus in the Statement of Profit and Loss :		
Opening balance	11323.31	9624.15
Add: Profit for the year	5206.46	3818.11
Less: Appropriations		
Proposed dividend {Rs. 1.50 (year ended 31.03.2014 Rs.1.10) per share}	1453.84	1066.15
Tax on dividend	249.03	170.99
Transfer to general reserve	-	381.81
Transfer to debenture redemption reserve	-	500.00
Closing balance	14826.90	11323.31
Per balance sheet	25231.81	21728.22

NOTE 5 - Long Term Borrowings

	As at 31.03.2015	As at 31.03.2014
	Rs. lacs	Rs. lacs
A) Term loans in foreign currency from banks		
Secured (Refer footnote ii (a) below)	4248.81	4830.43
B) Term loans from others		
Secured (Refer footnote ii (c) below)	1350.00	-
C) Other Loans in foreign currency from banks		
Secured (Refer footnote ii (d) below)	2953.59	2857.72
D) Deferred payment liabilities		
Unsecured: Interest free Sales tax loan (Refer footnote ii (e) below)	1383.81	1530.83
Per balance sheet	9936.21	9218.98

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Footnotes:

- i) 200, 11.5% privately placed non-convertible debentures of Rs.1,000,000 each, redeemed at par, on 31st May, 2014
- ii) Details of repayment of Loans

Particulars	Security	Terms of repayment	Number of installments outstanding	Rate of interest	As at 31.03.2015 Rs. lacs	As at 31.03.2014 Rs. lacs
a. Term loans in foreign currency from banks						
External commercial borrowings	Secured by hypothecation of/charge on specified plant and machinery of the Company.	Quarterly installments to be completed in February 2017	8	Libor + 274 bps to Libor + 350 bps	1605.02	2302.25
External commercial borrowings	Secured by hypothecation of/charge on specified plant and machinery of the Company.	Half yearly installments starting from August 2016 to be completed in August 2017	3		3446.30	3295.60
Total					5051.32	5597.85
Comprises of:						
Long term borrowings					4248.81	4830.43
Current maturities of long term borrowings					802.51	767.42
b. Non-convertible debentures	Secured by first pari passu charge on specified plant and machinery of the Company.	Redeemed at par, on 31st May, 2014	-	11.50%	-	2000.00
Comprises of:						
Long term borrowings					-	-
Current maturities of long term borrowings					-	2000

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

c. 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	5	11%	2000	-
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Comprises of:

Long term borrowings	1350	-
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Current maturities of

long term borrowings	650	-
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d. Other loans in foreign currency from banks

Capex Buyer's Credit	Secured by hypothecation of/charge on specified plant and machinery of the Company.	Structured installments to be completed by June 2016	-	Libor + 270 bps to Libor + 290 bps	3055.39	3494.56
Term Loan	Secured by hypothecation of/charge on specified plant and machinery of the Company, charge yet to be created.	Payment in November 2016	-	Libor + 200 bps	2037.72	-

Total	5093.11	3494.56
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Comprises of:

Long term borrowings	2953.59	2857.72
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Current maturities of

long term borrowings	2139.52	636.84
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NOTES FORMING PART OF THE FINANCIAL STATEMENTS
e. Interest free Sales tax loan

Sales tax deferral scheme	-	Annual installments to be completed by May, 2025	11	1594.64	1762.36
			Comprises of:		
			Long term borrowings	1383.81	1530.83
			Current maturities of long term borrowings	210.83	231.53

iii) For the amount of current maturities of long term borrowings, refer note 11 - Other current liabilities

NOTE 6 - Deferred Tax Asset /(Liability)

Nature of timing difference	Deferred tax asset / (liability) as at 31.03.2014 Rs. lacs	Credit/(charge) for the year Rs. lacs	Deferred tax asset/ (liability) as at 31.03.2015 Rs. lacs
a) Deferred tax liability			
Depreciation	(1577.38)	(12.47)	(1589.85)
Sub - total	(1577.38)	(12.47)	(1589.85)
b) Deferred tax asset			
Provision for Gratuity	38.36	32.52	70.88
Demerger expenses	5.86	(1.88)	3.98
Provision for doubtful debts	138.76	18.28	157.04
Voluntary retirement compensation	49.10	(24.77)	24.33
Provision for compensated absence	193.14	32.29	225.43
Sub - total	425.22	56.44	481.66
Per balance sheet	(1152.16)	43.97	(1108.19)
		As at 31.03.2015 Rs. lacs	As at 31.03.2014 Rs. lacs

NOTE 7 - Other long term liabilities

Security deposits	514.46	516.54
Income received in advance	238.50	316.50
Per balance sheet	752.96	833.04

NOTE 8 - Long term provisions

Provisions for employee benefits:		
Compensated absences	548.34	465.20
Per balance sheet	548.34	465.20

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	As at 31.03.2015 Rs. lacs	As at 31.03.2014 Rs. lacs
NOTE 9 - Short term borrowings		
a) Other Loans from banks:		
Secured (Refer footnote below)	-	2500.00
Unsecured	1000.00	3000.00
b) Other Loans in foreign currency from banks:		
Secured (Refer footnote below)	7278.44	2593.07
Unsecured	4913.15	3853.96
c) Other Loans:		
Unsecured: Commercial papers	4000.00	4500.00
(Maximum balance outstanding during the year Rs. 8500 lacs; 31.3.2014 Rs. 7500 lacs)		
Per balance sheet	<u>17191.59</u>	<u>16447.03</u>

Footnote:

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

NOTE 10 - Trade payables

Trade payables (see footnote below)

- due to micro enterprises and small enterprises	-	-
- due to others	8987.32	7673.62
Per balance sheet	<u>8987.32</u>	<u>7673.62</u>

Footnote:

There are no amounts due to the suppliers covered under Micro, Small and Medium Enterprise Development Act, 2006; this information takes into account only those suppliers who have responded to the enquiries made by the Company for this purpose. This has been relied upon by auditors.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	As at 31.03.2015 Rs. lacs	As at 31.03.2014 Rs. lacs
NOTE 11 - Other current liabilities		
Current maturities of long-term debt (Refer footnote i below)		
- Term loans in foreign currency from banks	802.51	767.42
- Interest free Sales tax loan	210.83	231.53
- Non - convertible debentures	-	2000.00
- Other Loans in foreign currency from banks	2139.52	636.84
- Term loans from others	650.00	-
Interest accrued but not due on borrowings	137.30	152.84
Security deposits	297.75	244.26
Income received in advance	78.00	83.85
Unpaid dividends (unclaimed) (refer footnote ii below)	16.17	15.05
Other Payables		
- Fixed assets (Refer footnote in note 10)	6.18	154.08
- Statutory dues	751.36	611.00
- Advances received	134.99	109.92
- Gratuity (Refer note 42)	204.82	112.85
- Gratuity in respect of Executive Chairman	1.00	1.00
Per balance sheet	5430.43	5120.64
Footnotes:		
i. Refer footnotes (i) and (ii) in note 5 - Long term borrowings.		
ii. There is no amount outstanding and due as at the balance sheet date to be credited to the Investor Education and Protection Fund.		
NOTE 12 - Short term provisions		
a) Provisions for employee benefits:		
Compensated absences	103.03	103.02
	103.03	103.02
b) Provision - Others:		
Taxation (net of advance tax Rs. Nil lacs (as at 31.03.2014 Rs. 1209.97 lacs))	-	237.55
Proposed dividend	1453.84	1066.15
Tax on dividend	249.03	170.99
	1702.87	1474.69
Per balance sheet	1805.90	1577.71

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 13 - Fixed Assets

Description	GROSS BLOCK - AT COST			DEPRECIATION/ AMORTISATION				NET BLOCK	
	Opening Balance As at 01.04.14	Additions	Deductions	Closing Balance As at 31.03.15	Opening Balance As at 01.04.14	For the year	On Deductions	Closing Balance As at 31.03.15	As at 31.03.15
	Rs. lacs	Rs. lacs	Rs. lacs	Rs. lacs	Rs. lacs	Rs. lacs	Rs. lacs	Rs. lacs	Rs. lacs
A. Tangible Assets									
Freehold land	60.00	--	--	60.00	--	--	--	--	60.00
Leasehold land	177.43	--	--	177.43	18.04	2.16	--	20.20	157.23
Buildings and flats	4178.75	3457.52	487.55	7148.72	1466.57	134.85	26.32	1575.10	5573.62
Plant and equipment									
(refer note 43)	41142.14	1325.16	1681.14	40786.16	24730.21	2120.30	1656.69	25193.82	15592.34
Furniture and fixtures	675.09	106.25	204.94	576.40	404.44	87.97	204.94	287.47	288.93
Office equipment	1010.37	17.48	586.92	440.93	846.74	133.40	586.42	393.72	47.21
Electrical installations	830.23	25.90	--	856.13	569.60	156.60	--	726.20	129.93
Vehicles	460.77	154.98	107.29	508.46	316.19	131.34	107.29	340.24	168.22
Sub Total (A)	48534.78	5087.29	3067.84	50554.23	28351.79	2766.62	2581.66	28536.75	22017.48
B. Intangible Assets									
Computer Software	482.26	73.10	8.36	547.00	407.47	64.34	8.36	463.45	83.55
Sub Total (B)	482.26	73.10	8.36	547.00	407.47	64.34	8.36	463.45	83.55
Total (A) + (B)	49017.04	5160.39	3076.20	51101.23	28759.26	2830.96	2590.02	29000.20	22101.03
Previous year	44782.82	4639.52	405.30	49017.04	25724.42	3326.69	291.85	28759.26	-
Capital work-in-progress									20257.78
Per balance sheet									155.63
									22256.66
									23560.89

Footnotes:

- Buildings and flats include:
 - Shares in respect of residential premises of a cost of Rs. 2.25 lacs (as at 31.03.2014 Rs. 489.80 lacs) 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 (as at 31.03.2014 Rs. 750) in co-operative housing societies viz. 5 shares of Rs. 50 each in Ville Parle Vatika Co-operative 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 Co-operative Housing Society Limited.
- Borrowing cost capitalised during the year Rs. Nil lacs (year ended 31.03.2014 Rs. 172.86 lacs)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 13 - Fixed Assets (Previous Year)

Description	GROSS BLOCK - AT COST			DEPRECIATION/AMORTISATION				NET BLOCK	
	Opening Balance As at 01.04.13	Additions	Deductions	Closing Balance As at 31.03.14	Opening Balance As at 01.04.13	For the year	On Deductions	Closing Balance As at 31.03.14	As at 31.03.14
	Rs. lacs	Rs. lacs	Rs. lacs	Rs. lacs	Rs. lacs	Rs. lacs	Rs. lacs	Rs. lacs	Rs. lacs
A. Tangible Assets									
Freehold land	60.00	--	--	60.00	--	--	--	--	60.00
Leasehold land	177.43	--	--	177.43	15.96	2.08	--	18.04	159.39
Buildings and flats	3977.41	201.34	--	4178.75	1354.28	112.29	--	1466.57	2712.18
Plant and equipment (refer note 43)	37171.27	4357.00	386.13	41142.14	21988.68	3019.03	277.50	24730.21	16411.93
Furniture and fixtures	660.54	14.55	--	675.09	373.96	30.48	--	404.44	270.65
Office equipment	1001.00	9.37	--	1010.37	807.76	38.98	--	846.74	163.63
Electrical installations	830.23	--	--	830.23	537.84	31.76	--	569.60	260.63
Vehicles	479.94	--	19.17	460.77	294.87	35.67	14.35	316.19	144.58
Sub Total (A)	44357.82	4582.26	405.30	48534.78	25373.35	3270.29	291.85	28351.79	20182.99
B. Intangible Assets									
Computer Software	425.00	57.26	--	482.26	351.07	56.40	--	407.47	74.79
Sub Total (B)	425.00	57.26	--	482.26	351.07	56.40	--	407.47	74.79
Total (A) + (B)	44782.82	4639.52	405.30	49017.04	25724.42	3326.69	291.85	28759.26	20257.78
Capital work-in-progress									3303.11
Per balance sheet									23560.89

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
NOTE 14 - Non Current Investments

	As at 31.03.2015 Rs. lacs	Rs. lacs	As at 31.03.2014 Rs. lacs	Rs. lacs
A. Trade				
1. Investments in Equity Instruments				
a) of subsidiaries				
Quoted				
SNL Bearings Limited				
2,652,762 (as at 31.03.2014 2,652,762)				
Shares of Rs. 10 each fully paid-up	239.67		239.67	
Unquoted				
NRB Bearings (Thailand) Limited				
10,999,994 (as at 31.03.2014 10,999,994)				
Shares of THB 10 each fully paid-up	1640.56		1640.56	
NRB Bearings Europe GmbH				
25,000 (as at 31.03.2014 Nil)				
Shares of EUR 1 each fully paid-up	20.48		-	
b) of other entities				
Quoted				
Indusind Bank Limited				
8,541 (as at 31.03.2014 8,541)				
Shares of Rs. 10 each fully paid-up	0.98		0.98	
Eicher Motors Limited				
600 (as at 31.03.2014 600)				
Shares of Rs. 10 each fully paid-up	0.06		0.06	
Hero Motocorp Limited (formerly known as Hero Honda Motors Limited)				
6,250 (as at 31.03.2014 6,250) Shares of Rs. 2 each fully paid-up	0.05		0.05	
2. Investments in preference shares of subsidiary Company				
Unquoted				
SNL Bearings Limited				
1,000,000 (as at 31.03.2014 1,000,000) 11% (w.e.f 18th June, 2014 (6% till 17th June, 2014)) Cumulative redeemable preference shares of Rs. 5 each (as at 31.03.2014 Rs. 20 each) fully paid-up of which Rs. 2.5 each (as at 31.03.2014 Rs. 15 each) is considered as current investments. (Refer footnote in note 16)	25.00		50.00	
		1926.80		1931.32
B. Non -Trade				
1. Investments in Equity Instruments				
Unquoted				
21st Century Battery Limited				
10,000 (as at 31.03.2014 10,000) shares of Rs. 10 each fully paid-up	1.00		1.00	
Less: Provision for diminution in value	1.00	-	1.00	-
2. Investments in Mutual funds				
Unquoted				
DSP Black Rock Equity Fund				
50,000 (as at 31.03.2014 50,000) units of Rs. 10 each fully paid-up	5.00		5.00	
		5.00		5.00
Per balance sheet		1931.80		1936.32
Aggregate amount of quoted investments [market value Rs. 2988.64 lacs (as at 31.03.2014: Rs. 671.56 lacs)]		240.76		240.76
Aggregate amount of unquoted investments		1691.04		1695.56
		1931.80		1936.32

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	As at 31.03.2015	As at 31.03.2014
Rs. lacs	Rs. lacs	Rs. lacs
NOTE 15 - Long term loans and advances		
(Unsecured, considered good)		
Capital Advances	1649.18	1550.81
Security deposits	310.88	308.39
Loans and advances to employees	15.73	27.84
Prepaid expenses	30.61	56.43
Income taxes paid {net of provision for tax Rs. 14396.85 lacs (as at 31.3.2014 Rs. 10692.89 lacs)}	1114.64	984.71
Per balance sheet	<u>3121.04</u>	<u>2928.18</u>

NOTE 16 - Current investments

(At cost)

Current portion of long-term investments

Investments in preference shares of subsidiary Company

Unquoted

SNL Bearings Limited

1,000,000 (as at 31.03.2014 1,000,000) 11% (w.e.f
18th June, 2014 (6% till 17th June, 2014)) Cumulative
redeemable preference shares of Rs. 5 each (as at
31.03.2014 Rs. 20 each) fully paid-up of which Rs. 2.5
each (as at 31.03.2014 Rs. 15 each) is considered as
current investments.

	<u>25.00</u>	<u>150.00</u>
Per balance sheet	<u>25.00</u>	<u>150.00</u>
Aggregate amount of unquoted investments	<u>25.00</u>	<u>150.00</u>

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 lacs was redeemed on 18th June, 2014 and the balance of Rs 50 lacs will be 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 lacs in Preference Shares of Subsidiary is classified as Current and balance of Rs 25 lacs is classified as Non-Current.

NOTE 17 - Inventories

(at lower of cost and net realisable value)

(a) Raw materials	4798.01	3781.95
Goods-in-transit	94.02	114.39
	<u>4892.03</u>	<u>3896.34</u>
(b) Work-in-progress	3206.03	3432.17
(c) Finished goods (other than those acquired for trading)	4643.65	4352.76
(d) Stock-in-trade (acquired for trading) - lubricant	-	1.97
(e) Stores and spares	2205.95	1466.31
Per balance sheet	<u>14947.66</u>	<u>13149.55</u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	Rs. lacs	As at 31.03.2015 Rs. lacs	Rs. lacs	As at 31.03.2014 Rs. lacs
Footnotes:				
i) Raw Materials comprise of:				
Steel	2865.24		2609.75	
Brass	11.22		15.06	
Components	1903.00		1174.88	
Packing materials	112.57		96.65	
TOTAL	4892.03		3896.34	
ii) Work-in-progress comprise of:				
Loose needle rollers	85.25		160.70	
Needle roller bushes & cages	227.09		159.66	
Ball & roller bearings	162.86		125.80	
Automobile components	17.52		21.54	
Manufactured Components	2713.31		2964.47	
TOTAL	3206.03		3432.17	
iii) Finished goods comprise of:				
Loose needle rollers	384.97		371.34	
Needle roller bushes & cages	1630.85		1606.76	
Ball & roller bearings	2019.01		1866.52	
Automobile components	608.82		508.14	
TOTAL	4643.65		4352.76	

NOTE 18-Trade receivables
Trade receivables outstanding for a period exceeding six months from the date they were due for payment:

Secured, considered good	9.45		0.25	
Unsecured, considered good	4148.15		3831.70	
Unsecured, considered doubtful	453.76		408.22	
	4611.36		4240.17	
Provision for doubtful debts	453.76		408.22	
		4157.60		3831.95
Other trade receivables:				
Secured, considered good	162.30		174.05	
Unsecured, considered good	17289.51		15107.39	
		17451.81		15281.44
Per balance sheet		21609.41		19113.39

NOTE 19 - Cash and cash equivalents

Cash on hand	2.94		3.91	
Cheques on hand	-		4.54	
Balances with banks:				
In current accounts	2672.61		468.57	
In deposit account	24.46		18.68	
In earmarked accounts:				
Unpaid dividend accounts	16.17		15.05	
Per balance sheet	2716.18		510.75	
Of the above, the balances that meet the definition of cash and cash equivalents as per AS 3 Cash Flow Statements is	2700.01		495.70	

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	Rs. lacs	As at 31.03.2015 Rs. lacs	Rs. lacs	As at 31.03.2014 Rs. lacs
NOTE 20 - Short term loans and advances				
(Unsecured, considered good)				
Inter - corporate deposits to related parties		1481.84		865.70
Loans and advances to employees		79.44		57.11
Prepaid expenses		285.77		189.91
Balance with government authorities		1516.16		1630.01
Advance sales tax		438.35		468.11
Loans and advances				
Related parties		1266.83		649.21
Others		1244.95		945.57
Per balance sheet		6313.34		4805.62
NOTE 21 - Other current assets				
Interest receivable		10.11		0.35
Per balance sheet		10.11		0.35
		Year ended 31.03.2015 Rs. lacs	Rs. lacs	Year ended 31.03.2014 Rs. lacs
NOTE 22 - Revenue from operations				
Sale of products		69333.18		63552.40
Other operating revenues:				
Sale of scrap	723.50		689.52	
Duty drawback and export incentives	578.32		541.26	
		1301.82		1230.78
Revenue from operations (gross)		70635.00		64783.18
Less: Excise Duty		5075.97		5333.79
Per statement of profit and loss		65559.03		59449.39
Revenue from operations comprise of:				
Loose needle rollers	3078.17		2816.19	
Needle roller bushes & cages	26796.99		25238.82	
Ball & roller bearings	25131.45		21171.88	
Automobile components	9250.60		8991.72	
	64257.21		58218.61	
Other operating revenues	1301.82		1230.78	
Total	65559.03		59449.39	
NOTE 23 - Other income				
Dividend income				
From long term investments				
- Trade	66.72		64.01	
- Others	3.40		4.25	
		70.12		68.26
Net gain on foreign currency transactions and translation		-		162.76
Profit on sale of fixed assets (net)		82.98		79.94
Rent		107.45		48.15
Other non-operating income		101.02		97.51
Per statement of profit and loss		361.57		456.62

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	Rs. lacs	Year ended 31.03.2015 Rs. lacs	Rs. lacs	Year ended 31.03.2014 Rs. lacs
NOTE 24A - Cost of materials consumed				
Opening Stock		3896.34		3360.96
Add: Purchases		27792.82		24046.78
		31689.16		27407.74
Less: Closing stock		4892.03		3896.34
Per statement of profit and loss		26797.13		23511.40

Materials consumed comprise of:

Steel	7292.89	8304.62
Brass	137.86	81.16
Components	17824.84	13807.91
Packing Material	1541.54	1317.71
Total	26797.13	23511.40

NOTE 24B - Changes in inventories of finished goods, work-in-progress, stock-in-trade

Opening stocks:		
Finished goods	4352.76	5018.05
Work - in - progress	3432.17	3482.69
Stock - in - trade	1.97	3.29
	7786.90	8504.03
Closing stocks:		
Finished goods	4643.65	4352.76
Work - in - progress	3206.03	3432.17
Stock - in - trade	-	1.97
	7849.68	7786.90
Per statement of profit and loss - Net (increase) / decrease	(62.78)	717.13

NOTE 25 - Employee benefit expenses

Salaries, wages and bonus	8384.95	7727.32
Contribution to provident and other funds (Refer Note 42)	801.85	641.78
Staff welfare	927.97	869.27
Per statement of profit and loss	10114.77	9238.37

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	Rs. lacs	Year ended 31.03.2015 Rs. lacs	Rs. lacs	Year ended 31.03.2014 Rs. lacs
NOTE 26 - Finance costs				
Interest				
On fixed loans	597.89		491.28	
On others	1029.69		1201.66	
		1627.58		1692.94
Other borrowing costs		105.25		56.04
		1732.83		1748.98
Less: Interest income				
From banks on deposits	3.57		1.58	
On loans and advances	142.21		28.13	
		145.78		29.71
Per statement of profit and loss		1587.05		1719.27
NOTE 27 - Other expenses				
Consumption of stores and spare parts		4512.05		4844.62
Processing charges		1912.55		1670.67
Power and fuel		2493.87		2422.92
Repairs and maintenance -				
Buildings	252.02		238.41	
Plant and machinery	329.67		386.41	
Others	82.39		63.67	
		664.08		688.49
Insurance		92.75		60.65
Rent		7.38		16.32
Rates and taxes		143.40		85.94
Legal and professional fees		462.72		615.28
Directors' fees and commission		14.10		9.75
Commission on sales		620.58		794.57
Sales discount		119.40		125.90
Travelling and conveyance		669.10		705.56
Postage, telephone and fax		70.14		79.43
Bank charges		62.30		54.85
Advertisement and sales promotion expenses		257.94		123.51
Forwarding charges		2535.01		2338.12
Receivables written off		138.14		0.05
Provision for doubtful debts		45.54		19.58
Lease rent (Refer Note 34)		73.13		64.73
IT expenses		215.44		356.93
Excise duty on Increase/ (decrease) in inventories of finished goods		174.61		(171.95)
Net loss on foreign currency transactions and translation		560.85		-
Auditors' remuneration (see footnote below)		46.14		52.64
Expenditure on Corporate Social Responsibility		122.50		-
Miscellaneous expenses		1220.81		963.01
Per statement of profit and loss		17234.53		15921.57

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	Year ended 31.03.2015 Rs. lacs	Year ended 31.03.2014 Rs. lacs
Footnote: Details of Auditors' Remuneration: (excluding service tax)		
Audit fees	22.50	22.50
Report under section 44AB of the Income-tax Act, 1961	3.25	3.25
Taxation matters	-	3.00
Other services		
- Statute	20.00	19.60
- Others	-	4.00
Reimbursement of expenses	0.39	0.29
Total	46.14	52.64

	As at 31.03.2015 Rs. lacs	As at 31.03.2014 Rs. lacs
NOTE 28 - Contingent liabilities not provided for:		
a) Income Tax	1388.62	1077.66
b) Sales Tax	316.30	230.25
c) Customs Duty	158.87	158.87
d) Bank guarantees	96.29	37.56
e) Stand by letter of credit given to bank on behalf of a subsidiary Company	271.94	606.79
f) Corporate guarantees issued on behalf of subsidiary companies / group Company	5406.59	7481.38

The Company is in further appeal in respect of matters stated in a) to c) above

NOTE 29

Estimated amount of contracts remaining to be executed on capital account and not provided for	1457.91	1462.55
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	Year ended 31.03.2015 Rs. lacs	Year ended 31.03.2014 Rs. lacs
NOTE 30 - The amount of exchange differences (net):		
(credited) / debited to the statement of profit and loss is	560.85	(162.76)

NOTE 31 - Expenditure on research and development:

(i) Charged to the statement of profit & loss	721.00	702.70
(ii) Capitalized to fixed asset	5.79	48.67

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 32 - Segment reporting

The Company has a single reportable business segment namely bearings for the purpose of Accounting Standard 17 on Segment Reporting.

Geographical Segment information is given as follows:

	Rs. lacs	Rs. lacs	Rs. lacs
	Within India	Outside India	Total
Revenue from operations	49748.31	15810.72	65559.03
	(45199.30)	(14250.09)	(59449.39)
Total Assets	53684.20	19247.00	72931.20
	(51730.14)	(14424.91)	(66155.05)
Additions to fixed assets	5160.39	-	5160.39
	(4639.52)	-	(4639.52)

Footnote:

Figures in brackets are in respect of the previous year.

NOTE 33 - Related Party Disclosures:

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

Sr.no	Nature of relationship	Names of related parties
(a)	Subsidiaries	SNL Bearings Limited NRB Bearings (Thailand) Limited NRB Bearings Europe GmbH (w.e.f 24th June, 2014)
(b)	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, Executive Chairman
(c)	Key management personnel	Ms. H. S. Zaveri, Managing Director Mr. S. C. Rangani, Executive Director & Company Secretary
(d)	A firm where executive chairman is a partner	New Indo Trading Company
(e)	A Company wherein Mr. T. S. Sahney, Executive Chairman and Ms. H. S. Zaveri, Managing Director are directors and shareholders having Management Control.	NRB Industrial Bearings Limited

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

B) Related Party Transactions:

Name of the related parties	Nature of Transactions	Volume of Transactions Rs. lacs	Receivable as at 31.03.15 Rs. lacs	Payable as at 31.03.15 Rs. lacs
SNL Bearings Limited	Sale of raw materials / fixed assets etc.	38.84 (124.25)		
	Purchase of raw materials /fixed assets etc.	1562.74 (1253.37)	- (-)	292.71 (331.11)
	Proceeds from redemption of cumulative redeemable preference shares	150.00 (200.00)	- (-)	- (-)
NRB Bearings (Thailand) Limited	Sale of raw materials / fixed assets etc.	855.12 (852.48)	4048.63 (2924.79)	- (-)
	Purchase of raw materials /fixed assets etc.	858.06 (464.09)		
	Inter Corporate deposit given	- (248.70)		
	Interest received on Inter Corporate deposit	23.90 (18.52)		
	Stand by letter of credit given by NRB Bearings Ltd.	- (-)	271.94 (606.79)	- (-)
	Guarantee given by NRB Bearings Ltd.	- (-)	1177.04 (1125.58)	- (-)
NRB Industrial Bearings Limited	Sale of raw materials / fixed assets etc.	137.91 (366.14)		
	Purchase of raw materials /fixed assets etc.	6.77 (522.00)	1240.18 (1727.19)	- (-)
	Inter Corporate deposit given	605.00 (617.00)		
	Interest received on Inter Corporate deposit	118.31 (9.61)		
	Receivables written off	138.14 (-)		
	Guarantee given by NRB Bearings Ltd.	- (-)	4229.55 (6355.80)	- (-)
NRB Bearings Europe GmbH	Sales promotion expenses	109.67 (-)	- (-)	42.91 (-)
Mr. T. S. Sahney	Remuneration	174.98 (155.04)	- (-)	52.07 (39.58)
Ms. H. S. Zaveri	Remuneration	231.42 (174.84)	- (-)	43.35 (25.85)
Mr. S. C. Rangani	Remuneration	71.53 (65.32)	- (-)	- (-)
New Indo Trading Company	Service Charges Paid	5.00 (5.00)	- (-)	1.23 (-)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
C) Additional disclosure pursuant to Circular CRD/GEN/2003/1 dated February 6, 2003 of The Stock Exchange, Mumbai

Name	Balance as at 31.03.2015 Rs. lacs	Maximum amount outstanding during the year ended 31.03.2015 Rs. lacs
Loans and advances in the nature of loans to subsidiary / group companies-		
NRB Industrial Bearings Limited	1222.00 (617.00)	1222.00 (617.00)
NRB Bearings (Thailand) Limited	259.84 (248.70)	259.84 (280.35)

Footnote:

- Figures in brackets are in respect of the previous year.
- 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 except as disclosed above.
- Dividend paid/received has not been considered by the Company as a transaction falling under the purview of Accounting Standard 18 "Related Party Disclosures".

NOTE 34 - 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 31.03.2015 aggregated Rs. 73.13 lacs (for the year ended 31.03.2014: Rs. 64.73 lacs). The minimum lease payments to be made in future as at the year end, in respect of non-cancellable lease are follows:

	Year ended 31.03.2015 Rs. lacs	Year ended 31.03.2014 Rs. lacs
(i) For a period not later than one year	37.98	46.83
(ii) For a period later than one year and not later than five years	31.74	48.86
(iii) For a period later than five years	-	-

NOTE 35 - Value used in calculating Earnings Per Share

(i) Profit after tax (Rs. in lacs)	5206.46	3818.11
(ii) Number of Equity Shares	96922600	96922600
(iii) Par value per share (Rs.)	2	2
(iv) Earnings per share - Basic and diluted (Rs.)	5.37	3.94

NOTE 36 - Value of imported and indigenous materials consumed

	Year ended 31.03.2015 Rs. lacs	Percentage (%)	Year ended 31.03.2014 Rs. lacs	Percentage (%)
Imported	7520.93	28	6693.72	28
Indigenous	19276.20	72	16817.68	72
TOTAL	26797.13	100	23511.40	100

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 37 - Value of imported and indigenous Stores & spare parts consumed

	Year ended 31.03.2015		Year ended 31.03.2014	
	Rs. lacs	Percentage (%)	Rs. lacs	Percentage (%)
Imported	807.04	18	972.82	20
Indigenous	3705.01	82	3871.80	80
TOTAL	4512.05	100	4844.62	100

	Year ended 31.03.2015 Rs. lacs	Year ended 31.03.2014 Rs. lacs
NOTE 38 - CIF value of imports		
i) Raw materials and components	8572.56	6893.06
ii) Stores and spare parts	680.27	1019.48
iii) Capital Goods	215.06	3217.45

NOTE 39 - Expenditure in foreign currency

i) Foreign travel	253.22	265.84
ii) Commission on exports	257.71	305.55
iii) Interest	564.16	505.67
iv) Salary	124.76	105.53
v) Professional fees	535.16	621.06
vi) Freight and forwarding charges	1054.55	291.54
vii) Sales promotion expenses	109.67	-

NOTE 40 - Earnings in foreign exchange:

i) Export of goods calculated on F.O.B basis	14825.98	13152.21
ii) Reimbursement of insurance and freight on exports	406.42	556.62

NOTE 41 - Financial and Derivative Instruments

i) Forward Exchange Contracts entered into by the Company that are outstanding as at 31.03.2015:

Currency	Amount in foreign currency	Buy/Sell	Cross Currency
USD	4,958,000 (250,000)	Buy (Buy)	INR (INR)
Euro	1,892,750 (277,000)	Buy (Buy)	INR (INR)
Euro	- (1,90,574)	- (Sell)	- (USD)

These Forward Foreign Exchange Contracts are entered into for hedging purposes and not for speculation purposes

ii) Interest rate swaps to hedge against fluctuations in interest rate changes: No. of contracts: 2 (as at 31.3.2014:2)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

iii) Foreign currency exposures that have not been hedged by a derivative instrument or other wise outstanding as at 31.03.2015:

	Currency	Amount	Equivalent Rs. lacs as at year end
a) Amount receivable in foreign currency :			
Export of goods	USD	8,704,173 (11,892,127)	5453.16 (7124.57)
	EURO	5,891,972 (3,949,895)	3984.15 (3249.58)
Inter - corporate deposits to related parties	THB	13,500,000 (13,500,000)	259.84 (248.70)
Capital advances	EURO	5,852 (35,192)	3.96 (28.96)
	GBP	23,130 (131,105)	21.42 (130.62)
	USD	303,733 (273,983)	190.32 (164.17)
Balance with government authorities	EURO	1,289,068 (871,729)	871.72 (717.17)
Other loans & advances	CHF	13,102 (6,696)	8.47 (4.52)
	EURO	629,874 (39,374)	426.10 (32.40)
	JPY	1,228,580 (5,185,822)	6.41 (30.36)
	THB	11,629,828 (10,180,848)	224.22 (187.70)
	USD	1,825,783 (807,158)	1144.04 (483.65)
	GBP	- (110)	- (0.11)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	Currency	Amount	Equivalent Rs. lacs as at year end
b) Amounts payable in foreign currency :			
Import of goods	JPY	99,886,161 (51,321,670)	520.81 (342.10)
	EURO	100,287 (774,210)	67.84 (608.49)
	USD	614,059 (374,327)	384.77 (221.81)
	CHF	213,888 (197,724)	138.27 (136.71)
Capital Imports	EURO	4,000 (65,858)	2.71 (56.83)
Loans payable	USD	27,646,151 (25,933,639)	17323.08 (15539.44)
	EURO	7,410,128 (-)	5012.95 (-)

v) Figures in brackets are the corresponding figures in respect of the previous year.

NOTE 42 - Employee Benefits :

1) Defined contribution plans

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

	Year ended 31.03.2015 Rs. lacs	Year ended 31.03.2014 Rs. lacs
i) Employer's Contribution to Provident Fund	323.28	304.79
ii) Employer's Contribution to Family Pension Fund	119.87	91.36
iii) Employer's Contribution to Superannuation Fund	120.71	116.63
iv) Employer's Contribution to Social Security Fund	33.17	16.15

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
2) Defined Benefit Plans :

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

Particulars	2014 - 15 Rs. lacs	2013 - 14 Rs. lacs
i) Components of employer expenses		
a) Current Service cost	104.71	103.22
b) Interest cost	201.46	168.57
c) Expected return on plan assets	(181.61)	(145.74)
d) Actuarial Losses/ (Gains)	80.26	(13.20)
Total expenses recognised in the Statement of Profit and Loss	204.82	112.85
ii) Actual Contribution and Benefit Payments for year		
a) Actual benefit payments	196.93	123.42
b) Actual Contributions	112.85	368.16
iii) Change in Defined Benefit Obligations (DBO) during the year		
a) Present Value of DBO at the beginning of the year	2156.22	2043.32
b) Current Service cost	104.71	103.22
c) Interest cost	201.46	168.57
d) Actuarial Losses/ (Gains)	255.01	(35.47)
e) Benefits paid	(196.93)	(123.42)
Present Value of DBO at the end of the year	2520.47	2156.22
iv) Change in Fair Value of Assets during the year		
a) Plan assets at beginning of the year	2043.37	1675.16
b) Expected return on plan assets	181.61	145.74
c) Actuarial (Losses)/ Gains	174.75	(22.27)
d) Actual Company contributions	112.85	368.16
e) Fair Value of benefits paid	(196.93)	(123.42)
Fair value of plan assets at the end of year	2315.65	2043.37
v) Contribution expected to be paid next year	236.99	213.73
vi) Actuarial Assumptions		
a) Discount Rate	7.95% - 7.99%	9.36%
b) Expected rate of return on Plan assets	7.95% - 7.99%	8.70%
c) Salary escalation	6% - 10%	6% - 10%
d) Mortality Table	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
e) Attrition rate	2% - 10%	2% - 10%
vii) The major categories of plan assets - Insurer Managed Funds	100.00%	100.00%

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	As at 31.03.2015 Rs. lacs	As at 31.03.2014 Rs. lacs	As at 31.03.2013 Rs. lacs	As at 31.03.2012 Rs. lacs	As at 31.03.2011 Rs. lacs
viii) Net asset/(liability) recognised in balance sheet					
a) Defined Benefit Obligation	(2520.47)	(2156.22)	(2043.32)	(1737.97)	(1359.94)
b) Fair Value of Plan assets	2315.65	2043.37	1675.16	1222.50	1212.40
c) Net asset/(liability) recognised in balance sheet	(204.82)	(112.85)	(368.16)	(515.47)	(147.54)
d) Experience adjustment arising on :					
1) Plan Liabilities [Losses / (Gains)]	59.60	97.29	67.91	111.21	(32.42)
2) Plan Assets [(Losses) / Gains]	174.75	(22.27)	(62.36)	36.83	(11.45)

Footnotes:

- (i) The expected rate of return on plan assets is based on the average long term rate of return expected on investments of the fund during the estimated term of obligation.
 - (ii) The assumption of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion, increment and other relevant factors.
 - (iii) The discount rate is based on prevailing market yield of government of India security as at the Balance sheet date for the estimated term of the obligation.
- b) Compensated Expenses
- (i) Compensated Expenses recognised in the statement of profit and loss for the year, under employee benefit expense, is Rs. 196.54 lacs (for the year ended 31.03.2014 : Rs. 85.33 lacs).
 - (ii) Actuarial Assumptions used:

	As at 31.03.2015	As at 31.03.2014
a) Discount Rate	7.95% - 7.99%	9.36%
b) Expected rate of return on Plan assets	7.95% - 7.99%	8.70%
c) Salary escalation	6% - 10%	6% - 10%
d) Mortality Table	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
e) Attrition rate	2% -10%	2% -10%

NOTE 43

Pursuant to the notification issued by the Central Government extending the applicability of amendment to Accounting Standard 11 on 'The Effects of Changes in Foreign Exchange Rates' upto 31st March, 2020, which provides an option for adjustment of foreign exchange gain / loss arising on long term foreign currency borrowings against the carrying value of related fixed assets, the Company has continued to exercise the option and has adjusted exchange loss aggregating Rs. 389.35 lacs (for the year ended 31.03.2014 : Rs. 519.38 lacs) 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. 1309.82 lacs (Previous year Rs. 1042.05 lacs).

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 44

With effect from 01.04.2014, the Company has revised the estimated useful life of its assets as assessed based on external technical advice. The details of previously applied and revised useful life are as follows:

Class of asset	Previous useful life based on SLM (Range)	Revised useful life based on SLM (Range)
Buildings and flats	30 - 61 years	15 – 50 years
Plant and equipment	3 - 20 years	3 – 30 years
Furniture and fixtures	16 years	3 – 10 years
Office equipment	20 years	3 – 10 years
Electrical installation	20 years	5 – 20 years
Vehicles	11 years	5 years

The depreciation and amortisation expense in the Statement of Profit and Loss for the year is lower by Rs. 703.81 lacs consequent to the change in the useful life of the assets.

NOTE 45

The Company has an investment of Rs. 1640.56 lacs in equity shares of NRB Bearings (Thailand) Limited (NRB, Thailand) a wholly owned subsidiary, whose net worth has eroded as per the latest audited financial statements as at 31st March 2015. To strengthen the operations and financial health of NRB, Thailand, the Company has initiated several measures to increase sales (via new customer acquisition and increased penetration of the existing customer base) and improve cash flows. Significant efforts are being implemented to mine synergies between the Company and NRB, Thailand thus improving efficiencies and profitability of NRB, Thailand. The Company is committed to NRB, Thailand as a key investment to achieve its overall growth plan. Therefore, in view of the Management, the diminution in value of investments in NRB, Thailand is temporary.

NOTE 46

Previous year's figures have been regrouped / re-stated wherever necessary.

Signature to Notes

For and on behalf of the Board of Directors

T. S. Sahney
Executive Chairman

H. S. Zaveri
Managing Director & President

Uday Khanna

Tashwinder Singh

S. C. Rangani
Executive Director &
Company Secretary

A. A. Gowarikar

D. S. Sahney

Directors

Tanushree Bagrodia
Chief Financial Officer

Mumbai : 18 May, 2015

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NRB BEARINGS LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **NRB BEARINGS LIMITED** (hereinafter referred to as "the holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which comprising of the Consolidated Balance Sheet as at 31 March, 2015, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirement of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the Group and for preventing and detecting fraud and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control, that were operating effectively for ensuring the accuracy and completeness of accounting records, relevant to the preparation and presentation of the financial statements that give true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statement give the information required by the Act in the manner so required and give true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March, 2015, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matter

We did not audit the financial statements of 2 subsidiaries, whose financial statements reflect total assets of Rs. 4,889 lacs as at 31 March, 2015, total revenues of Rs. 2,248 lacs and net cash outflows amounting to Rs. 4 lacs 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-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding company and subsidiary company incorporated in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors of the Holding Company as on 31 March, 2015 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditor of its subsidiary company incorporated in India, none of the directors of the Group company incorporated in India is disqualified as on 31 March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 28 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 there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the subsidiary company incorporated in India.

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

Saira Nainar
(Partner)
(Membership No. 040081)

Mumbai, 18 May, 2015

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Our reporting on the Order includes 1 subsidiary company incorporated in India, to which the Order is applicable, which have been audited by us, to the extent considered applicable for reporting under the Order in the case of the consolidated financial statements.

Having regard to the nature of the Group business/ activities/ results during the year, clause (viii) regarding accumulated losses and cash loss incurred by the group of paragraph 3 of the Order is not applicable to the Group.

- (i) In respect of the fixed assets of the Holding Company and subsidiary company incorporated in India:
 - (a) The respective entities have maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The Holding Company and its subsidiary company has a programme of verification of fixed assets to cover all the items once in every three years which, in our opinion, is reasonable having regard to the size of the Holding Company and its subsidiary company and the nature of its respective assets. Pursuant to the programme, all fixed assets of Holding Company were physically verified by the Management during the year ended 31 March, 2015 and for subsidiary company it was verified during the year ended 31 March, 2013. According to the information and explanations given to us no material discrepancies were noticed on such verification.
- (ii) In respect of the inventories of the Holding Company and subsidiary company incorporated in India:
 - (a) As explained to us, the inventories were physically verified during the year by the Management of the respective entities at reasonable intervals.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management of the respective entities were reasonable and adequate in relation to the size of the respective entities and the nature of their business.
 - (c) In our opinion and according to the information and explanations given to us, the respective entities have maintained proper records of their inventories and no material discrepancies were noticed on physical verification.
- (iii) According to the information and explanations given to us, the subsidiary company has not granted loans, secured or unsecured, to companies, firm and other parties covered in the Register maintained under Section 189 of the Act, however, the Holding Company has granted loans, unsecured, to company covered in the Register maintained under Section 189 of the Act,. In respect of such loans:
 - (a) The receipts of principal amounts and Interest have been regular, as per stipulations except interest amounting Rs 9.48 lacs due from Company covered under section 189, where there was delay in receipt of Interest.
 - (b) In respect of overdue amounts of over Rs. 1 lac remaining outstanding as at the year-end which pertained to interest only, the amount has been recovered subsequently.
- (iv) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system in the Holding Company and subsidiary company incorporated in India commensurate with the size of the respective entities and the nature of their business with regard to purchases of inventory and fixed assets and the sale of goods. There are no sales of services. During the course of our audit, no major weakness in such internal control system has been observed.
- (v) According to the information and explanations given to us, the Holding Company and subsidiary company incorporated in India have not accepted any deposit from the public during the year in terms of the provisions of Sections 73 and 76 or any other relevant provisions of the Act.
- (vi) According to the information and explanations given to us, in our opinion, the Holding Company has, prima facie, made and maintained the prescribed cost records pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under subsection (1) of Section 148 of the Act. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete. Further, as per information and explanation given to us, the Companies (Cost Records and Audit) Rules, 2014, is not applicable to the subsidiary company.

(vii) According to the information and explanations given to us, in respect of statutory dues of the Holding Company and subsidiary company incorporated in India:

- (a) The Holding Company has been generally regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable with the appropriate authorities. The subsidiary company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable with the appropriate authorities.
- (b) There were no undisputed amounts payable by the respective entities in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at 31 March, 2015 for a period of more than six months from the date they became payable.
- (c) In case of subsidiary company, there are no dues of Income tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax and Cess which have not been deposited as on 31 March 2015 on account of disputes. Details of dues of Holding Company for Income tax, Sales Tax, Customs Duty, Value Added Tax and Cess which have not been deposited as on 31 March, 2015 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved (Rs. in lacs)
The Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	A.Y. 2011-2012 A.Y. 2012-2013	465.54
The Income Tax Act, 1961	Income Tax	Income Tax Appellate Tribunal	A.Y. 2010-2011	37.68
The Bombay Sales Tax Act, 1959	Sales Tax	Deputy Commissioner (Appeals)	A.Y. 1997-1998	1.20
The Central Sales Tax Act, 1956	Sales Tax	Deputy Commissioner (Appeals)	A.Y. 1997-1998 A.Y. 2008-2009 A.Y. 2009-2010 A.Y. 2010-2011 A.Y. 2011-2012 A.Y. 2012-2013	35.11
The Central Sales Tax Act, 1956	Sales Tax	Additional Deputy Commissioner (Appeals)	A.Y. 2012-2013	187.28
The Customs Act, 1962	Custom Duty, Penalty and Fine	Supreme Court	A.Y. 1994-1995	138.87

- (d) The Holding Company has been regular in transferring amounts to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder within time. In case of subsidiary company, there are no amounts that are due to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder within time.

(viii) In our opinion and according to the information and explanations given to us, the Holding Company and subsidiary company incorporated in India have not defaulted in the repayment of dues to financial institutions, banks and debenture holders.

- (ix) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Holding Company for loans taken by others outside of the Group from banks and financial institutions are not, prima facie, prejudicial to the interest of the Group.

- (x) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Holding Company and subsidiary company incorporated in India during the year for the purposes for which they were obtained, other than temporary deployment pending application.
- (xi) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Holding Company and its subsidiary company incorporated in India and no material fraud on the Holding Company and its subsidiary company incorporated in India has been noticed or reported during the year.

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

Saira Nainar
Partner
(Membership No. 040081)

Mumbai, 18 May, 2015

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2015

	Note No.	Rs. lacs	As at 31.03.2015 Rs. lacs	As at 31.03.2014 Rs. lacs
I EQUITY AND LIABILITIES				
(1) Shareholders' Funds				
(a) Share Capital	2		1938.45	1938.45
(b) Reserves and Surplus	3		23481.65	19966.22
(c) Minority interest				
(i) Share capital		95.88		95.88
(ii) Reserves and surplus		146.56		75.24
- Brought forward balance		47.05		71.32
- Transferred from consolidated statement of profit & loss account		193.61		146.56
			289.49	242.44
			23771.14	20208.66
			25709.59	22147.11
(2) Non-Current Liabilities				
(a) Long term borrowings	4	10079.79		9675.87
(b) Deferred tax liabilities (Net)	5	1202.36		1232.91
(c) Other Long term liabilities	6	752.96		839.15
(d) Long term provisions	7	577.55		489.59
			12612.66	12237.52
(3) Current Liabilities				
(a) Short term borrowings	8	18522.19		17925.20
(b) Trade payables	9	8913.89		7289.49
(c) Other current liabilities	10	5821.95		6507.10
(d) Short-term provisions	11	1874.48		1593.82
			35132.51	33315.61
Total			73454.76	67700.24
II ASSETS				
(1) Non-current assets				
(a) Fixed assets	12			
(i) Tangible assets		25687.44		23201.33
(ii) Intangible assets		87.63		77.88
(iii) Capital work-in-progress		354.39		3834.94
		26129.46		27114.15
(b) Goodwill arising on consolidation		47.75		47.75
(c) Non-current investments	13	6.09		6.09
(d) Long term loans and advances	14	3189.78		3014.50
			29373.08	30182.49
(2) Current assets				
(a) Inventories	15	16424.71		14503.02
(b) Trade receivables	16	19975.31		18419.13
(c) Cash and Cash Equivalents	17	2800.40		576.15
(d) Short-term loans and advances	18	4871.15		4019.10
(e) Other current assets	19	10.11		0.35
			44081.68	37517.75
Total			73454.76	67700.24

See accompanying notes forming part of the financial statements

For and on behalf of the Board of Directors

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

T. S. Sahney
Executive Chairman

H. S. Zaveri
Managing Director & President

Saira Nainar
Partner

S. C. Rangani
Executive Director &
Company Secretary

Uday Khanna

Tashwinder Singh

Tanushree Bagrodia
Chief Financial Officer

A. A. Gowariker

D. S. Sahney

Directors

Mumbai: 18th May, 2015

Mumbai: 18th May, 2015

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

Particulars	Note No.	For the Year ended 31.03.2015		For the Year ended 31.03.2014	
		Rs. lacs	Rs. lacs	Rs. lacs	Rs. lacs
I. Revenue from operations (gross)		72157.10		66191.76	
Less: Excise duty		5126.23		5443.81	
Revenue from operations (net)	20		67030.87		60747.95
II. Other Income	21		326.80		285.65
III. TOTAL REVENUE (I + II)			67357.67		61033.60
IV. EXPENDITURE					
Cost of material consumed	22		25304.56		22804.07
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	23		(139.88)		591.37
Employee benefit expense	24		11210.50		10097.97
Finance costs	25		1724.65		1861.46
Depreciation and amortization expense	12		3104.40		3558.38
Other expenses	26		18350.64		16939.93
Total Expenses			59554.87		55853.18
V. PROFIT BEFORE TAX (III - IV)			7802.80		5180.42
VI. Tax expense:					
- Current tax		2446.10		1570.16	
- In respect of earlier years		17.11		22.98	
Net current tax expense		2463.21		1593.14	
- Deferred tax		(30.55)		144.26	
- In respect of earlier years		-		73.27	
Net deferred tax (income)/expense		(30.55)		217.53	
			2432.66		1810.67
VII. PROFIT FOR THE YEAR (V - VI)			5370.14		3369.75
Parent Company's share			5323.09		3298.43
Minority			47.05		71.32

Earnings per share (of Rs. 2 each) (Refer note 35)

Basic, as well as diluted (In Rs.) **5.49** 3.40

See accompanying notes forming part of the financial statements

For and on behalf of the Board of Directors

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

Saira Nainar
Partner

T. S. Sahney
Executive Chairman

H. S. Zaveri
Managing Director & President

S. C. Rangani
Executive Director &
Company Secretary

Uday Khanna

Tashwinder Singh

Tanushree Bagrodia
Chief Financial Officer

A. A. Gowariker

D. S. Sahney
Directors

Mumbai: 18th May, 2015

Mumbai: 18th May, 2015

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

		Year ended 31.03.2015	Year ended 31.03.2014
	Rs. lacs	Rs. lacs	Rs. lacs
A. CASH FLOW FROM OPERATING ACTIVITIES:			
NET PROFIT BEFORE TAX		7802.80	5180.42
Adjustments for:			
Depreciation/amortisation	3104.40		3558.38
Foreign exchange loss unrealised	162.89		54.07
Finance cost (net)	1724.65		1861.46
Dividend income	(10.12)		(8.26)
Profit on sale of fixed assets (net)	(75.52)		(82.32)
Receivables written off	138.14		0.05
Provision for doubtful debts	45.54		21.74
Liability no longer payable	-		(42.92)
Provision for compensated absences	90.17		19.50
Provision for gratuity	99.57		(257.69)
Foreign currency translation	(57.58)		59.73
		5222.14	5183.74
		13024.94	10364.16
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES AND OTHER ADJUSTMENTS			
Changes in working capital:			
Adjustment for (increase)/ decrease in operating assets			
- Trade receivables	(1444.63)		(2908.94)
- Short-term loans and advances	(502.87)		(690.04)
- Long-term loans and advances	27.95		(21.61)
- Inventories	(2002.09)		248.77
Adjustment in increase/ (decrease) in operating liabilities			
- Other long term liabilities	(86.19)		448.20
- Trade payables	1582.06		378.39
- Other current liabilities	(707.28)		802.07
		(3133.05)	(1743.16)
NET CASH GENERATED FROM OPERATIONS		9891.89	8621.00
Direct taxes paid (net of refund)		(2834.13)	(1331.27)
NET CASH FROM OPERATING ACTIVITIES		7057.76	7289.73
B. CASH FLOW FROM INVESTING ACTIVITIES:			
Purchase of fixed assets (including adjustments on account of capital advances)		(2348.66)	(6267.69)
Sale of fixed assets		562.12	215.40
Inter corporate deposit to group Company		(605.00)	(617.00)
Dividend income		10.12	8.26
NET CASH USED IN INVESTING ACTIVITIES		(2381.42)	(6661.03)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

	Year ended 31.03.2015 Rs. lacs	Year ended 31.03.2014 Rs. lacs
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from long term borrowings	4128.46	3803.91
Proceeds from short term borrowings (net)	672.41	4322.46
Repayment of long term borrowings	(4045.55)	(1472.12)
Increase / (Decrease) in cash credit	(197.66)	(3109.72)
Finance cost paid (net)	(1763.53)	(1997.79)
Dividend paid	(1066.15)	(1647.68)
Tax on dividend	(181.19)	(280.02)
NET CASH USED IN FINANCING ACTIVITIES	(2453.21)	(380.96)
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	2223.13	247.74
Cash and cash equivalents as at the beginning of the year	561.10	313.36
Cash and cash equivalents as at the end of the year (Refer note 17)	2784.23	561.10
See accompanying notes forming part of the financial statements		

For and on behalf of the Board of Directors

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

Saira Nainar
Partner

T. S. Sahney
Executive Chairman

S. C. Rangani
Executive Director &
Company Secretary

Tanushree Bagrodia
Chief Financial Officer

H. S. Zaveri
Managing Director & President

Uday Khanna **Tashwinder Singh**

A. A. Gowariker **D. S. Sahney**
Directors

Mumbai: 18th May, 2015

Mumbai: 18th May, 2015

Notes forming part of the consolidated financial statements

NOTE 1 - Significant accounting policies

1. Basis of preparation

The consolidated financial statements of the Company and its subsidiaries (together the 'Group') have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in preparation of the financial statements are consistent with those followed in the previous year.

2. Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known/ materialise.

3. Fixed assets and depreciation/amortisation

- (a) All fixed assets are stated at cost of acquisition, including any attributable cost for bringing the asset to its working condition for its intended use less accumulated depreciation/amortization and impairment losses, if any.
- (b) 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 Company 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)
Leasehold land	Over period of lease
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
Intangibles	3 years

In respect of SNL Bearings Limited 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 subsidiary 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)
Buildings on leasehold land	15 - 50 years
Plant and equipment	4 - 40 years
Furniture and fixtures	6 years
Vehicles	6 - 8 years
Office Equipment	3 - 10 years
Electrical Installations	15 years

Notes forming part of the consolidated financial statements

In respect of NRB Bearings (Thailand) Limited depreciation for the year has been provided on straight line method over the estimated useful life of the assets concerned as follows:

Class of asset	Useful lives
Building & Building improvement	30 years
Land improvement	10 years
Machinery	20 years
Electrical installation	10 years
Furniture and fixtures	5 years
Office Equipment / Factory equipment	5 years
Computers	5 years
Intangibles	5 years

(c) Also see Note 1(13) below.

4. Impairment

The carrying amounts of assets are reviewed at each balance sheet date to ascertain whether there is any indication of impairment based on internal/external factors. Impairment loss is provided to the extent the carrying amount of assets exceeds their recoverable amount. Recoverable amount is the higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Net selling price is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the cost of disposal.

5. Foreign currency transactions

- i. Transactions in foreign currency are recorded at the original rates of exchange in force at the time transactions are effected.
- ii. Foreign currency denominated assets and liabilities are reported as follows:
 - (a) Monetary items are translated into rupees at the exchange rates prevailing at the balance sheet date. Non-monetary items such as fixed assets are carried at their historical rupee values.
 - (b) Gains/losses arising on settlement of foreign currency transactions or restatement of foreign currency denominated assets and liabilities (monetary items) are recognised in the consolidated statement of profit and loss, except for long term assets/liabilities which pertain to acquisition of fixed assets which are adjusted in the cost of fixed assets (Refer Note 38).
- iii. In case of forward exchange covers, the premium or discount arising at the inception of the contract is amortised as expense or income over the life of the contract except those relating to hedged long term liabilities which pertain to acquisition of fixed assets which are adjusted to the cost of fixed assets. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognised as income or as expense in the period in which such cancellation or renewal is made.
- iv. Swap transactions are entered by the Group to hedge its exposure against movements in foreign exchange rates and interest rates.
- v. Gains/losses arising on swap transactions are recognized in the consolidated statement of profit and loss.

6. Investments

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

7. Inventories

Inventories are valued at the lower of cost (weighted average method) and net realisable value. Costs of conversion and other costs are determined on the basis of standard cost method adjusted for variances between standard costs and actual costs, unless such costs are specifically identifiable, in which case they are included in the valuation at actuals.

Notes forming part of the consolidated financial statements

8. Sale of products

- (a) Sales are recognized when the seller has transferred to the buyer, the property in the goods, for a price, or all significant risk and rewards of ownership have been transferred to the buyer without the seller retaining any effective control over the goods.
- (b) Sales are inclusive of excise duty but exclusive of sales tax and value added tax and are net of sales return.

9. Other Income

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

10. Employee benefits

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

- (b) Long term benefits:

- (i) Defined Contribution Plans :

- 1. Provident and Family Pension Fund

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

- 2. Superannuation

The eligible employees of the group are entitled to receive post employment benefits in respect of superannuation scheme, in which the group makes quarterly contributions at 15% of employees' eligible salary. The contributions are made to insurance companies on behalf of the trust managed by the group. Superannuation scheme is classified as Defined Contribution Plan as the Group has no further obligations beyond making the contribution.

The Group's contributions to Defined Contribution Plans are charged to consolidated statement of profit and loss as and when incurred.

- (ii) Defined Benefit Plan / Other Employee Benefit :

- 1. 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 arrangements with insurance companies for future payments of gratuities on behalf of the trusts established for this purpose. The Group accounts for gratuity benefits payable in future based on an independent actuarial valuation as at the year end. Actuarial gains and losses are recognised in the consolidated statement of profit and loss.

- 2. Compensated absences

The Group provides for encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment/availment. The liability is provided based on the number of days of unutilised leave at each balance sheet date on the basis of an independent actuarial valuation as at the year end. Actuarial gains and losses are recognised in the consolidated statement of profit and loss.

11. Voluntary Retirement Compensation

Voluntary Retirement Compensation is fully expensed in the year in which the liability is incurred.

12. Research and development expenditure

Capital expenditure on research and development is treated in the same way as other fixed assets. Revenue expenditure is written off in the year in which it is incurred.

Notes forming part of the consolidated financial statements

13. Borrowing costs

Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised. A qualifying asset is an asset that necessarily takes substantial period of time to get ready for its intended use. Other borrowing costs are recognised as an expense in the period in which they are incurred.

14. Operating Lease

Assets taken on lease under which, all the risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Lease payments under operating leases are recognised as expenses on accrual basis in accordance with the respective lease agreements.

15. Taxation

Taxation expenses comprise current tax and deferred tax.

- (a) Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.
- (b) Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised.

16. Provisions and Contingent Liabilities

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

17. Earnings per share

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

Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

18. Cash Flow Statement

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

19. Cash and cash equivalents (for purpose of cash flow statement)

The Group considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents.

20. 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 forming part of the consolidated financial statements

NOTE 2 - Share Capital

	As at 31.03.2015 Rs. lacs	As at 31.03.2014 Rs. lacs
Authorised:		
100,000,000 (as at 31.03.2014 100,000,000)		
Equity shares of Rs. 2 each	<u>2000.00</u>	<u>2000.00</u>
Issued, subscribed and fully paid up:		
96,922,600 (as at 31.03.2014 96,922,600)		
Equity shares of Rs. 2 each fully paid up	<u>1938.45</u>	<u>1938.45</u>
Per consolidated balance sheet	<u>1938.45</u>	<u>1938.45</u>

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

	As at 31.03.2015		As at 31.03.2014	
	Number of shares	Rs. lacs	Number of shares	Rs. lacs
Shares outstanding at the beginning of the year	96922600	1938.45	96922600	1938.45
Shares outstanding at the end of the year	96922600	1938.45	96922600	1938.45

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

	As at 31.03.2015		As at 31.03.2014	
	Number of shares	% of holding	Number of shares	% of holding
Equity Shares:				
Trilochan Singh Sahney	-	-	11716406	12.09
Trilochan Singh Sahney Trust 1 (held by a trustee in his individual name)	37755640	38.95	37755640	38.95
Hanwantbir Kaur Sahney	4972000	5.13	-	-
Harshbeena Sahney Zaveri	5007065	5.17	-	-
Nalanda India Equity Fund Limited	9682667	9.99	9682667	9.99
ICICI Prudential Life Insurance Company Limited	-	-	5415214	5.59
SBI Magnum Multiplier Plus Scheme 1993	6352301	6.55	-	-

(iii) Aggregate number of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash, bonus shares and shares bought back for the period of five years immediately preceding the Balance Sheet date:

	Number of shares as at 31.03.2015	Number of shares as at 31.03.2014
Fully paid up by way of bonus shares in financial year 2011	<u>48461300</u>	<u>48461300</u>

(iv) 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 forming part of the consolidated financial statements

	Rs. lacs	As at 31.03.2015 Rs. lacs	Rs. lacs	As at 31.03.2014 Rs. lacs
NOTE 3 - Reserves and surplus				
Capital reserve		40.03		40.03
Capital redemption reserve:				
Opening balance	811.10		611.10	
Add: Transferred from surplus in the consolidated statement of profit and loss	150.00		200.00	
Closing balance		961.10		811.10
Securities premium account		847.61		847.61
Debenture redemption reserve :				
Opening balance	1000.00		500.00	
Add: Transferred from surplus in consolidated statement of profit and loss	-		500.00	
Less: Transfer to General Reserve	1000.00		-	
Closing balance		-		1000.00
General reserve:				
Opening balance	8475.07		8093.26	
Add: Transferred from surplus in consolidated statement of profit and loss	-		381.81	
Add: Transfer from debenture redemption reserve	1000.00		-	
Closing balance		9475.07		8475.07
Foreign currency translation reserve:				
Opening balance	(87.97)		(147.70)	
Add /(Less): For the year	(57.58)		59.73	
Closing balance		(145.55)		(87.97)
Surplus in the Consolidated Statement of Profit and Loss:				
Opening balance	8880.38		7911.10	
Add: Profit for the year	5323.09		3298.43	
Less: Appropriations				
Proposed dividend {Rs. 1.50 (year ended 31.03.2014 Rs. 1.10) per share}	1453.84		1066.15	
Tax on dividend	249.03		170.99	
Tax on preference dividend	47.21		10.20	
Transfer to general reserve	-		381.81	
Transfer to capital redemption reserve	150.00		200.00	
Transfer to debenture redemption reserve	-		500.00	
Closing balance		12303.39		8880.38
Per consolidated balance sheet		23481.65		19966.22
NOTE 4 - Long term borrowings				
a) Term loans in foreign currency from banks				
Secured (Refer footnote ii (a) below)		4248.81		4830.43
b) Term loans from banks / others				
Secured (Refer footnote ii (b) below)		1493.58		456.89
c) Other Loans in foreign currency from banks				
Secured (Refer footnote ii (d) below)		2953.59		2857.72
d) Deferred payment liabilities				
Unsecured: Interest free Sales tax loan (Refer footnote ii (e) below)		1383.81		1530.83
Per consolidated balance sheet		10079.79		9675.87

Notes forming part of the consolidated financial statements

Footnotes :

- i) 200, 11.5% privately placed non-convertible debentures of Rs. 1,000,000 each, redeemed at par, on 31st May, 2014
ii) Details of repayment of Loans

		As at 31.03.2015 Rs. lacs	As at 31.03.2014 Rs. lacs
Particulars	Security		
a. Term loans in foreign currency from banks			
External commercial borrowings	Secured by hypothecation of/charge on specified plant and machinery of the Company.	1605.02	2302.25
External commercial borrowings	Secured by hypothecation of/charge on specified plant and machinery of the Company.	3446.30	3295.60
	Total	5051.32	5597.85
	Comprises of:		
	Long term borrowings	4248.81	4830.43
	Current maturities of long term borrowings	802.51	767.42
b. Term loans from banks			
Long - term loan	Secured by hypothecation of/charge on specified plant and machinery.	273.41	608.08
Long - term loan	Secured against assets purchased out of the borrowings.	196.51	236.16
Term Loan	Secured by hypothecation of/charge on specified plant and machinery of the Company.	2000.00	-
	Total	2469.92	844.24
	Comprises of:		
	Long term borrowings	1493.58	456.89
	Current maturities of long term borrowings	976.34	387.35
c. Non-convertible debentures			
	Secured by first pari passu charge on specified plant and machinery of the Company.	-	2000.00
	Comprises of:		
	Long term borrowings	-	-
	Current maturities of long term borrowings	-	2000.00
d. Other Loans in foreign currency from banks			
Capex Buyer's Credit	Secured by hypothecation of/charge on specified plant and machinery of the Company.	3055.39	3494.56
Term Loan	Secured by hypothecation of/charge on specified plant and machinery of the Company, charge yet to be created.	2037.72	-
	Total	5093.11	3494.56
	Comprises of:		
	Long term borrowings	2953.59	2857.72
	Current maturities of long term borrowings	2139.52	636.84
e. Interest free Sales tax loan			
Sales tax deferral scheme	-	1594.64	1762.36
	Comprises of:		
	Long term borrowings	1383.81	1530.83
	Current maturities of long term borrowings	210.83	231.53

- iii) For the amount of current maturities of long term borrowings, refer note 10 - Other current liabilities

Notes forming part of the consolidated financial statements

NOTE 5 Deferred tax

	Deferred tax asset / (liability) as at 31.03.2014 Rs. lacs	Credit/(charge) for the year Rs. lacs	Deferred tax asset/ (liability) as at 31.03.2015 Rs. lacs
Nature of timing difference			
a) Deferred tax liability			
Depreciation	(1675.54)	(30.59)	(1706.13)
Sub - total	(1675.54)	(30.59)	(1706.13)
b) Deferred tax asset			
Provision for doubtful debts	147.07	18.28	165.35
Voluntary retirement compensation	49.10	(24.77)	24.33
Provision for compensated absences	202.25	34.57	236.82
Provision for Gratuity	38.36	34.94	73.30
Demerger expenses	5.85	(1.88)	3.97
Sub - total	442.63	61.14	503.77
Per consolidated balance sheet	(1232.91)	30.55	(1202.36)
		As at 31.03.2015 Rs. lacs	As at 31.03.2014 Rs. lacs

NOTE 6 - Other long term liabilities

Security deposits	514.46	522.65
Income received in advance	238.50	316.50
Per balance sheet	752.96	839.15

NOTE 7 - Long term provisions

Provisions for employee benefits:		
Compensated absences	577.55	489.59
Per consolidated balance sheet	577.55	489.59

NOTE 8 - Short term borrowings

a) Loans repayable on demand

Cash credit from banks (Refer footnote 1 below)		
Secured	214.07	411.73

b) Other Loans from banks:

Secured (Refer footnote 2 below)	1116.53	3566.33
Unsecured	1000.00	3000.11

c) Other Loans in foreign currency from banks:

Secured (Refer footnote 2 below)	7278.44	2593.07
Unsecured	4913.15	3853.96

d) Other Loans:

Unsecured: Commercial papers	4000.00	4500.00
(Maximum balance outstanding during the year Rs. 8500 lacs; 31.3.2014 Rs. 7500 lacs)		
Per consolidated balance sheet	18522.19	17925.20

Notes forming part of the consolidated financial statements

Footnotes:

- 1) Cash Credit taken from banks are secured by a pari passu charge on current assets.
- 2) Secured by a pari passu charge on inventories and trade receivables, present and future.

	As at 31.03.2015 Rs. lacs	As at 31.03.2014 Rs. lacs
NOTE 9 - Trade payables		
Trade payables	8913.89	7289.49
Per consolidated balance sheet	<u>8913.89</u>	<u>7289.49</u>

NOTE 10 - Other current liabilities

Current maturities of long-term debt (Refer footnote i below)

- Term loans in foreign currency from banks	802.51	767.42
- Interest free Sales tax loan	210.83	231.53
- Term loans from banks / others	976.34	387.35
- Non - convertible debentures	-	2000.00
- Other Loans in foreign currency from banks	2139.52	636.84
Interest accrued but not due on borrowings	139.42	168.54
Security deposits	303.86	244.26
Income received in advance	78.00	83.85
Unpaid dividends (unclaimed) (refer footnote ii below)	16.17	15.05
Other Payables		
- Fixed assets	37.38	185.28
- Statutory dues	776.96	628.57
- Advances received	135.14	1044.56
- Gratuity (refer note 37)	204.82	112.85
- Gratuity in respect of Executive Chairman	1.00	1.00
Per consolidated balance sheet	<u>5821.95</u>	<u>6507.10</u>

Footnotes:

- i. Refer footnotes (i) and (ii) in note 4 - Long term borrowings for details of security
- ii. There is no amount outstanding due as at the balance sheet date to be credited to the Investor Education and Protection Fund.

NOTE 11 - Short term provisions

a) Provisions for employee benefits:

Compensated absences	108.93	106.72
Gratuity	7.60	-
	<u>116.53</u>	<u>106.72</u>

b) Provision - Others:

Taxation (net of advance tax Rs. 295.30 lacs (as at 31.03.2014 Rs. 1811.28 lacs))	7.87	239.76
Proposed dividend	1453.84	1066.15
Tax on dividend	249.03	170.99
Tax on preference dividend	47.21	10.20
	<u>1757.95</u>	<u>1487.10</u>
Per consolidated balance sheet	<u>1874.48</u>	<u>1593.82</u>

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NOTE 12 - Fixed Assets

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Footnotes:

1. Buildings and flats include:
 - a. Shares in respect of residential premises of a cost of Rs. 2.25 lacs (as at 31.03.2014 Rs. 489.80 lacs) in a co-operative society which is in the process of being transferred in the name of the Company.
 - b. Cost of shares of an aggregate face value of Rs. 750 (as at 31.03.2014 Rs. 750) in various co-operative housing societies.
2. Borrowing cost capitalised during the year Rs. Nil lacs (year ended 31.03.2014 Rs. 172.86 lacs).
3. Additions to plant and equipment includes Special Purpose Machine capitalised during the year from Inventory Rs. 75.5 lacs (as at 31.03.2014 Rs. Nil)
4. Capital work in progress includes Special Purpose Machine of Rs. 28.06 lacs transferred from Inventory. (as at 31.03.2014 Rs. Nil)

Notes forming part of the consolidated financial statements

NOTE 12 - Fixed Assets (previous year)

Description	GROSS BLOCK - AT COST					DEPRECIATION/AMORTISATION					NET BLOCK	
	Opening Balance As at 01.04.13	Additions	Foreign currency translation reserve	Deductions	Closing Balance As at 31.03.14	Opening Balance As at 01.04.13	For the year	Foreign currency translation reserve	On Deductions	Closing Balance As at 31.03.14	As at 31.03.14	As at 31.03.14
	Rs. lacs	Rs. lacs	Rs. lacs	Rs. lacs	Rs. lacs	Rs. lacs	Rs. lacs	Rs. lacs	Rs. lacs	Rs. lacs	Rs. lacs	Rs. lacs
A. Tangible Assets												
Freehold land	254.51	-	(1.12)	-	253.39	-	-	-	-	-	253.39	
Leasehold land	178.44	-	(0.05)	-	178.39	17.25	2.88	(0.06)	-	20.07	158.32	
Buildings and flats	4812.66	201.34	(3.71)	-	5010.29	1577.53	138.70	(1.63)	-	1714.60	3295.69	
Plant and equipment (Refer note 38)	40406.28	4858.49	(14.86)	435.02	44814.89	23537.81	3162.80	(6.78)	306.76	26387.07	18427.82	
Furniture and fixtures	934.98	32.08	(1.95)	-	965.11	511.33	66.68	(1.98)	-	576.03	389.08	
Office equipment	1019.81	14.25	(0.15)	-	1033.91	820.21	42.58	(0.12)	-	862.67	171.24	
Electrical installations	1042.78	3.54	(0.95)	-	1045.37	641.86	49.06	(0.84)	-	690.08	355.29	
Vehicles	487.84	-	-	19.17	468.67	296.11	36.41	-	14.35	318.17	150.50	
Sub Total (A)	49137.30	5109.70	(22.79)	454.19	53770.02	27402.10	3499.11	(11.41)	321.11	30568.69	23201.33	
B. Intangible Assets												
Computer Software	469.65	57.58	(0.10)	-	527.13	390.16	59.27	(0.18)	-	449.25	77.88	
Sub Total (B)	469.65	57.58	(0.10)	-	527.13	390.16	59.27	(0.18)	-	449.25	77.88	
Total (A) + (B)	49606.95	5167.28	(22.89)	454.19	54297.15	27792.26	3558.38	(11.59)	321.11	31017.94	23279.21	
Capital work-in-progress											3834.94	
Per consolidated balance sheet											27114.15	

Notes forming part of the consolidated financial statements

		As at 31.03.2015	As at 31.03.2014
	Rs. lacs	Rs. lacs	Rs. lacs
NOTE 13 - Non current investments			
A. Trade (Quoted)			
Shares		1.09	1.09
B. Non -Trade (Unquoted)			
Shares	1.00		1.00
Less: Provision for diminution in value	1.00		1.00
	-		-
Mutual fund	5.00		5.00
		5.00	5.00
Per consolidated balance sheet		6.09	6.09
Aggregate amount of quoted investments [market value Rs. 335.88 lacs (as at 31.03.2014: Rs. 220.59 lacs)]		1.09	1.09
Aggregate amount of unquoted investments		5.00	5.00
		6.09	6.09
NOTE 14 - Long term loans and advances			
(Unsecured, considered good)			
Capital Advances		1675.51	1611.31
Security deposits		344.19	334.21
Loans and advances to employees		15.73	27.84
Income taxes paid (net of provision for tax Rs. 14902.85 lacs (as at 31.3.2014 Rs. 10692.89 lacs))		1123.74	984.71
Prepaid expenses		30.61	56.43
Per consolidated balance sheet		3189.78	3014.50
NOTE 15 - Inventories			
(at lower of cost and net realisable value)			
(a) Raw materials	5079.20		3981.31
Goods-in-transit	42.74		33.12
		5121.94	4014.43
(b) Work-in-progress		3460.09	3716.28
(c) Finished goods (other than those acquired for trading)		5439.24	5121.60
(d) Stock-in-trade (acquired for trading)		-	1.97
(e) Stores and spares		2403.44	1648.74
Per consolidated balance sheet		16424.71	14503.02
NOTE 16 -Trade receivables			
Trade receivables outstanding for a period exceeding six months from the date they were due for payment:			
Secured, considered good	9.45		0.25
Unsecured, considered good	2690.56		2801.58
Unsecured, considered doubtful	479.37		433.83
	3179.38		3235.66
Provision for doubtful debts	479.37		433.83
		2700.01	2801.83
Other trade receivables:			
Secured, considered good	162.30		174.05
Unsecured, considered good	17113.00		15443.25
		17275.30	15617.30
Per consolidated balance sheet		19975.31	18419.13

Notes forming part of the consolidated financial statements

	As at 31.03.2015 Rs. lacs	As at 31.03.2014 Rs. lacs
NOTE 17 - Cash and cash equivalents		
Cash on hand	4.21	4.57
Cheques on hand	-	4.54
Balances with banks		
In current accounts	2755.56	526.14
In deposit account	24.46	25.85
In earmarked accounts:		
Unpaid dividend accounts	16.17	15.05
Per consolidated balance sheet	<u>2800.40</u>	<u>576.15</u>
Of the above, the balances that meet the definition of cash and cash equivalents as per AS 3 Cash Flow Statements is	<u>2784.23</u>	561.10
NOTE 18 - Short term loans and advances (Unsecured, considered good)		
Inter - corporate deposits to related parties	1222.00	617.00
Loans and advances to employees	82.52	61.68
Prepaid expenses	304.54	206.61
Balance with government authorities	1558.07	878.46
Advance sales tax	438.35	468.11
Loans and advances		
Related parties	-	12.89
Others	1265.67	1774.35
Per consolidated balance sheet	<u>4871.15</u>	<u>4019.10</u>
NOTE 19 - Other current assets		
Interest receivable	10.11	0.35
Per consolidated balance sheet	<u>10.11</u>	<u>0.35</u>
	Year ended 31.03.2015 Rs. lacs	Year ended 31.03.2014 Rs. lacs
NOTE 20 - Revenue from operations		
Sale of products	70809.68	64911.28
Other operating revenues:		
Sale of scrap	768.04	739.22
Duty drawback and export incentives	<u>579.38</u>	<u>541.26</u>
	1347.42	1280.48
Revenue from operations (gross)	72157.10	66191.76
Less: Excise duty	5126.23	5443.81
Per consolidated statement of profit and loss	<u>67030.87</u>	<u>60747.95</u>
NOTE 21 - Other income		
Dividend income		
From long term investments		
- Trade	6.72	4.01
- Others	<u>3.40</u>	<u>4.25</u>
	10.12	8.26
Profit on sale of fixed assets (net)	75.52	82.32
Rent	107.45	48.15
Other non-operating income	133.71	146.92
Per consolidated statement of profit and loss	<u>326.80</u>	<u>285.65</u>

Notes forming part of the consolidated financial statements

	Year ended 31.03.2015	Year ended 31.03.2014
Rs. lacs	Rs. lacs	Rs. lacs
NOTE 22 - Cost of materials consumed		
Opening Stock	4014.43	3566.43
Add: Purchases	26412.07	23252.07
	30426.50	26818.50
Less: Closing stock	5121.94	4014.43
Per consolidated statement of profit and loss	25304.56	22804.07
NOTE 23 - Changes in inventories of finished goods, work-in-progress, stock-in-trade		
Opening stocks:		
Finished goods	5121.60	5694.65
Work - in - progress	3716.28	3733.28
Stock-in-trade	1.97	3.29
	8839.85	9431.22
Closing stocks:		
Finished goods	5439.24	5121.60
Work - in - progress	3460.09	3716.28
Stock-in-trade	-	1.97
	8899.33	8839.85
Add: Adjustment with respect to the transfer of Special Purpose Machine from Inventory to Fixed Assets & CWIP	(80.40)	-
Per consolidated statement of profit and loss - Net (increase) / decrease	(139.88)	591.37
NOTE 24 - Employee benefit expense		
Salaries, wages and bonus	9248.10	8377.41
Contribution to provident and other funds (refer note 37)	871.78	697.46
Staff welfare	1090.62	1023.10
Per consolidated statement of profit and loss	11210.50	10097.97
NOTE 25 - Finance costs		
Interest		
On fixed loans	682.88	573.14
On others	1058.57	1243.47
	1741.45	1816.61
Other borrowing costs	105.25	56.04
	1846.70	1872.65
Less: Interest income		
From banks on deposits	3.74	1.58
On loans and advances	118.31	9.61
	122.05	11.19
Per consolidated statement of profit and loss	1724.65	1861.46

Notes forming part of the consolidated financial statements

		Year ended 31.03.2015	Year ended 31.03.2014
	Rs. lacs	Rs. lacs	Rs. lacs
NOTE 26 - Other expenses			
Consumption of stores and spare parts		4843.92	5109.91
Processing charges		1997.21	1730.08
Power and fuel		2777.07	2668.31
Repairs and maintenance -			
Buildings	260.31		255.87
Plant and machinery	403.18		470.71
Others	99.98		77.50
		763.47	804.08
Insurance		94.41	64.39
Rent		13.54	21.43
Rates and taxes		148.00	90.71
Legal and professional fees		517.22	640.89
Directors' fees and commission		18.05	12.75
Commission on sales		626.32	806.61
Sales discount		121.66	125.90
Travelling and conveyance		772.18	793.19
Postage, telephone and fax		75.51	86.44
Bank charges		89.63	83.24
Advertisement and sales promotion expenses		158.50	126.74
Forwarding charges		2575.91	2367.97
Receivables written off		138.14	0.05
Provision for doubtful debts		45.54	21.74
Lease rent (refer note 34)		81.17	69.07
IT expenses		215.44	356.93
Excise duty on Increase/ (decrease) in inventories of finished goods		181.69	(182.73)
Net loss on foreign currency transactions and translation		521.17	34.30
Auditors' remuneration (see footnote below)		58.03	60.55
Expenditure on Corporate Social Responsibility		134.04	-
Miscellaneous expenses		1382.82	1047.38
Per consolidated statement of profit and loss		18350.64	16939.93
Footnote - Details of Auditors' Remuneration:			
(excluding service tax)			
Audit fees		29.53	26.73
Report under section 44AB of the Income-tax Act, 1961		4.50	3.25
Taxation matters		-	4.00
Other services			
- Statute		23.50	22.25
- Others		-	4.00
Reimbursement of expenses		0.50	0.32
Total		58.03	60.55

Notes forming part of the consolidated financial statements

NOTE 27 - Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

- (a) These consolidated financial statements comprise the consolidation of the financial statements of NRB Bearings Limited, the parent Company and the financial statements of SNL Bearings Limited, a subsidiary incorporated in India (extent of shareholding – 73.45%), NRB Bearings (Thailand) Limited, a subsidiary incorporated in Thailand (extent of shareholding – 100%), NRB Bearings Europe GmbH, a subsidiary incorporated in Germany (w.e.f 24th June, 2014) (extent of shareholding – 100%) together referred to as 'the group'.
- (b) In case of the foreign subsidiaries, namely, NRB Bearings (Thailand) Limited and NRB Bearings Europe GmbH, revenue items are converted at the average exchange rate prevailing during the period. All assets and liabilities are converted at the exchange rate prevailing as at the end of the year. Exchange difference arising on consolidation is recognized as Foreign Currency Translation Reserve.

	Name of the entity	Net assets, i.e. total assets minus total liabilities				Share of profit / (loss)			
		2015		2014		2015		2014	
		As % of con- solidated net assets	Rs. Lacs	As % of con- solidated net as- sets	Rs. Lacs	As % of con- solidated profit / (loss)	Rs. Lacs	As % of consoli- dated profit / (loss)	Rs. Lacs
A)	Parent								
	NRB Bearings Limited	82.93	21319.91	84.96	18815.55	96.70	5193.15	110.56	3725.66
B)	Subsidiaries								
i)	Indian								
	SNL Bearings Limited	4.18	1075.70	3.74	829.08	5.31	285.04	3.95	133.05
ii)	Foreign								
	NRB Bearings (Thailand) Limited	12.98	3336.43	11.30	2502.48	(2.96)	(159.13)	(16.63)	(560.28)
	NRB Bearings Europe GmbH	(0.09)	(22.45)	-	-	0.08	4.03	-	-
	Minority Interests in a subsidiary					0.87	47.05	2.12	71.32

NOTE 28 - Contingent liabilities not provided for:

	As at 31.03.2015 Rs. lacs	As at 31.03.2014 Rs. lacs
(a) Income Tax	1388.62	1077.66
(b) Sales Tax	316.30	230.25
(c) Customs Duty	158.87	158.87
(d) Bank guarantees	103.78	44.73
(e) Corporate guarantees issued on behalf of group Company	4229.55	6355.80

The group is in further appeal in respect of matters stated in a) to c) above.

- (f) 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 lacs including interest of Rs. 46.73 lacs for default in making payment of Employees Provident Fund and allied dues for the period April, 1986 to February, 2003. The Company has been making contributions to the 'SNL Officers Provident Fund Trust' and 'SNL Employee's Provident Fund Trust', being Trusts formed by the Company in earlier years; these Trusts have net assets of Rs. 122.20 lacs and Rs. 69.64 lacs respectively as at 31st March, 2014 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 Company's bank accounts and had recovered an amount of Rs. 2.75 lacs in an earlier year. The Company has contested the above

Notes forming part of the consolidated financial statements

demand and on a writ petition filed by the Company in the High Court of Jharkhand, Ranchi, the High Court has directed the authorities not to take coercive steps till the disposal of the petition. The Company denies all the allegations made against it since the Company had made the necessary applications to grant exemption to the Trusts which was neither granted nor rejected in spite of several reminders from time to time. In view of the facts of the case, the Company does not expect any liability in this regard.

	Year ended 31.03.2015 Rs. lacs	Year ended 31.03.2014 Rs. lacs
NOTE 29		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	2692.74	1462.55
NOTE 30 - The amount of exchange differences (net):		
debited to the consolidated statement of profit and loss is	521.17	34.30
NOTE 31 - Expenditure on research and development:		
(a) charged to the consolidated statement of profit and loss	721.00	702.70
(b) capitalized to fixed assets	5.79	48.67

NOTE 32 - Segment Reporting

The Company has a single reportable business segment namely bearings for the purpose of Accounting Standard 17 on Segment Reporting.

Geographical Segment information is given as follows:

	Within India Rs. lacs	Outside India Rs. lacs	Total Rs. lacs
Revenue from operations	50751.75 (46075.79)	16279.12 (14672.16)	67030.87 (60747.95)
Total Assets	55142.42 (52822.09)	18312.34 (14878.15)	73454.76 (67700.24)
Additions to fixed assets	5285.26 (5004.17)	688.19 (163.11)	5973.45 (5167.28)

Footnote:

Figures in brackets are in respect of the previous year.

NOTE 33 - Related Party Disclosures:

i) Name of the related party and nature of relationship:

Sr.no	Nature of relationship	Names of related parties
(a)	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, Executive Chairman
(b)	Key management personnel	Ms. H. S.Zaveri, Managing Director Mr. S. C. Rangani, Executive Director & Company Secretary
(c)	Director in a subsidiary Company	Mr. S. C. Rangani Mr. Sumit Mitra (w.e.f. 24th June, 2014)
(d)	Executive Director in a subsidiary Company	Mr. A.S. Kohli
(e)	A firm where Executive Chairman is a partner	New Indo Trading Company
(f)	A Company wherein Mr. T. S. Sahney, Executive Chairman and Ms. H. S. Zaveri, Managing Director are directors and shareholders having Management Control.	NRB Industrial Bearings Limited

Notes forming part of the consolidated financial statements

ii) Transactions with related parties

Name of the related parties	Nature of transaction	Volume of transactions Rs. lacs	Receivable As at 31.03.2015 Rs. lacs	Payable As at 31.03.2015 Rs. lacs
NRB Industrial Bearings Limited	Sale of raw materials / fixed assets etc.	137.91 (366.14)	1240.18 (1757.90)	- (-)
	Purchase of raw materials /fixed assets etc.	6.77 (522.00)		
	Inter Corporate deposit given	605.00 (617.00)		
	Interest received on Inter Corporate deposit	118.31 (9.61)		
	Receivables written off	138.14 (-)		
	Guarantee given by NRB Bearings Ltd.	- (-)	4229.55 (6355.80)	- (-)
Mr. T. S. Sahney	Remuneration	174.98 (155.04)	- (-)	52.07 (39.58)
Ms. H. S. Zaveri	Remuneration and Directors fees	232.52 (175.69)	- (-)	43.35 (25.85)
Mr. S. C. Rangani	Remuneration and Directors fees	72.35 (65.87)	- (-)	- (-)
Mr. A S Kohli	Remuneration	22.32 (21.80)	- (-)	- (-)
Mr. Sumit Mitra	Remuneration	64.88 (-)	- (-)	- (-)
New Indo Trading Company	Service charges paid	5.00 (5.00)	- (-)	1.23 (-)

Footnotes:

- Figures in brackets are in respect of previous year.
- 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 except as disclosed above.
- Dividend paid has not been considered by the group as a transaction falling under the purview of Accounting Standard 18 "Related Party Disclosures".

Year ended 31.03.2015 Rs. lacs	Year ended 31.03.2014 Rs. lacs
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NOTE 34 - Lease Rentals

The group has taken certain vehicles and factory premises on operating lease. Lease rentals charged to the consolidated statement of profit and loss for the year ended 31.3.2015 aggregated Rs. 81.17 lacs (for the year ended 31.03.2014: Rs. 69.07 lacs). The minimum lease payments to be made in future as at the year end are as follows:

(i) For a period not later than one year	40.50	51.17
(ii) For a period later than one year and not later than five years	37.32	66.22
(iii) For a period later than five years	44.25	-

Notes forming part of the consolidated financial statements

NOTE 35 - Value used in calculating Earnings Per Share

(i) Profit after tax (Rs. in lacs)	5323.09	3298.43
(ii) Number of Equity Shares	96922600	96922600
(iii) Par value per share (Rs.)	2	2
(iv) Earnings per share - Basic and diluted (Rs.)	5.49	3.40

NOTE 36 - Financial and Derivative Instruments

i) Forward Exchange Contracts entered into by the Company that are outstanding as at 31st March, 2015:

Currency	Amount in foreign currency	Buy/Sell	Cross Currency
USD	4,958,000 (250,000)	Buy (Buy)	INR (INR)
Euro	1,892,750 (277,000)	Buy (Buy)	INR (INR)
Euro	- (190,574)	- (Sell)	- (USD)

These Forward Foreign Exchange Contracts are entered into for hedging purposes and not for speculation purposes

ii) Interest rate swaps to hedge against fluctuations in interest rate changes: No. of contracts: 2 (as at 31.3.2014: 2)

iii) Foreign currency exposures that have not been hedged by a derivative instrument or other wise outstanding as at 31.03.2015:

Purpose	Currency	Amount	Equivalent Rs. lacs as at Year end
a) Amount receivable in foreign currency :			
Export of goods	USD	5,305,677 (9,103,266)	3323.98 (5444.01)
	EURO	5,895,082 (3,952,057)	3986.23 (3251.37)
	THB	3,295,324 (2,377,399)	63.48 (43.82)
Capital advances	EURO	5,852 (35,192)	3.96 (28.96)
	GBP	23,130 (131,105)	21.42 (130.62)
	USD	303,733 (273,983)	190.32 (164.17)
Balance with government authorities	EURO	1,289,068 (871,729)	871.72 (717.17)
Other loans & advances	CHF	13,102 (6,696)	8.47 (4.52)
	EURO	629,874 (39,374)	426.10 (32.40)
	JPY	1,228,580 (5,185,822)	6.41 (30.36)

Notes forming part of the consolidated financial statements

	THB	285,850 (285,850)	5.51 (5.27)
	USD	153,075 (49,664)	95.92 (29.76)
	GBP	- (110)	- (0.11)
b) Amounts payable in foreign currency :			
Import of goods	JPY	99,886,161 (51,321,670)	520.81 (342.10)
	EURO	111,841 (774,210)	75.15 (608.49)
	USD	614,059 (374,327)	384.77 (221.81)
	CHF	213,888 (197,724)	138.27 (136.71)
	THB	12,176,432 (11,737,021)	234.56 (216.31)
Capital Imports	USD	4,000 (65,858)	2.71 (56.83)
Loans payable	USD	28,080,151 (26,946,306)	17596.49 (16147.52)
	THB	57,960,819 (57,858,283)	1116.53 (1066.33)
	EURO	7,410,128 (-)	5012.95 (-)

v) Figures in brackets are the corresponding figures in respect of the previous year.

NOTE 37 - Employee Benefits:
1 Defined Contribution plans

Contributions to Defined Contribution Plan, recognized in the consolidated statement of profit and loss under employee benefit expense, for s under:

	Year ended 31.03.2015 Rs. lacs	Year ended 31.03.2014 Rs. lacs
(i) Employer's Contribution to Provident Fund	336.87	320.42
(ii) Employer's Contribution to Family Pension Fund	133.27	100.38
(iii) Employer's Contribution to Superannuation Fund	120.71	116.63
(iv) Employer's Contribution to Social Security Fund	47.45	23.44

2 Defined Benefit plans

(a) Gratuity – as per actuarial valuation as at the year end (based on Projected Unit Benefit Method)

		Rs. lacs	
Sr. No.	Particulars	2014 - 15	2013 - 14
(i)	Components of employer expenses		
	a) Current Service cost	112.96	110.47
	b) Interest cost	219.04	180.40
	c) Expected return on plan assets	(198.06)	(158.40)
	d) Actuarial Losses	99.54	4.12
	Total expenses recognised in the consolidated Statement of Profit and Loss	233.48	136.59
(ii)	Actual Contribution and Benefit Payments for year		
	a) Actual benefit payments	201.53	124.26
	b) Actual Contributions	134.04	394.16
(iii)	Change in Defined Benefit Obligations (DBO) during the year		
	a) Present Value of DBO at the beginning of the year	2345.47	2191.21
	b) Current Service cost	112.96	110.47
	c) Interest cost	219.04	180.40
	d) Actuarial Losses/ (Gains)	268.85	(12.35)
	e) Benefits paid	(201.53)	(124.26)
	Present Value of DBO at the end of the year	2744.79	2345.47
(iv)	Change in Fair Value of Assets during the year		
	a) Plan assets at beginning of the year	2232.49	1820.66
	b) Expected return on plan assets	198.06	158.40
	c) Actuarial (Losses)/ Gains	169.31	(16.47)
	d) Actual Company contributions	134.04	394.16
	e) Fair Value of benefits paid	(201.53)	(124.26)
	Fair value of plan assets at the end of year	2532.37	2232.49
(v)	Contribution expected to be paid next year	254.11	222.10
(vi)	Actuarial Assumptions		
	a) Discount Rate	7.95% - 7.99%	9.29 % - 9.36 %
	b) Expected rate of return on Plan assets	7.95% - 7.99%	8.70%
	c) Salary escalation	6% - 10%	6% - 10%
	d) Mortality Table	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
	e) Attrition rate	Ultimate 2% - 10%	Ultimate 2% - 10%
(vii)	The major categories of plan assets - Insurer Managed Funds	100%	100%

Notes forming part of the consolidated financial statements

Particulars	Rs. lacs				
	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011
(viii) Net asset/(liability) recognised in balance sheet					
a) Defined Benefit Obligation	(2744.79)	(2345.47)	(2191.21)	(1855.27)	(1456.14)
b) Fair Value of Plan assets	2532.37	2232.49	1820.66	1331.35	1296.89
c) Net asset/(liability) recognised in balance sheet	(212.42)	(112.98)	(370.55)	(523.92)	(159.25)
d) Experience adjustment arising on :					
1) Plan Liabilities [Losses / (Gains)]	59.61	98.33	67.91	117.57	(22.62)
2) Plan Assets [(Losses) / Gains]	169.31	(16.47)	(51.98)	(37.70)	(19.82)

Footnotes:

- (i) The expected rate of return on plan assets is based on the average long term rate of return expected on investments of the fund during the estimated term of obligation.
- (ii) The assumption of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion, increment and other relevant factors.
- (iii) The discount rate is based on prevailing market yield of government of India security as at the Balance sheet date for the estimated term of the obligation.
- (b) (i) Compensated Absences recognized in the consolidated statement of profit and loss under employee benefit expense, is Rs. 208.81 lacs (for the year ended 31.03.2014: Rs. 87.60 lacs.)
- (ii) Actuarial Assumptions used:

	As at 31.03.2015	As at 31.03.2014
a) Discount Rate	7.95% - 7.99%	9.29 % - 9.36 %
b) Expected rate of return on Plan assets	7.95% - 7.99%	8.70%
c) Salary escalation	6% - 10%	10.00%
d) Mortality Table	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
e) Attrition rate	2% -10%	1% - 10%

NOTE 38

Pursuant to the notification issued by the Central Government extending the applicability of amendment to Accounting Standard 11 on 'The Effects of Changes in Foreign Exchange Rates' upto 31st March, 2020, which provides an option for adjustment of foreign exchange gain / loss arising on long term foreign currency borrowings against the carrying value of related fixed assets, the Company has continued to exercise the option and has adjusted exchange loss aggregating Rs. 389.35 lacs (for the year ended 31.03.2014 : Rs. 519.38 lacs) 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. 1309.82 lacs (Previous year Rs. 1042.05 lacs).

Notes forming part of the consolidated financial statements

NOTE 39

With effect from 01.04.2014, the Company has revised the estimated useful life of its assets as assessed based on external technical advice. The details of previously applied and revised useful life are as follows:

Class of asset	Previous useful life based on SLM (Range)	Revised useful life based on SLM (Range)
Buildings and flats	30 - 61 years	15 – 50 years
Plant and equipment	3 - 20 years	3 – 30 years
Furniture and fixtures	16 years	3 – 10 years
Office equipment	20 years	3 – 10 years
Electrical installations	20 years	5 – 20 years
Vehicles	11 years	5 years

With effect from 01.04.2014, the Indian subsidiary, SNL Bearings Limited, has revised the estimated useful life of its assets as assessed based on external technical advice. The details of previously applied and revised useful life are as follows:

Class of asset	Previous useful life based on SLM (Range)	Revised useful life based on SLM (Range)
Buildings on leasehold land	30 and 61 Years	15 - 50 Years
Plant and equipment	20 Years	4 - 40 Years
Furniture and fixtures	16 Years	6 Years
Vehicles	11 Years	6 - 8 Years
Office Equipments	6 Years	3 - 10 Years
Electrical Installations	21 Years	15 Years

The depreciation and amortisation expense in the Consolidated Statement of Profit and Loss for the year is lower by Rs. 714.58 lacs consequent to the change in the useful life of the assets.

NOTE 40

Previous year's figures have been regrouped / re-stated wherever necessary.

Signature to Notes

For and on behalf of the Board of Directors

T. S. Sahney

Executive Chairman

H. S. Zaveri

Managing Director & President

S. C. Rangani

Executive Director &
Company Secretary

Uday Khanna

Tashwinder Singh

Tanushree Bagrodia

Chief Financial Officer

A. A. Gowariker

D. S. Sahney

Directors

Mumbai : 18 May, 2015



NRB BEARINGS LTD.

Registered Office: Dhannur, 15 Sir P.M.Road, Fort, Mumbai 400001
CIN: L29130MH1965PLC013251

ATTENDANCE SLIP

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

Name of Shareholders

DP ID*/CLIENT ID/FOLIO NO.

Address of Shareholders

NO. OF SHARES

I hereby record my presence at the **50TH ANNUAL GENERAL MEETING** of the Company held on Friday, July 24, 2015 at 11:00 a.m. at M C Ghia Hall, K Dubash Marg, Mumbai 400 001.

Signature of Shareholder/Proxy

----- TEAR HERE -----

PROXY FORM



NRB BEARINGS LTD.

Registered Office: Dhannur, 15 Sir P.M.Road, Fort, Mumbai 400001
CIN: L29130MH1965PLC013251

Name of the member(s) and Registered Address	DP ID*/CLIENT ID/FOLIO NO.
	Email ID:

I/We being the members of _____ shares 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 **50TH ANNUAL GENERAL MEETING** of the Company, to be held on Friday, July 24, 2015 at 11:00 a.m. at M C Ghai Hall, K Dubash Marg, Mumbai 400 001 and at any adjournment thereof in respect of such resolutions as are indicated overleaf:

----- TEAR HERE -----

**I wish my above Proxy to vote in the manner as indicated in the box below:

Resolutions	For	Against
1. Consider and adopt Audited Financial Statements, Reports of the Board of Directors and Auditors		
2. Declaration of Dividend		
3. Reappointment of Ms. H. S. Zaveri who retires by rotation		
4. Appointment of Auditors and fixing their remuneration		
5. Appointment of Ms. A. A. Gowariker as an Independent Director		
6. Appointment of Mr. S. C. Rangani as a Whole time Director		
7. Re-appointment of Ms. H. S. Zaveri as Managing Director & President		

Signed ____ day of ____ 2015

Signature of Shareholder

Affix
revenue
stamp

Signature of first Proxy

Signature of second Proxy

Signature of third 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.**
- A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. 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 a proxy for any other person or shareholder.
- **4.** This is only optional. Please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
- In the case of jointholders, the signature of any one holder will be sufficient, but names of all the jointholders should be stated.

FINANCIAL HIGHLIGHTS

Rs. in lacs

Year Ended	31.03.11	31.03.12	31.03.13	31.03.14	31.03.15
Sales (Net)					
Domestic	42577.61	47016.12	44606.38	44633.61	48773.04
Exports	4058.52	7054.55	12250.00	13585.00	15484.17
Sales Total	46636.13	54070.67	56856.38	58218.61	64257.21
Operating Profit (EBITDA)	10804.69	10797.13	10233.15	10517.54	11836.95
Profit Before Tax	7964.60	6886.72	5504.54	5471.58	7418.94
Tax (Net)	2573.08	2058.05	800.97	1653.47	2212.48
Profit After Tax	5391.52	4828.67	4703.57	3818.11	5206.46
Retained Earnings	3138.60	2584.79	2786.07	2580.97	3503.59
Dividend	1938.45	1938.45	1647.68	1066.15	1453.84
Tax on dividend	314.47	305.43	269.82	170.99	249.03
Earnings per share (FV Rs.2)	5.56	4.98	4.85	3.94	5.37
Dividend %	100	100	85	55	75
Shareholders' Funds	21899.62	24484.41	21085.70	23666.67	27170.26
Funds Employed	27665.08	41996.59	31511.45	35336.05	39515.96
Fixed Assets (Gross)	39305.29	47758.83	46580.34	52320.15	51256.86
Fixed Assets (Net)	17025.86	22702.06	20855.92	23560.89	22256.66
Fixed Asset Turnover (times)	2.74	2.38	2.73	2.47	2.89
Net Current Assets	7481.65	14378.55	5762.08	6910.66	12206.46
Working Capital Turnover (times)	6.23	3.76	9.87	8.42	5.26
Shareholder Nos	9810	10008	10920	9494	10330
Employee Nos	1575	1653	1574	1618	1622

Fixed Asset Turnover - Net sales/Net Fixed Assets at year end

Working capital Turnover - Net sales/Net current assets as at year end



NRB PLANTS



THANE



WALUJ



JALNA



AURANGABAD



HYDERABAD



RANCHI



THAILAND



PANTNAGAR