

July 16, 2019

|                                                                                                                        |                                                                                                                                                                                                |
|------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| BSE Limited<br>Corporate Relationship Department<br>1 <sup>st</sup> Floor, P.J. Towers, Dalal Street<br>Mumbai 400 001 | National Stock Exchange of India Limited<br>Listing Department-Corporate Services<br>Exchange Plaza, 5 <sup>th</sup> Floor, Plot No. C/1<br>Bandra Kurla Complex<br>Bandra East, Mumbai 400051 |
|------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

**Code No. 530367/ NRBBEARING**

**Sub: Notice of the 54<sup>th</sup> Annual General Meeting and Annual Report for FY 2018-19**

Dear Sir/Madam,

This is to inform that the 54<sup>th</sup> Annual General Meeting (AGM) of NRB Bearings Limited is scheduled to be held on Friday, August 9, 2019 at 3.30 p.m. at M.C. Ghia Hall, Dubash Marg, Mumbai 400 001, inter alia to transact the business stated in the Notice dated May 29, 2019 convening the AGM.

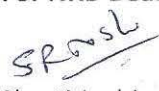
Pursuant to Regulation 34(1) and 30(2) read with Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we submit herewith a copy of the Annual Report for F.Y. 2018-19 including the Notice of the 54<sup>th</sup> Annual General Meeting of the Company scheduled as aforesaid, which is being sent through email/dispatched through the permitted modes, to the Members of the Company.

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

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

Thanking you,

Sincerely,  
**For NRB Bearings Limited**

  
Shruti Joshi  
Company Secretary



• NRB • A MOVEMENT • A REVOLUTION

NRB BEARINGS LIMITED 54<sup>th</sup> ANNUAL REPORT  
2018-19

We miss our Founder and Chairman



**Trilochan Singh Sahney**  
04.12.1927 - 16.10.2018

**CIN : L29130MH1965PLC013251**

**Directors** : Harshbeena Zaveri - Vice Chairman & Managing Director  
Satish C. Rangani - Executive Director  
Tashwinder Singh  
Devesh Singh Sahney  
Ashank Desai  
Rustom Desai  
Vishakha R. M.

**Company Secretary  
and Compliance Officer** : Shruti Joshi

**Bankers** : BNP Paribas  
Citibank N.A.  
HDFC Bank  
DBS Bank  
Kotak Mahindra Bank

**Debenture Trustees** : IDBI Trusteeship Services Limited

**Auditors** : Walker Chandiok & Co. LLP

**Solicitors** : AZB Partners & Co.

**Registered Office** : Dhannur, 15, Sir P. M. Road, Fort  
Mumbai 400 001

**Works** : Pokhran Road No.2, Majiwade  
Thane 400 606  
  
E-40, M.I.D.C. Industrial Area, Chikalthana  
Aurangabad 431 010  
  
C-6, Additional M.I.D.C. Industrial Area  
Jalna 431 203  
  
E-72, (I) & (II) M.I.D.C., Waluj  
Aurangabad 431 133  
  
A-5, Uppal Industrial Estate  
Hyderabad 500 039  
  
Plot No.33, Sector -II,  
SIDCUL IIE Pantnagar  
Udhamsingh Nagar, Uttarakhand 263153

**Website** : [www.nrbbearings.com](http://www.nrbbearings.com)

**Investorcare** : [investorcare@nrbbearings.co.in](mailto:investorcare@nrbbearings.co.in)

**Registrar &  
Share Transfer Agent** : Universal Capital Securities Private Limited  
21, Shakil Niwas, Mahakali Caves Road  
Andheri (East), Mumbai 400 093  
Tel: 2836 66 20, 28207203-05

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## NOTICE

The Members,  
NRB BEARINGS LIMITED

NOTICE is hereby given that the fifty-fourth Annual General Meeting of the members of NRB Bearings Limited will be held at M. C. Ghia Hall, Dubash Marg, Mumbai 400 001 on Friday, August 9, 2019 at 3:30 p.m. to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2019 and the Audited Consolidated Financial Statements for the financial year ended March 31, 2019; together with the Reports of the Board of Directors and the Auditors thereon.
2. To declare dividend on equity shares for the financial year ended March 31, 2019.
3. To appoint a Director in place of Mr. D.S. Sahney (DIN 00003956) who retires by rotation and being eligible has offered himself for re-appointment.

### SPECIAL BUSINESS

4. To consider and if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution**:  
"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder, including any statutory modification or re-enactment thereof for the time being in force (hereinafter referred to as the Act), the remuneration of Rs. 98,000/- (Rupees Ninety Eight Thousand only) to M/s Nanabhoy and Co., Cost Accountants (Firm Registration No. 7464) duly approved by the Board of Directors upon recommendation of the Audit Committee for conducting the audit of the cost records of the Company for the financial year ending on March 31, 2020, be and is hereby ratified and confirmed."
5. To consider and if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution**:  
"RESOLVED THAT Mr. Satish Rangani (DIN: 00209069), who was appointed as an Additional Director of the Company by the Board of Directors with effect from January 24, 2019 and who holds office upto the date of the forthcoming Annual General Meeting under Section 161 and other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder, including any statutory modification or re-enactment thereof for the time being in force (hereinafter referred to as the Act), and Articles of Association of the Company, and who is eligible for appointment and has consented to act as a Director of the Company and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."
6. To consider and if thought fit, to pass with or without modification, the following resolution as a **Special Resolution**:  
"RESOLVED THAT pursuant to the provisions of Sections 149 and 152, Schedule IV and other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder, including any statutory modification or re-enactment thereof for the time being in force (hereinafter referred to as the Act) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Tashwinder Singh (DIN: 06572282), who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and in respect of whom the Company has received a notice in writing under Section 160 proposing his candidature for the office of Director (Independent) of the Act and who is eligible for appointment be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, for a second term of five (5) consecutive years from August 11, 2019 to August 10, 2024."
7. To consider and if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution**:  
"RESOLVED THAT Ms. Vishakha R. M. (DIN: 07108012) who was appointed as an Additional Director of the Company by the Board of Directors with effect from November 2, 2018 and who holds office upto the date of this Annual General Meeting under Section 161 of the Companies Act, 2013 and the Rules framed thereunder, including any statutory modification or re-enactment thereof for the time being in force (hereinafter referred to as the Act) and Articles of Association of the Company, and who is eligible for appointment and has consented to act as a Director of the Company and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing her candidature for the office of Director, be and is hereby appointed as a Director of the Company."

RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 152, Schedule IV and other applicable provisions of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Ms. Vishakha R.M. (DIN:07108012), a Non-Executive Director of the Company, who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of five (5) consecutive years from the date of her appointment i.e. from November 2, 2018."

8. To consider and if thought fit, to pass with or without modification, the following resolution as an **Special Resolution**:

"RESOLVED THAT further to the approval of the members vide a special resolution passed on July 24, 2015 and subject to the overall ceiling prescribed in Section 197 the Companies Act, 2013 and the Rules framed thereunder, including any statutory modification or re-enactment thereof for the time being in force (hereinafter referred to as the Act) and subject to the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, approval be and is hereby accorded for the payment of annual remuneration to Ms. Harshbeena Zaveri, Vice Chairman & Managing Director of the Company, who is a part of the Promoter group, exceeding Rs. 5,00,00,000/- (Rupees Five crores only) or 2.5% of the net profits of the Company, whichever is higher, for every financial year up to the balance tenure of her appointment i.e. upto September 30, 2020.

RESOLVED FURTHER THAT the Board of Directors ("the Board" which expression shall also include a Committee thereof for the time being exercising the powers of the Board) be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary proper or desirable and to settle any questions or doubts that may arise in this regard."

By Order of the Board

Place: Mumbai  
Date : May 29, 2019

**Shruti Joshi**  
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 Saturday, August 3, 2019 to Friday, August 9, 2019 (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 Scrutinizer for the e-voting process. Instructions and manner of the process have been detailed in the para 8 below. The Scrutinizer 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 scrutinizer'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 lodged with the Company on or before August 2, 2019 and to the shareholders holding shares in demat form whose names appear in the Register of Members beneficiary position with NSDL and CDSL as on August 2, 2019.

The shareholders whose names appear in the Register of Members after giving effect to all valid share transfers lodged with the Company on or before August 2, 2019 shall be entitled to participate in e-voting/ballot at the AGM.

Members and all others concerned are requested to lodge transfer deeds, change of address communication, mandates (if any) with the Company's Share Transfer Agents Universal Capital Securities Private Limited, 21, Shakil Niwas, Mahakali Caves Road, Andheri (East), Mumbai 400 093.

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 dividend for the financial year ended March 31, 2011 to the IEPF. Pursuant to the provisions of IEPF (uploading of information regarding unpaid and unclaimed amounts lying with Companies) Rules 2012 the Company has uploaded such details as on August 9, 2018 (date of last AGM) on the website of the Company.

Adhering to the various requirements set out in the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the Company has, during financial year 2018-19, transferred to the IEPF Authority all shares in respect of which dividend had remained unpaid or unclaimed for seven consecutive years or more as on the due date of transfer. Details of shares transferred to the IEPF Authority are available on the website of the Company and the same can be accessed through the website [www.nrbbearings.com](http://www.nrbbearings.com). The said details have also been uploaded on the website of the IEPF Authority and the same can be accessed through the link: [www.iepf.gov.in](http://www.iepf.gov.in).

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

SEBI has decided that securities of listed companies can be transferred only in dematerialised form with effect from April 1, 2019. In view of the above and to avail various benefits of dematerialisation, members are advised to dematerialise shares held by them in physical form.

#### **8. PROCESS FOR MEMBERS OPTING FOR E-VOTING**

- (i) The voting period begins on Tuesday, August 6, 2019 at (9.00 am IST) and ends on Thursday, August 8, 2019 at (5.00 pm IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Friday, August 2, 2019, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

##### **Electronic Voting Sequence Number (EVSN): 190704009**

- (ii) A member can opt for only one mode of voting i.e. either through e-voting or in physical form. If a member casts his vote by both modes, then voting done through e-voting shall prevail and the vote by ballot shall be treated as invalid.

In case of members receiving e-mail:

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

##### **For Members holding shares in Demat Form and Physical Form**

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

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

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

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

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

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



- (xi) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xiii) Click on the EVSN for the relevant <Company Name> on which you choose to vote
- (xiv) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting.

Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

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

**In case of members receiving the physical copy:**

- (A) Please follow all steps from sl. no. (i) to sl. no. (xx) above to cast vote.
  - (B) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
9. Members/ Proxies are requested to bring their attendance slip duly filled in and their copy of the Annual Report for the meeting.

By Order of the Board

Place: Mumbai  
Date : May 29, 2019

**Shruti Joshi**  
Company Secretary

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013****Item No. 4:**

The Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, mandate the audit of the cost accounting records of the Company in respect of its products. Accordingly, the Board of Directors, based on the recommendation of the Audit Committee, at its meeting held on May 29, 2019, appointed M/s Nanabhoy & Co, Cost Accountants (Firm Registration No: 7464) as the Cost Auditor of the Company for the financial year ending March 31, 2020 at a remuneration of Rs. 98,000/- (Rupees Ninety Eight Thousand only), excluding taxes and reimbursement of out of pocket expenses. M/s Nanabhoy & Co., have vide their letter dated April 2, 2019 confirmed their eligibility and granted consent to act as the Cost Auditors of the Company for the financial year 2019-20. Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, members of the Company are required to ratify the remuneration to be paid to the Cost Auditors of the Company.

Accordingly, consent of the members is sought by way of an Ordinary Resolution as set out at Item No. 4 of the Notice.

None of the Directors, Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out in Item No. 4 of the Notice.

The Board recommends the Resolution under Item No. 4 of the Notice for approval of the Members as an Ordinary Resolution.

**Item No. 5:**

The Board of Directors at its meeting held on January 17, 2019, upon the recommendation of the Nomination and Remuneration Committee appointed Mr. Satish Rangani as an Additional Director with effect from January 24, 2019. As per Section 161 of the Companies Act, 2013 ("the Act"), Mr. Satish Rangani holds office up to the date of this Annual General Meeting and is eligible for appointment as Director. Further, the members of the Company vide Special Resolution passed on April 27, 2019 based on the approval granted by the Board have approved the appointment of Mr. Satish Rangani as the Executive Director of the Company for a period of one (1) year with effect from January 27, 2019.

The Company has received a notice from a member under Section 160 of the Act, in writing, proposing his candidature for the office of Director of the Company. The Nomination and Remuneration Committee of the Board ("NRC") has considered his candidature and recommended his appointment as a Director, who shall be liable to retire by rotation.

Accordingly, the resolution set out at Item No. 5 of the Notice for appointment as Mr. Satish Rangani as Director, liable to retire by rotation, has been placed before the members for approval by way of an Ordinary Resolution.

None of the Directors, Key Managerial Personnel of the Company or their relatives except Mr. Satish Rangani (being appointed), are in any way, concerned or interested, financially or otherwise, in the Resolution set out in Item No. 5 of the Notice.

The Board recommends the Resolution under Item No. 5 of the Notice for approval of the Members as an Ordinary Resolution.

**Item No. 6:**

At the 49<sup>th</sup> Annual General Meeting of the Members of the Company held on August 11, 2014, Mr. Tashwinder Singh was appointed as an Independent Director for a period of five (5) years with effect from August 11, 2014. His existing term expires on August 10, 2019.

Mr. Tashwinder Singh, age 49 years, is the Chairman of the Audit Committee and the Nomination and Remuneration Committee of the Company. Mr. Singh has given his consent for re-appointment as Independent Director for a second term beginning from August 11, 2019 to August 10, 2024 i.e. five (5) consecutive years. Pursuant to the provisions of sections 149 and 152 and other applicable provisions of the Companies Act, 2013 (the Act), an Independent Director can be re-appointed for a second term up to five (5) consecutive years after obtaining the approval of the shareholders by passing a special resolution.

Mr. Tashwinder Singh is an engineer and MBA from the Delhi University with more than twenty five (25) years of experience in the field of finance and investing with extensive exposure to commercial banking, private banking and business development. Mr. Singh does not hold any shares in the Company and is not related to any Director or Key Managerial Personnel of the Company. He was first appointed as an Non-Executive/ Independent Director of the Company in May, 2013.

During his second term as Independent Director, Mr. Singh will be entitled to receive the Sitting Fees for attending meetings

of the Directors and the Committees thereof, of which he is a member and commission, as may be decided by the Board of Directors every year for Independent Directors. In the opinion of the Board of Directors of the Company, Mr. Singh continues to fulfill the conditions specified in the Act and Rules made thereunder for reappointment as an Independent Director. Having regard to his qualifications, knowledge and vast business experience, his re-appointment on the Board of the Company as an Independent Director will be in the interest of the Company.

The Company has received a notice from a member under Section 160 of the Act in writing proposing his candidature for the office of Director (Independent). The Nomination and Remuneration Committee of the Board has also recommended his appointment as Director (Independent).

Accordingly, the Board of Directors recommend passing the Special Resolution at Item No. 6 of the Notice. None of the Directors, Key Managerial Personnel of the Company or their relatives except Mr. Tashwinder Singh (being appointed), are in any way, concerned or interested, financially or otherwise, in the Resolution set out in Item No. 6 of the Notice.

The copy of the draft letter of appointment setting out the terms and conditions, would be available for inspection at the Registered Office of the Company up to the date of the Annual General Meeting i.e. August 9, 2019 on any working day except Saturday, Sunday and public holidays between 11:00 a.m. and 5:00 p.m.

Brief details of Mr. Tashwinder Singh are given below:

- DIN: 06572282
- Qualification: BE Electrical, MBA (Delhi University)
- Expertise/Experience: More than twenty five (25) years of work experience. Started his career with Voltas Ltd (Electrical Business Group) and worked with Citigroup for 18 years in operations management, business development, commercial banking and private banking. Currently Director with Kohlberg Kravis Roberts, a reputed International Private Equity firm.
- Director of the Company: Since July 23, 2013
- Shareholding in the Company: Nil
- List of other Indian Public companies in which Directorship is held :
  - KKR Financial Services Private Limited
  - Resonance Eduventures Limited
  - KKR Capital Markets India Private Limited
  - Sinlex BAPL Limited
- Chairman/Member of Committees in other public companies in which he is a Director :Nil

**Item No. 7:**

Ms. Vishakha R.M. was appointed as an Additional Director by the Board of Directors of the Company at its meeting held on November 2, 2018. Ms. Vishakha R.M. age 54 years, holds a degree of Bachelor in Commerce, is an Associate member of the Institute of Chartered Accountants of India and a Fellow Member of the Insurance Institute of India. Ms. Vishakha, currently the Managing Director & CEO of India First Life Insurance, has a rich experience of over 30 years in the Risk and Insurance Sector. She is recognised and influential in the public domain within the industry and more broadly as an organisational leader.

Prior to India First Life Insurance, she has held important positions with various prestigious companies like Canara HSBC Oriental Bank of Commerce Life Insurance Co. Limited, IDBI Federal Life Insurance Company Limited, Sampo Japan Insurance Company Limited, Birla Sun Life Insurance Company Limited, Cigna Healthcare Management Company (I) Private Limited, Royal Sundaram Alliance Insurance Company Limited and New India Assurance.

Ms. Vishakha has been a recipient of many awards and accolades over the years few of which are:

- Selected as one of the Top 30 Most Powerful Women in Business by Business Today September 2018
- Selected as one of Forbes India Top 25 W Power trail blazers 2018
- Ranked 38th amongst the 50 Most Powerful Woman in Business by Fortune India in September 2017
- CA Business Leader – Woman 2016 Award from ICAI (Institute of Chartered Accountants of India).
- ASSOCHAM (Associated Chambers of Commerce and Industry of India) Individual Achievement Award

- Finalist at the 15th Asia Business Leaders Award 2016 and for the 12th edition of the India Business Leaders Award 2017
- Speaker at various national level forums including ET, Mint and Outlook Money Conclave; Industry bodies of CII, FICCI and Assocham and international conferences of: ICAI international conference, Bahrain 2017 and ICAI Doha Chapter, Qatar 2018

The Company has received a notice in writing under by Section 160 of the Companies Act, 2013('the Act') from a member proposing her candidature for appointment as an Independent Director of the Company. The Nomination and Remuneration Committee of the Board has also considered and recommended her appointment as Director (Independent).

Ms. Vishakha has consented to act as a Director of the Company and has given a declaration to the Board that she meets the criteria of independence as provided under Section 149(6) of the Act. In the opinion of the Board, Ms. Vishakha, fulfills the conditions specified in the Act and the Rules made thereunder for appointment as Independent Director. Ms. Vishakha, qualifies to be an Independent Director pursuant to Section 149 (6) and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. Pursuant to Section 149 (10) of the Act, Ms. Vishakha, if appointed, shall hold office of Independent Director for a term of five (5) consecutive years with effect from the date of her appointment viz. November 2, 2018.

The Board of Directors recommend the resolution at Item No. 7 of the accompanying Notice as an Ordinary Resolution, for appointment of Ms. Vishakha as an Independent Director of the Company.

The copy of the draft letter of appointment setting out the terms and conditions, would be available for inspection at the Registered Office of the Company up to the date of the Annual General Meeting i.e. August 9, 2019 on any working day except Saturday, Sunday and public holidays between 11:00 a.m. and 5:00 p.m.

None of the Directors, Key Managerial Personnel of the Company or their relatives except Ms. Vishakha R.M. (being appointed), are in any way, concerned or interested, financially or otherwise, in the Resolution set out in Item No. 7 of the Notice.

Brief details of Ms. Vishakha R.M. are given below:

- DIN: 07108012
- Qualification: Bachelor of Commerce, Associate of the Institute of Chartered Accountants, Post Graduate Diploma in Computer Systems, Fellow of the Insurance Institute of India
- Expertise/Experience: Rich experience of over thirty (30) years in the Risk and Insurance sector
- Director of the Company: Since November 2, 2018
- Shareholding in the Company: Nil
- List of other Indian Public companies in which Directorship is held :
  - India First Life Insurance Limited
- Chairman/Member of Committees in other public companies in which she is a Director :

|                                            |                                                                                                                                                                                                                                                                                                                              |
|--------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| India First Life Insurance Company Limited | <ul style="list-style-type: none"> <li>• Risk Management Committee-Member</li> <li>• Investment Committee-Member</li> <li>• Policy holders Protection Committee-Member</li> <li>• With Profits Committee-Member</li> <li>• Allotment Committee-Member</li> <li>• Corporate Social Responsibility Committee-Member</li> </ul> |
|--------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

#### **Item No. 8:**

Ms. Harshbeena Zaveri, currently designated as the Vice Chairman & Managing Director, has been Managing Director of the Company since October 2010. Her current term of appointment as the Vice Chairman & Managing Director, duly approved by the Board of Directors and the members of the Company vide Special Resolution passed on July 24, 2015 expires on September 30, 2020. Ms. Harshbeena Zaveri, is a member of the Promoter Group of the Company.

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 50 most powerful business women in India since 2011. As the Managing Director 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. She is actively engaged with various business associations and 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).

Pursuant to amendment to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, effective from April 1, 2019, approval of the members vide special resolution shall be sought for any executive director who is a part of the promoter group and draws annual remuneration exceeding Rs. 5,00,00,000/- (Rupees Five crores only) or 2.5 per cent of the net profits of the listed entity, calculated as per Section 198 of the Act whichever is higher, which shall be valid till the expiry of the term.

Since, Ms. Zaveri is a part of the promoter group, approval is sought for the payment of annual remuneration to Ms. Zaveri exceeding Rs. 5,00,00,000/- (Rupees Five crores only) or 2.5 per cent of the net profits calculated as per Section 198 of the Act whichever is higher for every financial year up to her current term of appointment i.e. upto September 30, 2020.

The Board of Directors recommend the resolution at Item No. 8 of the accompanying Notice as a Special Resolution. None of the Directors, Key Managerial Personnel of the Company or their relatives except Ms. Harshbeena Zaveri herself and Mr. D. S. Sahney, being related to Ms. Harshbeena Zaveri, are in any way, concerned or interested, financially or otherwise, in the Resolution set out in Item No. 8 of the Notice.

As required by SEBI (Listing Obligation and Disclosure requirements) Regulation 2015 entered into with the Stock Exchanges, the statement below gives the relevant details of the Directors being appointed/ re-appointed under the accompanying notice.

|                                                                                                      |                                                                                                                                                             |                                                                                                                              |
|------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------|
| Name of Director                                                                                     | Mr. D. S. Sahney                                                                                                                                            | Mr. S. C. Rangani                                                                                                            |
| DIN                                                                                                  | 00003956                                                                                                                                                    | 00209069                                                                                                                     |
| Date of Birth                                                                                        | November 17, 1968                                                                                                                                           | November 13, 1948                                                                                                            |
| Nationality                                                                                          | Indian                                                                                                                                                      | Indian                                                                                                                       |
| Date of appointment on Board                                                                         | May 2001                                                                                                                                                    | October 2012                                                                                                                 |
| Qualification                                                                                        | B. A. (Business Administration & Economics) from Richmond College, London and MBA (General management) from the Asian Institute of Management (Phillipines) | B. Com., MMS, ACS<br>Extensive experience of more than forty (40) years in areas of finance, strategy, legal and compliance. |
| Shareholding in Company                                                                              | 36,34,583                                                                                                                                                   | 9,000                                                                                                                        |
| List of Directorships held in other companies (excluding foreign, private and section 8 companies)   | NRB Industrial Bearings Limited                                                                                                                             | SNL Bearings Limited                                                                                                         |
| Memberships/ Chairmanships of Audit and Stakeholders Relationship Committees across public companies | NRB Industrial Bearings Limited- Audit Committee, Member                                                                                                    | SNL Bearings Limited-Stakeholders Relationship Committee, Member<br>Corporate Social Responsibility Committee, Member        |

By Order of the Board

Place: Mumbai  
Date : May 29, 2019

**Shruti Joshi**  
Company Secretary

## BOARD'S REPORT

To  
The Members  
NRB BEARINGS LIMITED

Your Directors have pleasure in presenting their Fifty-fourth Report together with the standalone and consolidated Audited Financial Statements for the year ended March 31, 2019.

With deep and profound sorrow, your Directors inform you that our beloved Chairman Mr. Trilochan Singh Sahney, ceased to be a Director of the Company due to his sad demise on October 16, 2018. Mr. Trilochan Singh Sahney, the Founder Promoter was the Chairman and Managing Director of the Company for over four decades, since Company's inception in 1965. Your Directors place on record their sincere appreciation for the invaluable guidance provided by Mr. Trilochan Singh Sahney to the Company during his tenure with the Company.

### 1. Financial Results

| Year ended                                   | Consolidated           |                        | Standalone             |                        |
|----------------------------------------------|------------------------|------------------------|------------------------|------------------------|
|                                              | 31.03.2019<br>Rs. lacs | 31.03.2018<br>Rs. lacs | 31.03.2019<br>Rs. lacs | 31.03.2018<br>Rs. lacs |
| Revenue from operations (Net)                | 96,484.73              | 87,390.70              | 94,020.99              | 84,843.10              |
| Profit before tax                            | 15,709.92              | 13,530.51              | 14,268.11              | 12,030.96              |
| Provision for taxation                       |                        |                        |                        |                        |
| Current (net)                                | 4,049.35               | 4,163.52               | 3,725.31               | 3,739.98               |
| In respect of earlier years                  |                        | -                      |                        |                        |
| Deferred tax                                 | 670.76                 | 76.83                  | 665.88                 | 99.64                  |
| Profit after taxation                        | 10,821.54              | 9,072.92               | 9,876.92               | 8,191.34               |
| Add: Balance brought forward                 | 20,892.83              | 14,635.93              | 22,922.42              | 17,558.68              |
| Add: Other Comprehensive Income for the year | (27.44)                | 67.14                  | (25.79)                | 55.56                  |
|                                              | 31,686.93              | 23,775.99              | 32,773.55              | 25,805.58              |
| Appropriation:                               |                        |                        |                        |                        |
| Dividend                                     | 1,163.07               | 1,356.92               | 1,163.07               | 1,356.92               |
| Tax on distributed profits                   | 211.80                 | 276.24                 | 211.81                 | 276.24                 |
| General Reserve                              | -                      | -                      |                        | -                      |
| Debenture Redemption Reserve                 | -                      | 1,250.00               |                        | 1,250.00               |
| Capital Redemption Reserve                   |                        |                        |                        | -                      |
| Outside basis Tax                            |                        | -                      |                        | -                      |
| Profit & Loss Account                        | 30,313.06              | 20,892.83              | 31,398.67              | 22,922.42              |
|                                              | 31,686.93              | 23,775.99              | 32,773.55              | 25,805.58              |

### 2. Dividend

Considering the profits for the year under review your directors are pleased to recommend a dividend of 130 per cent i.e. Rs. 2.60 per equity shares of Rs. 2.00 (Rs. 2.60 per share for the previous year including interim dividend of Rs. 1.40 per share), which shall be payable to the members/beneficial owners as applicable aggregating to Rs. 3038 lacs inclusive of tax.

### 3. Material changes and commitments, if any, affecting the financial position of the Company

There are no material changes and commitments, affecting the financial position of the Company which have occurred between the close of the financial year on March 31, 2019 to which the financial statements relate and the date of this Report.

#### **4. State of Company's Affairs, Operations and Outlook:**

Your Company's growth at 10.81 per cent is comparable with the industry. Global demand in the European and US markets has helped exports grow by 17.50 per cent. During the year under review, on a consolidated basis your Company recorded net revenue from operations of Rs. 96,485 lacs with a growth of 10.41 per cent over Rs. 87,391 lacs for the last fiscal. The Company recorded a net profit of Rs.10,990 lacs, an increase of 18.3 per cent over Rs. 9,290 lacs for the last fiscal on a consolidated basis.

On a standalone basis your Company recorded net revenue from operations (net of excise duty) of Rs. 94,020.99 lacs with a growth of 10.81 per cent over Rs. 84,843.10 lacs of the last fiscal. The Company recorded a net profit of Rs. 9,876.92 lacs, an increase of 20.5 per cent over net profit of Rs. 8,191.34 lacs for the last fiscal.

The Indian economy witnessed robust industrial growth during FY 2018-19 and the momentum is expected to continue next year as well. The Index of Industrial Production (IIP) with base 2011-12 for the April-January period for 2018-19 registered a 4.4 per cent increase over the corresponding period for the previous year.

The automobile industry in India is currently the world's fourth largest and the Indian automotive industry (including component manufacturing) is expected to reach Rs. 16.16-18.18 trillion (US\$ 251.4-282.8 billion) by 2026. Two-wheelers dominate the industry and made up 81 per cent share in the domestic automobile sales. Domestic automobile production increased at 7.08 per cent CAGR between FY 2013-18 with 29.09 million vehicles manufactured in the country in FY 2018. During April 2018-March 2019, automobile production at 30.91 million vehicles increased by approx. 7 per cent.

In FY19, commercial vehicles recorded the fastest pace of growth in domestic sales at 17.55 per cent year-on-year, followed by three-wheelers at 10.27 per cent year-on-year. The passenger vehicle sales in India crossed the 3.3 million units in FY18, and is further expected increase to 10 million units by FY20. Automobile exports grew 15.54 per cent during April 2018-February 2019.

The auto-components industry accounts for 2.3 per cent of India's Gross Domestic Product (GDP). The auto components sector has been observing robust growth and turnover is anticipated to reach US\$ 200 billion by FY26. India's exports of auto components could account for as much as 26 per cent of the market by 2021.

The Indian economy is likely to sustain the rebound in FY2019-20 and growth is projected to be approx. in the 7.5 per cent range. Improving macroeconomic fundamentals supported by the implementation of reform measures, shall help foster an environment to boost investments and ease banking sector concerns. Together, these augur well for a healthy growth path for the economy. Favourable government policies such as Auto Policy 2002, Automotive Mission Plan 2016-2026, National Automotive Testing and R&D Infrastructure Projects (NATRiPs), have helped the Indian auto components industry achieve considerable growth. The government has also extended the FAME Scheme from September 2018 to March 2019. India is emerging as global hub for auto component sourcing. A cost-effective manufacturing base keeps costs lower by 10-25 per cent relative to operations in Europe and Latin America. Relative to Chinese suppliers, India is geographically closer to key automotive markets like the Middle East and Europe.

#### **5. Finance**

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

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

##### **a. Public Deposits**

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

##### **b. Non Convertible Debentures**

During the year the Company has raised an amount of Rs. 30,00,00,000/- (Rupees Thirty crores only) by way of non-convertible debentures issued on a private placement basis for general corporate purposes.

##### **c. Particulars Loans, Guarantees or Investments**

As on March 31, 2019 the outstanding principal amount from its wholly owned subsidiary NRB Bearings (Thailand) Limited is THB 80.00 million and outstanding Interest is THB 12.82 million which has been paid on April 2, 2019.

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.

## **6. Directors**

During the year under review, Mr. Satish Rangani, was appointed as an Executive Director of the Company for a period of one (1) year with effect from January 24, 2019 vide a special resolution passed by the shareholders through postal ballot on April 26, 2019, which was also approved by the Board of Directors at its meeting held on January 17, 2019 upon the recommendation of the Nomination and Remuneration Committee.

Mr. Satish Rangani, was also appointed as an Additional Director by the Board of Directors with effect from January 24, 2019 and shall hold office up to the date of the ensuing Annual General Meeting. However, the Company has received a notice from a member proposing the appointment of Mr. Rangani as a Director and such appointment has been recommended by the Nomination and Remuneration Committee. Accordingly, it is proposed to appoint Mr. Rangani as a Director of the Company, liable to retire by rotation.

Ms. Vishakha R.M. was appointed as an Additional Director (Independent Director) by the Board of Directors at its meeting held on November 2, 2018, upon the recommendation of the Nomination and Remuneration Committee for a term of five (5) consecutive years with effect from November 2, 2018. The Company has received a notice from a member proposing the appointment of Ms. Vishakha as a Director and such appointment has been recommended by the Nomination and Remuneration Committee. Accordingly, it is proposed to appoint Ms. Vishakha as an Independent Director of the Company for a term of five (5) consecutive years with effect from November 2, 2018.

Mr. Tashwinder Singh was appointed as an Independent Director of the Company on August 11, 2014. His first term as an Independent Director ends on August 10, 2019. Considering his active participation and invaluable advice during Board/ Committee proceedings, the Nomination and Remuneration Committee has recommended and the Board of Directors at its meeting held on May 29, 2019 has approved his appointment for a second term of five (5) consecutive years. Accordingly, it is proposed to appoint Mr. Tashwinder Singh as an Independent Director for a second term of five (5) consecutive years with effect from August 10, 2019.

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 Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The composition of the Board duly meets the criteria stipulated in Section 52 of the Companies Act, 2013 and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In accordance with the Companies Act, 2013 and the Articles of Association of the Company, Mr. D. S. Sahney retires by rotation and being eligible offers himself for re-appointment.

### **Familiarisation Programme for Independent Directors**

In order to familiarize the Independent Directors with the business, the Company makes a presentation covering nature and scope of business, nature of industry in which Company operates, profitability and future scope. Regularly at meetings updates are given to the Board, by the Company's Senior Management in areas of operations, industry and regulatory trends, competition and future outlook. The familiarization programme is posted on the website of the Company at [www.nrbbearings.com](http://www.nrbbearings.com).

### **Board Evaluation**

The Board has carried out an annual performance evaluation of its own performance and that of its Committees and Director the Directors individually. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

The process endorsed the confidence of the Directors in the ethical standards of the Company and its strategies for growth. In the coming year, the Board intends to enhance focus on exploring new drivers for continuing growth.

The Independent Directors have also met separately on March 13, 2019.

### **Remuneration Policy**

The Board has on the recommendation of the Nomination and Remuneration Committee framed a policy for selection and appointment of Directors, senior management and their remuneration. As part of its policy the company strives to ensure that the remuneration to Directors, 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. The remuneration policy is posted on the company website [www.nrbbearings.com](http://www.nrbbearings.com). Details of remuneration paid to Executive Directors and KMP and the Independent Directors form part of the Corporate Governance Report attached to this Report.



## Meetings

During the year five (5) Board meetings were convened and held (details in Corporate Governance Report). The intervening gap between the meetings was less than one hundred and twenty (120) days. The date for the next meeting is fixed in advance at the previous meeting both for board and committee meetings.

## 7. Subsidiaries

As of March 31, 2019, the Company has three subsidiaries viz. SNL Bearings Limited, NRB Bearings (Thailand) Limited and NRB Bearings Europe GmbH. The consolidated results include the working of these subsidiaries.

SNL Bearings Limited (SNL), in which your Company holds 73.45 per cent equity, has reported profit after tax of Rs. 814.36 lacs (previous year Rs. 822.02 lacs), lower by 0.93 per cent in spite of higher volumes, on account of higher operational and administrative costs. Dividend at Rs.5/- per share has been maintained at same level as paid in previous year. Net Sales during the year at Rs.4,064 lacs are higher by 3.46 per cent over the previous year. SNL is working on projects to improve its financial results in FY2019-20 by enhancing operational efficiencies and scaling up manufacturing capacities.

NRB Bearings (Thailand) Limited (NRBT), a wholly owned subsidiary, has increased its sales by 23 per cent to THB 237.81 million (approx. Rs. 51.60 crores) (previous year THB 193.23 million – approx. Rs. 40.19 crores). The share of manufacturing revenues out of total revenues has increased to at THB 195.63 million (approx. Rs. 42.45 crores) (previous year at THB 144.25 million) and trading revenues are at THB 42.18 million (previous year at THB 48.98 million). Consequently, the Company's EBITDA has grown from THB 39.10 million to THB 41.38 million (approx. Rs. 8.97 crores). The Company has recorded a jump in profit of almost 24 per cent for the year at THB 19.60 million (approx. Rs. 4.25 crores) from THB 15.82 million (approx. Rs. 3.29 crores) in previous year, mainly due to higher manufacturing volumes and lower exchange losses.

NRB Bearings Europe GmbH, a wholly owned subsidiary was set up to support increasing exports to Europe. The Company provides marketing and customer support services. The income during the year is EURO 337,919 (Rs. 2.62 crores) and the resultant profit after tax is EURO 12,546 (Rs. 9.7 lakhs).

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

## 8. Business Risk Management

The Company has in place an enterprise risk management framework to identify risks and minimize their adverse impact on business and strives to create transparency which in turn enhances the Company's competitive advantage. The Company has identified the risks associated with its operations and an action plan for mitigation has been identified.

## 9. Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

Information pursuant to Section 134 (3) (m) of the Companies Act, 2013 and Rule 8 of Companies (Accounts) Rules 2014 has been given in the **Annexure 2** forming part of this report.

## 10. Industrial Relations/Vigil Mechanism and Whistle Blower Policy

During the year, the Company maintained cordial relations with the workmen's unions at all plants. Last year 2018-19 overall relations with the workmen and Union at all plants have been cordial and harmonious. There was no major issue /dispute between management and Union except at Jalna Plant, where minority union namely New Panther Kamgar Sena has not accepted wage agreement signed on December 13, 2017 between management and All Marathwada Kamgar Union. The matter is pending before the Industrial Tribunal, Jalna.

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 attitudinal and behavioral aspects.

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

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

## **11. Safety, Health and Environment**

The Company is committed to establishing and maintaining 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.

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

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

During the year there have been numerous initiatives by NRB towards safety and environment awareness among employees:

1. Awareness on environment preservation and protection through regular monitoring of environment parameters and employees engagement activities like environment sensitization programs, drawing competitions, tree plantation and landscape development are undertaken in association with local government bodies and NGOs. More than 500 trees were planted at our manufacturing units at different locations.
2. "Safety first and always first" is the highest priority of the Company. The Safety policy inter alia ensures safety of public, employees, plant, equipment and business associates, ensuring compliance with all statutory rules and regulations as an on-going process.

Special initiatives have been taken up such as theme base walk, leading and lagging indicators, mock drills, up-gradation of fire protection systems, safety training to employees including top management, organizing safety awareness week, Women's day celebration, reporting of near-miss incidents and first aid across the plant. NRB strives to achieve "Zero-Accident Tolerance".

3. To save energy we have adopted some projects by implementing energy efficient motors which can consume less energy.

To minimize the risk with respect to use of LPG gas of 10 MT in bullet storage, we have replaced the bullet with manifold at our Chikalthana Plant.

4. To keep track on the health condition of employees we conduct health check program every year which give us preliminary information about the health of all employee. We have controlled all hazardous processes which could have impact on the health of employees.
5. Water conservation through re-use of waste water and rain water harvesting at plants – capacity to harvest upto 50 lacs litres rain water every year to increase ground water levels.
6. 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.

## **12. Corporate social responsibility**

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

- Promotion of education
- Promoting gender equality and empowering woman
- Employment enhancing vocational skills
- Promotion of social business projects
- Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, conservation of natural resources

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

The Company has continued its support to IIT-Bombay which is a renowned and reputed institute for engineering studies.

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

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

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

The Company supported social causes and impactful projects like Akshay Patra for mid-day meal for school children and the Light of Life Trust and the Navjeevan society for research and rehabilitation of mentally retarded.

The Annual Report on CSR activities in pursuance of the Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed herewith as Annexure 4.

During the year under review, the Company has spent an amount of Rs. 182.00 lacs on CSR projects.

### **13. Corporate Governance**

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

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

The relevant certification on the various matters specified under Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been done by the Vice Chairman & Managing Director and the Chief Financial Officer of the Company.

During the year under review the Company has complied with all the applicable Secretarial Standards.

All pecuniary relationships or transactions of the Non-executive directors vis-à-vis the Company along with criteria for such payments and disclosures on remuneration of Directors along with their shareholding are disclosed in Form MGT-9, which forms a part of this Report.

There are no relationships between the Directors inter-se except between Ms. Harshbeena Zaveri and Mr. D. S. Sahney. Mr. Sahney is the brother of Ms. Harshbeena Zaveri.

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 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](http://www.nrbbearings.com).

### **14. 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 March 31, 2019 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.

## **15. Related Party transactions (RPT)**

All RPT that were entered into during the financial year were on an arm's 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, other than the same.

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

The policy on RPTs as approved by the board is uploaded on the Company's website. Form AOC-2 for disclosure of particulars of contracts has been enclosed as **Annexure 5**.

## **16. Auditors**

### **Statutory Auditors**

Appointment of M/s Walker Chandio & Co. LLP, Chartered Accountants as statutory auditors was approved at the Annual General Meeting held on August 9, 2018 for a term of five (5) years upto March 31, 2023.

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

### **Cost Auditors**

Pursuant to the Rules issued by Ministry of Corporate Affairs under Companies (Cost records and Audit) Amendment Rules 2014, your Company is subject to cost audit during the year and M/s. R Nanabhoy & Co., Cost Accountants was appointed to undertake the same.

### **Secretarial Audit**

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

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

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

## **17. Extract of Annual Return**

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

## **18. Particulars of Employees**

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

## **19. Significant and Material Orders passed by the Regulators or Courts**

There are no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.

**20. Change in nature of business**

During the year under review there was no change in the nature of the business carried on by the Company.

**21. Disclosure under Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013**

In accordance with the provisions of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has set up four (4) Internal Complaints Committees (ICC) to redress complaints. During the year under review 1 complaint was received and resolved.

**22. Acknowledgement**

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

On behalf of the Board

**Harshbeena Zaveri**

Vice Chairman & Managing Director

**Satish Rangani**

Executive Director

Place: Mumbai

Date: May 29, 2019

# **ANNEXURE 1**

## **Form AOC-1**

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

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

### **Part "A": Subsidiaries**

|                                                                                                                                 |                                    |                             |                                          |
|---------------------------------------------------------------------------------------------------------------------------------|------------------------------------|-----------------------------|------------------------------------------|
| 1. Name of the subsidiary                                                                                                       | NRB Bearings<br>(Thailand) Limited | NRB Bearings<br>Europe GmbH | SNL Bearings<br>Limited<br>(Rs. in lacs) |
| 2. The date since the subsidiary was acquired                                                                                   | March 31, 2007                     | June 27, 2014               | June 1, 2000                             |
| 3. Reporting period for the subsidiary concerned, if different from the holding company's reporting period                      | N.A.                               | N.A.                        | N.A.                                     |
| 4. Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries. | THB<br>USD - 31.81<br>THB          | EURO<br>EURO - 77.58        | INR                                      |
| 5. Share capital (Rs.)                                                                                                          | THB 146.67 million                 | EURO 25,000.00              | 361.15                                   |
| 6. Reserves & surplus                                                                                                           | (THB 124.50 million)               | EURO 42,721.22              | 3,062.52                                 |
| 7. Total assets                                                                                                                 | THB 282.95million                  | EURO 1,18,444.54            | 3,948.03                                 |
| 8. Total Liabilities                                                                                                            | THB 260.78 million                 | EURO 50,723.32              | 524.36                                   |
| 9. Investments                                                                                                                  | --                                 | --                          | 808.37                                   |
| 10. Turnover                                                                                                                    | THB 237.81 million                 | EURO 3,37,919.63            | 3,980.81                                 |
| 11. Profit before taxation                                                                                                      | THB 19.60 million                  | EURO 16,091.41              | 1,140.64                                 |
| 12. Provision for taxation                                                                                                      | --                                 | EURO 3,545.32               | 326.28                                   |
| 13. Profit after taxation                                                                                                       | THB 19.60 million                  | EURO 12,546.09              | 814.36                                   |
| 14. Proposed Dividend                                                                                                           | --                                 | --                          | 180.58                                   |
| 15. Extent of shareholding (in percentage)                                                                                      | 100                                | 100                         | 73.45                                    |

The following information shall be furnished:-

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

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

|                                                                           |                |
|---------------------------------------------------------------------------|----------------|
| Name of Associates or Joint Ventures                                      | Not Applicable |
| Latest audited Balance Sheet Date                                         | N. A.          |
| Date on which the Associate or Joint Venture was associated or acquired   | N. A.          |
| Shares of Associate/Joint Ventures held by the company on the year end    | N. A.          |
| No.                                                                       | N. A.          |
| Amount of Investment in Associates/Joint Venture                          | N. A.          |
| Extend of Holding %                                                       | N. A.          |
| Description of how there is significant influence                         | N. A.          |
| Reason why the associate/joint venture is not consolidated                | N. A.          |
| Networth attributable to Shareholding as per latest audited Balance Sheet | N. A.          |
| Profit / Loss for the year                                                |                |

|                                     |      |
|-------------------------------------|------|
| i. Considered in Consolidation      | N.A. |
| ii. Not Considered in Consolidation | N.A. |

The following information shall be furnished:-

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

#### **For NRB Bearings Limited**

##### **Harshbeena Zaveri**

Vice Chairman & Managing Director

##### **Satish Rangani**

Executive Director

Place: Mumbai

Date : May 29, 2019

## **ANNEXURE 2**

### **Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo**

#### **A. Conservation of Energy**

(i) & (ii) The Steps taken or impact on conservation of energy and the steps taken by the Company for utilising alternate sources 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:-

- Use of PIR Sensor in server room for lights which switch on the light by the motion detection resulting in the energy conservation.
- Kaiser Press installed with Cam regulated air knives which decrease the wastage of air for burr clean ups.
- Use of in-house made glass house for moisture drying of plastic cage bearings. The glass house utilises the solar energy for this purpose.
- DC motors were replaced to AC motors resulting reduction of energy consumption
- Power consumption per bearing reduced from 0.16 KWH to 0.14 KWH by maintaining power factor 0.99 and energy saving initiatives.
- LED Lights arranged in shop floor and for street lights for better illumination and less wattage and energy saving.
- 100 watts incandescent machine lamps 90 no's replaced with CFL Lamps of 18 Watts.
- Timer inter lock arranged for ELPN hydraulic press, for switching of motor if ram not operated, avoided idle running of motor.
- Auto cut off system for air compressors to switch off and on the motor based on air demand and avoided idle running of compressor. All air receiver tanks looped and compressor pump test done, avoid air leakages thus saving in loading and unloading time of compressor.
- Mercury hydro pneumatic press added in D.C Cage for AXN Punching, previously being done on mechanical press of 3H.P Motor.
- Monoblock pump of 3 H.P Replaced with Grundfos submersible pump of 1H.P Capacity for water lifting tank.
- Conventional gear box replaced by standard gear box.
- PIV Gear Box to be replace by VFD.
- Replacement of hi-bay lamp 250 Watt to energy efficient LED 100 Watt (25 nos.)
- Replacing individual water chillers by centralised chiller.

- (i) The capital investment on energy conservation equipment- Nil

**B. Technology Absorption****(i) The efforts made towards technology absorption:**

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

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

1. Enhancing robustness of drawn cup CRB for low stiffness application housing. The sensitivity of the drawn cup CRB is continually being reduced towards excessive misalignments, de-shaping/de-formation of supporting housing. This year stringent controls have been exercised on reliability parameters to make the bearing run more smoothly with reduced friction and enhanced life. The ability of the bearing to address internal sliding friction under contamination conditions, under low load and high speed conditions has been greatly enhanced by development of unique Fluid Mechanics principles. The Company has made a great impact with customers due to this capability development.
2. During the year the Company has carried out and still continues to carry extensive studies in engine bearings in developing benchmark standards and acceptance criteria for specific post test visual patterns of the bearings. A remarkable progress has been done in developing high durability, high hardenability heat treatment solutions and materials this year. The Company has made progress in developing bearing design and development systems addressing BS-VI requirements.
3. Bearing performance spread is increased for higher loads and higher durability with lighter designs.
4. Development of tools to understand bearing performance with effect of contamination and thus reduce the sensitivity of the bearings towards contamination by developing unique geometry features within the bearing.
5. The Company has been successful in solving highly complex engineering issues beyond just friction solutions and has engaged with customers from concept to launch.
6. Development of prototype models using 3D printing techniques to understand oil flows has been a new initiative taken up this year for first time right product launch.
7. Development of the tools and manufacturing process to produce Linear Bearing for Railways Automatic Door Closure system.
8. Development of Injection Moulding Die along with process for polyamide ball slip cages.
9. Automatic Assembly line developed for the Ball Slip Bush Bearings.
10. The tools and manufacturing process has been designed and developed to produce Drawn Cup CRB Bearings with special crowning form generated on Press machine. This has resulted in the life enhancement of the bearings.

**Future Plan:**

- Tools and Fixture manufacturing through the 3D printing process, to reduce the time to market, and cut down on inventory of spares.
- Use of Laser Technology for manufacturing of the components.

**(ii) Specific areas in which R&D is carried out by the Company and benefits derived****Prime focus throughout the year was on:**

- Process Innovation for Sustainable development (PISD)-non cubicle, non-hierarchical, research oriented space.
- Tool validation prior to mass manufacturing.
- Process design to make the products 'First Time Right' and use of 3D printing for faster prototype development.
- Process optimization to get precise parts at economical cost.
- Evolving solutions with a structured method.
- Generating High Definition Surface finish on Rolling elements, for specific applications.
- Pressure velocity studies through application specific tests for gyroscopic and centrifugal effect.
- Study of micro impacts due to high radial clearance in bearings and vibration resonance studies coupled with application noise spectrum.
- Correlation development between inspection and actual fitment conditions.



- Enhancing Supplier capability both for quality and quantity.

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

- Enabling current workforce to develop cognitive out of the box modes of manufacturing
- Faster product development with reduced time to market
- Prevention of defect In-Process, even before it is generated sure shot solutions for every problem, by following a systematic process
- Range Expansion
- Expansion of services beyond friction solutions

**Future plan of action**

- IOT based manufacturing for real time production tracking, and monitoring machine performance and utilization
- Academia-Industry tie up to co create neo-lean and sustainable product designs
- Use of wind and solar energy for generating power to drive equipment in the Process Innovation Centre
- Launching new series of Unitized bearing, detent pin
- Precision transmission & engine components
- REACH compliance

- (iii) In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year): Nil
- a) The details of technology imported: N.A.
- b) The year of import: N.A.
- c) Whether the technology has been fully absorbed, areas where absorption has not taken place, and the reasons thereof: N.A.
- (ii) The expenditure incurred on Research and Development- During the year an amount of Rs.1,615.20 lacs has been incurred on revenue and capital account for R & D expenses.

**C. Foreign exchange earnings and outgo**

|                           |                    |
|---------------------------|--------------------|
| Foreign exchange earnings | Rs. 19,471.15 lacs |
| Foreign exchange outgo    | Rs. 2,945.89 lacs  |

On behalf of the Board

**Harshbeena Zaveri**  
Vice Chairman & Managing Director

**Satish Rangani**  
Executive Director

Place: Mumbai  
Date: May 29, 2019

**ANNEXURE 3****VIGIL MECHANISM/WHISTLE BLOWER POLICY****1. Introduction**

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

**2. Applicability of the Policy**

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

**3. Policy and Procedure for Disclosure, Enquiry and Disciplinary Action****3.1 Concerns which may be raised -illustrative list**

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

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

### **3.2 Concerns – how to raise/whom to disclose**

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

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

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

### **3.3 Procedure for investigation**

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

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

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

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

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

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

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

#### ANNEXURE 4

##### Annual Report on Corporate Social Responsibility (CSR) activities

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

| Sr. No. | Particulars                                                                                                                                                                                                                 | Remarks                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|---------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.      | A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs                                | As a responsible corporate citizen the Company takes pride in taking effective Corporate Social Responsibility (CSR) initiatives which are vital towards fulfilling critical societal and gaps not only in the communities it operates in but also society at large on a sustainable basis. The CSR Policy of the Company duly approved by the Board of Directors promotes the following objectives: <ul style="list-style-type: none"> <li>• Promotion of education,</li> <li>• Promoting gender equality and empowering woman,</li> <li>• Employment enhancing vocational skills,</li> <li>• Promoting social business projects,</li> <li>• Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, conservation of natural resources.</li> </ul> Link to the CSR Policy: <a href="http://www.nrbbearings.com">www.nrbbearings.com</a> |
| 2.      | The Composition of the CSR Committee.                                                                                                                                                                                       | 1) Ms. Harshbeena Zaveri – Chairman, (E/MD)<br>2) Mr. Ashank Desai – Member (NE/ID)<br>3) Mr. S. C. Rangani – Member (E/MTD)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| 3.      | Average net profit of the company for last three financial years                                                                                                                                                            | Rs. 8,448.01 lacs                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| 4.      | Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)                                                                                                                                                  | Rs. 168.96 lacs                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| 5.      | Details of CSR spent during the financial year.<br>(a) Total amount to be spent for the financial year;<br>(b) Amount unspent, if any;<br>(c) Manner in which the amount spent during the financial year is detailed below. | Rs. 176.91 lacs*<br>Nil                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |

(\* Including unspent amount of Rs. 7.95 lacs for previous years)

| (1)    | (2)                                | (3)                                    | (4)                                                                                                                             | (5)                                                                   | (6)                                                                                                                                       | (7)                                                                  | (8)                                                  |
|--------|------------------------------------|----------------------------------------|---------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------|------------------------------------------------------|
| Sr. No | CSR project or activity identified | Sector in which the project is covered | Projects or programs<br>(1) Local Area or other<br>(2) Specify the state and district where projects or programs was undertaken | Amount out-lay (budget) project or programs wise<br><br>(Rs. in lacs) | Amount spent on the projects or programs Sub –heads:<br>(1) Direct expenditure on projects or programs<br>(2) Over-heads<br>(Rs. in lacs) | Cumulative expenditure upto to the reporting period<br>(Rs. in lacs) | Amount spent: Direct or through implementing agency* |
| 1.     | Ashoka University                  | Promotion of education                 | NCR, Haryana                                                                                                                    | 75.00                                                                 | 75.00                                                                                                                                     | 75.00                                                                | Direct                                               |
| 2.     | IIT Bombay                         | Promotion of education                 | Mumbai, Maharashtra                                                                                                             | 8.80                                                                  | 8.80                                                                                                                                      | 8.80                                                                 | Direct                                               |

| (1)    | (2)                                                       | (3)                                                                                       | (4)                                                                                                                             | (5)                                                                   | (6)                                                                                                                                          | (7)                                                                      | (8)                                                  |
|--------|-----------------------------------------------------------|-------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------|------------------------------------------------------|
| Sr. No | CSR project or activity identified                        | Sector in which the project is covered                                                    | Projects or programs<br>(1) Local Area or other<br>(2) Specify the state and district where projects or programs was undertaken | Amount out-lay (budget) project or programs wise<br><br>(Rs. in lacs) | Amount spent on the projects or programs<br>Sub –heads:<br>(1) Direct expenditure on projects or programs<br>(2) Over-heads<br>(Rs. in lacs) | Cumulative expenditure upto to the reporting period<br><br>(Rs. in lacs) | Amount spent: Direct or through implementing agency* |
| 3.     | Aseema Charitable Trust                                   | Promoting education & employment enhancing vocational skills of under privileged children | Mumbai, Maharashtra                                                                                                             | 15.00                                                                 | 15.00                                                                                                                                        | 15.00                                                                    | Direct                                               |
| 4.     | 3.2.1. Education Foundation                               | Promoting education and vocational training                                               | Hyderabad, Bangalore and Mumbai                                                                                                 | 30.00                                                                 | 30.00                                                                                                                                        | 30.00                                                                    | Direct                                               |
| 5.     | Goonj                                                     | Promotion of social business projects                                                     | Mumbai, Maharashtra                                                                                                             | 10.00                                                                 | 10.00                                                                                                                                        | 10.00                                                                    | Direct                                               |
| 6.     | Kherwadi Society                                          | Promoting education and employment                                                        | Mumbai, Maharashtra                                                                                                             | 7.00                                                                  | 7.00                                                                                                                                         | 7.00                                                                     | Direct                                               |
| 7.     | Child Help Foundation                                     | Welfare of underprivileged girl child                                                     | Maharashtra                                                                                                                     | 5.00                                                                  | 5.00                                                                                                                                         | 5.00                                                                     | Direct                                               |
| 8.     | The Akshay Patra foundation                               | Eradicating hunger and malnutrition                                                       | Mumbai, Maharashtra                                                                                                             | 5.00                                                                  | 5.00                                                                                                                                         | 5.00                                                                     | Direct                                               |
| 9.     | Gyan Prakash Foundation                                   | Promotion of education                                                                    | Jalna, Maharashtra                                                                                                              | 5.00                                                                  | 5.00                                                                                                                                         | 5.00                                                                     | Direct                                               |
| 10.    | Light of Life Trust                                       | Promotion of education and skilling for employment                                        | Maharashtra                                                                                                                     | 5.00                                                                  | 5.00                                                                                                                                         | 5.00                                                                     | Direct                                               |
| 11.    | The Apprenticeship Project                                | Promotion of education and skilling for employment                                        | Maharashtra                                                                                                                     | 5.00                                                                  | 5.00                                                                                                                                         | 5.00                                                                     | Direct                                               |
| 12.    | Navjeevan Society for Rehabilitation of Mentally Retarded | Promotion of social business projects                                                     | Aurangabad, Maharashtra                                                                                                         | 1.00                                                                  | 1.00                                                                                                                                         | 1.00                                                                     | Direct                                               |
|        | Total                                                     |                                                                                           |                                                                                                                                 | 171.80                                                                | 182.00                                                                                                                                       | 182.00                                                                   |                                                      |

\* Give details of implementing agency.

6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.-

-Amount committed to IIT, Mumbai in the previous years disbursed in 2018-19

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company

|                                            |                                                   |                                                                                                        |
|--------------------------------------------|---------------------------------------------------|--------------------------------------------------------------------------------------------------------|
|                                            |                                                   | Not Applicable                                                                                         |
| Mr. Satish Rangani<br>(Executive Director) | Ms. Harshbeena Zaveri<br>(Chairman CSR Committee) | [Person specified under clause (d) of sub-section (1) of section 380 of the Act] (wherever applicable) |

## ANNEXURE 5

### Form No. AOC-2

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

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

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

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

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

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

- |                                     |   |                                |
|-------------------------------------|---|--------------------------------|
| i) NRB Bearings (Thailand) Limited  | - | Subsidiary Company             |
| ii) NRB Bearings Europe GmbH        | - | Subsidiary Company             |
| iii) SNL Bearings Limited           | - | Subsidiary Company             |
| iv) NRB Industrial Bearings Limited | - | Associate Company              |
| v) New Indo Trading                 | - | Firm where Director is partner |

##### (b) Nature of contracts/arrangements/transactions:

- |                                     |   |                                                                                                                     |
|-------------------------------------|---|---------------------------------------------------------------------------------------------------------------------|
| i) NRB Bearings (Thailand) Limited  | - | Sale of Finished Goods, Purchase of Raw Materials/<br>Component Purchase of Plant & Equipment                       |
| ii) NRB Bearings Europe GmbH        | - | Sales Promotion Expenses, Reimbursement of Expenses                                                                 |
| iii) SNL Bearings Limited           | - | Sale of Finished Goods, Purchase of Raw Materials/<br>Component Purchase of Plant & Equipment<br>Dividend on Shares |
| iv) NRB Industrial Bearings Limited | - | Sale of Finished Goods, Purchase of Raw Materials/<br>Component                                                     |

##### (c) Duration of the Contracts/ Arrangements/ Transactions:

Ongoing Related Party Transactions.

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

**1. Salient terms of Contract/ Arrangements/ Transaction:** As mentioned below:

| Sr. No. | Name of the Related Parties                                                                                                                                  | Nature of Contract/ arrangements/ transactions                    | Salient Terms of Contract/ arrangements/ transactions                                                    |
|---------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------|
| 1.      | NRB Bearings (Thailand) Limited                                                                                                                              | Sale/ Purchase of Goods                                           | As per Purchase Orders placed for their requirements of Raw Materials, Components and Finished Products. |
| 2.      | NRB Bearings Europe GmbH                                                                                                                                     | Business Support Activities (Sale Service & Business Development) | As per terms and conditions of inter company agreement                                                   |
| 3.      | SNL Bearings Limited                                                                                                                                         | Sale/ Purchase of Goods                                           | As per Purchase Orders placed for their requirements of Raw Materials, Components and Finished Products  |
| 4.      | NRB Industrial Bearings Limited                                                                                                                              | Sale/ Purchase of Goods                                           | As per Purchase Orders placed for their requirements of, Components and Finished Products                |
| 5.      | Key Managerial Persons<br>Ms. Harshbeena Zaveri , Vice Chairman & Managing Director,<br>Mr. S. C. Rangani, Executive Director<br>Mr. Devesh Sahney, Director | Remuneration & Sitting Fees                                       | As per terms and conditions on Appointment / reappointment                                               |

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

**(Rupees in lacs)**

|                                     |                                                        |          |
|-------------------------------------|--------------------------------------------------------|----------|
| i) NRB Bearings (Thailand) Limited  | - Sale of Finished Goods                               | 1,038.50 |
|                                     | - Purchase of Property Plant & Equipments              | 220.35   |
|                                     | - Purchase of Raw materials                            | 3,978.37 |
|                                     | - Reimbursement of expense                             | 23.65    |
|                                     | - ICD repayment received                               | 1,102.13 |
|                                     | - ICD interest                                         | 144.06   |
|                                     | - Investment in shares                                 | 772.57   |
| ii) NRB Bearings Europe GmbH        | - Sales Promotion expenses                             | 265.51   |
|                                     | - Reimbursement of expense                             | 6.22     |
| iii) SNL Bearings Limited           | - Sales of Raw Materials                               | 52.00    |
|                                     | - Purchase of Raw materials                            | 1,617.77 |
|                                     | - Property Plant & Equipments                          | 36.56    |
|                                     | - Dividend received on equity shares                   | 132.64   |
| iv) NRB Industrial Bearings Limited | - Sale of Raw materials                                | 117.31   |
|                                     | - Purchase of Raw materials                            | 2.83     |
| v) New Indo Trading                 | - Service charges                                      | Nil      |
| vi) Key Managerial Personnel        |                                                        |          |
| Mr. T. S. Sahney                    | - Sitting Fees and Commission                          | 44.49    |
| Ms. Harshbeena Zaveri               | - Remuneration and Commission                          | 550.82   |
| Mr. S. C. Rangani                   | - Remuneration                                         | 136.73   |
| Mr. Devesh Sahney                   | - Sitting Fees and Commission                          | 4.20     |
| Ms. Harshbeena Zaveri               | - Sale of flat                                         | 1,740.00 |
| Others                              | - Sitting Fees and Commission to Independent Directors | 32.00    |

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

- i) 21st May, 2018
- ii) 9th August, 2018
- iii) 2nd November, 2018
- iv) 4th February, 2019

**(f) Amount paid as advances, if any:**

Nil

**For NRB Bearings Limited**

**Harshbeena Zaveri**

Vice Chairman & Managing Director

Place: Mumbai

Date : May 29, 2019

**Satish Rangani**

Executive Director

**ANNEXURE 6**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED March 31, 2019**

[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 March 31, 2019 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 March 31, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowing;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and
  - c) The Securities and Exchange Board of India (Issue and Listing of Debts Securities) Regulations, 2008;

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

- a) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- b) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998;
- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- d) The Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 and/or SEBI (Share Based Employee Benefits) Regulations, 2014.
- e) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with the client.
- (vi) The Acts / Guidelines specifically applicable to the Company: The management has confirmed that there is no specific law as identified and applicable to the Company.

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

- a) Secretarial Standards with regard to Meeting of the Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of the Company Secretaries of India; and
- b) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I report that during the year under review, the Company has complied with the provisions of the Act, Rules, Regulations,

Guidelines and Standards mentioned above.

I further report that –

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors as on March 31, 2019 subject to the observation given above. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed proposal on agenda were sent in advance duly complying with the time limits specified and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- As per the minutes of the meeting duly recorded and signed by the chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

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

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

I further report that during the audit period the Company has issued Non-convertible Redeemable Debentures on private placement basis. Other than private place of debentures, there was no specific event/ action in pursuance to the above referred laws, rules, regulations, standard and guidelines, etc. referred to above, having major bearing on the Company's affairs.

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

Place: Mumbai  
Date: May 23, 2019



**ANNEXURE 7****Form No. MGT-9****EXTRACT OF ANNUAL RETURN as on 31/03/2019****[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 : June 30, 1965
- iii) Name of the Company : NRB BEARINGS LIMITED
- iv) Category / Sub-Category of the Company : Company Limited by Shares
- v) Address of the Registered office and contact details : Dhannur, 15, Sir P. M. Road, Fort, Mumbai 400001, Maharashtra.  
Email id. : investors@nrbbearings.com  
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 : M/s. Universal Capital Securities Private Limited  
Unit: NRB Bearings Limited  
21 Shakil Niwas, Opp. Satya Saibaba Temple,  
Mahakali Caves, Andheri (East),  
Mumbai 400 093, Maharashtra  
Email id. : investors@nrbbearings.com  
Web address : www.nrbbearings.com  
Telephone No. : 022 28207203  
Fax No. : 022 28207207

**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:-

**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<br>Dhannur, 15 Sir P.M. Road,<br>Fort, Mumbai 400 001                                                                     | L99999MH-<br>1979PLC134191                                                          | Subsidiary                     | 73.45            | 2(46)              |
| 2.      | NRB Bearings (Thailand)<br>Ltd. 300/69, MOO1,<br>T:Tasit, A: Pluak Daeng,<br>Province, Rayong, Thailand<br>21140                           | Foreign Company<br>(Incorporated outside<br>India) Registration<br>No.0215550000626 | Subsidiary                     | 100              | 2 (46)             |
| 3.      | NRB Bearings Europe<br>GmbH, Office # 521,<br>Regus Business Center<br>Königstrasse 10C, Stuttgart<br>Baden Württemberg<br>70173, 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 |                          |
| <b>A. Promoters</b>                                    |                                                 |             |                 |                   |                                           |             |                 |                   |                          |
| <b>(1) Indian</b>                                      |                                                 |             |                 |                   |                                           |             |                 |                   |                          |
| a) Individual/ HUF                                     | 15731215                                        | --          | 15731215        | 16.23             | 15808462                                  | 0           | 15808462        | 16.31             | 0.08                     |
| b) Central Govt.                                       | --                                              | --          | --              | --                | --                                        | --          | --              | --                | --                       |
| c) State Govt.                                         | --                                              | --          | --              | --                | --                                        | --          | --              | --                | --                       |
| d) Bodies Corp.                                        | --                                              | --          | --              | --                | --                                        | --          | --              | --                | --                       |
| e) Banks/ FI                                           | --                                              | --          | --              | --                | --                                        | --          | --              | --                | --                       |
| f) Any other (Trust)                                   | 34829642                                        | --          | 34829642        | 35.94             | 33809300                                  | 0           | 33809300        | 34.88             | -1.05                    |
| Sub-total (A) (1)                                      | <b>50560857</b>                                 | <b>--</b>   | <b>50560857</b> | <b>52.17</b>      | <b>49617762</b>                           | <b>0</b>    | <b>49617762</b> | <b>51.19</b>      | <b>-0.97</b>             |
| <b>(2) Foreign</b>                                     |                                                 |             |                 |                   |                                           |             |                 |                   |                          |
| a) NRIs - Individuals                                  | 1416341                                         | --          | 1416341         | 1.46              | 1434332                                   | 0           | 1434332         | 1.48              | 0.02                     |
| b) Other - Individuals                                 | --                                              | --          | --              | --                | --                                        | --          | --              | --                | --                       |
| c) Bodies Corp.                                        | --                                              | --          | --              | --                | --                                        | --          | --              | --                | --                       |
| d) Banks/ FI                                           | --                                              | --          | --              | --                | --                                        | --          | --              | --                | --                       |
| e) Any Other ...                                       | --                                              | --          | --              | --                | --                                        | --          | --              | --                | --                       |
| Sub-total (A) (2)                                      | <b>1416341</b>                                  | <b>--</b>   | <b>1416341</b>  | <b>1.46</b>       | <b>1434332</b>                            | <b>0</b>    | <b>1434332</b>  | <b>1.48</b>       | <b>0.02</b>              |
| Total Shareholding of Promoters<br>(A) = (A)(1)+(A)(2) | <b>51977198</b>                                 | <b>--</b>   | <b>51977198</b> | <b>53.63</b>      | <b>51052094</b>                           | <b>0</b>    | <b>51052094</b> | <b>52.67</b>      | <b>-0.95</b>             |
|                                                        |                                                 |             |                 |                   |                                           |             |                 |                   |                          |
| <b>B. Public Shareholding</b>                          |                                                 |             |                 |                   |                                           |             |                 |                   |                          |
| <b>(1) Institutions</b>                                |                                                 |             |                 |                   |                                           |             |                 |                   |                          |
| a) Mutual Funds                                        | 14937458                                        | 6500        | 14943958        | 15.42             | 18276966                                  | 6000        | 18282966        | 18.86             | 3.45                     |
| b) Banks/ FI                                           | 41991                                           | --          | 41991           | 0.04              | 43930                                     | --          | 43930           | 0.05              | 0.00                     |
| c) Central Govt.                                       | --                                              | --          | --              | --                | --                                        | --          | --              | --                | --                       |
| d) State Govt.                                         | --                                              | --          | --              | --                | --                                        | --          | --              | --                | --                       |
| e) Venture Capital Funds                               | --                                              | --          | --              | --                | --                                        | --          | --              | --                | --                       |
| f) Insurance Companies                                 | --                                              | --          | --              | --                | --                                        | --          | --              | --                | --                       |
| g) FIIs                                                | 16858813                                        | 0           | 16858813        | 17.39             | 14812475                                  | --          | 14812475        | 15.28             | -2.11                    |
| h) Foreign Venture Capital Funds                       | --                                              | --          | --              | --                | --                                        | --          | --              | --                | --                       |
| i) Others (Specify)                                    | --                                              | --          | --              | --                | --                                        | --          | --              | --                | --                       |
| Sub-total (B) (1)                                      | <b>31838262</b>                                 | <b>6500</b> | <b>31844762</b> | <b>32.86</b>      | <b>33133371</b>                           | <b>6000</b> | <b>33139371</b> | <b>34.19</b>      | <b>1.34</b>              |
| <b>(2) Non-Institutions</b>                            |                                                 |             |                 |                   |                                           |             |                 |                   |                          |
| a) Bodies Corporate                                    |                                                 |             |                 |                   |                                           |             |                 |                   |                          |
| i) Indian                                              | 4523536                                         | 4000        | 4527536         | 4.67              | 4678528                                   | 4000        | 4682528         | 4.83              | 0.16                     |
| ii) Overseas                                           | --                                              | --          | --              | --                | --                                        | --          | --              | --                | --                       |

| 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 |                          |
| b) Individuals                                                                   |                                                 |               |                 |                   |                                           |               |                 |                   |                          |
| i) Individual Shareholders holding nominal share capital upto Rs.1 Lakh          | 6148619                                         | 441760        | 6590379         | 6.80              | 5842427                                   | 362060        | 6204487         | 6.40              | -0.40                    |
| ii) Individual Shareholders holding nominal share capital in excess of Rs.1 Lakh | 498595                                          | --            | 498595          | 0.51              | 600722                                    | --            | 600722          | 0.62              | 0.11                     |
| c) Any Other                                                                     |                                                 |               |                 |                   |                                           |               |                 |                   |                          |
| i) NRI's/ OCBs                                                                   | 287071                                          | --            | 287071          | 0.30              | 380957                                    | --            | 380957          | 0.39              | 0.10                     |
| ii) Clearing Members                                                             | 199367                                          | --            | 199367          | 0.21              | 133917                                    | --            | 133917          | 0.14              | -0.07                    |
| iii) Foreign Nationals                                                           | --                                              | --            | --              | --                | --                                        | --            | --              | --                | --                       |
| iv) Trusts                                                                       | --                                              | --            | --              | --                | 2600                                      | --            | 2600            | --                | --                       |
| v) Foreign Portfolio Investment Corporation                                      | --                                              | --            | --              | --                | --                                        | --            | --              | --                | --                       |
| vi) LLP/ Partnership firm                                                        | 33874                                           | --            | 33874           | 0.03              | 32570                                     | --            | 32570           | 0.03              | 0.00                     |
| vii) NBFC                                                                        | 2139                                            | --            | 2139            | 0.00              | 139                                       | --            | 139             | 0.00              | 0.00                     |
| viii) HUF                                                                        | 307705                                          | --            | 307705          | 0.32              | 270013                                    | --            | 270013          | 0.28              | -0.04                    |
| ix) IEPF Authority                                                               | 28974                                           | --            | 28974           | 0.03              | 58620                                     | --            | 58620           | 0.06              | 0.03                     |
| x) Alternate Investment Fund                                                     | 625000                                          | --            | 625000          | 0.64              | 353582                                    | --            | 35358           | 0.36              | -0.28                    |
| (xi) Director's Relatives                                                        | --                                              | --            | --              | --                | 11000                                     | --            | 11000           | 0.01              | 0.01                     |
| Sub-total (B) (2)                                                                | <b>12654880</b>                                 | <b>445760</b> | <b>13100640</b> | <b>13.52</b>      | <b>12365075</b>                           | <b>366060</b> | <b>12731135</b> | <b>13.14</b>      | <b>-0.38</b>             |
| Total Public Shareholding (B) = (B)(1) + (B) (2)                                 | <b>44493142</b>                                 | <b>452260</b> | <b>44945402</b> | <b>46.37</b>      | <b>45498446</b>                           | <b>372060</b> | <b>45870506</b> | <b>47.33</b>      | <b>0.95</b>              |
| C. Shares held by Custodian for GDRs & ADRs                                      | --                                              | --            | --              | --                | --                                        | --            | --              | --                | --                       |
| <b>Grand Total (A+B+C)</b>                                                       | <b>96470340</b>                                 | <b>452260</b> | <b>96922600</b> | <b>100.00</b>     | <b>96550540</b>                           | <b>372060</b> | <b>96922600</b> | <b>100.00</b>     | <b>0.00</b>              |

**(ii) Shareholding of Promoters**

| Sr. No. | Shareholder's Name              | Shareholding at the beginning of the year |                                  |                                                 | Share holding at the end of the year |                                  |                                                 |                                          |
|---------|---------------------------------|-------------------------------------------|----------------------------------|-------------------------------------------------|--------------------------------------|----------------------------------|-------------------------------------------------|------------------------------------------|
|         |                                 | No of Shares                              | % of total Shares of the Company | % of Shares Pledged/ encumbered to total shares | No. of Shares                        | % of total Shares of the Company | % of Shares Pledged/ encumbered to total shares | % change in shareholding during the year |
| 1       | Aarti D. Sahney                 | 407000                                    | 0.42                             | 0                                               | 407000                               | 0.42                             | 0                                               | 0.00                                     |
| 2       | Bhupinder Singh Sahney          | 17970                                     | 0.02                             | 0                                               | 26680                                | 0.03                             | 0                                               | 0.01                                     |
| 3       | Devesh S. Sahney                | 3634583                                   | 3.75                             | 67.32                                           | 3634583                              | 3.75                             | 89.74                                           | 0.00                                     |
| 4       | Hanwantbir Kaur Sahney          | 2867000                                   | 2.96                             | 73.08                                           | 2867000                              | 2.96                             | 73.08                                           | 0.00                                     |
| 5       | Harshbeena Sahney Zaveri        | 8500167                                   | 8.77                             | 0                                               | 8568704                              | 8.84                             | 0                                               | 0.07                                     |
| 6       | Jasjiv Singh Devinder S. Sahney | 303495                                    | 0.31                             | 0                                               | 303495                               | 0.31                             | 0                                               | 0.00                                     |

|    |                                |                 |              |              |                 |              |              |               |
|----|--------------------------------|-----------------|--------------|--------------|-----------------|--------------|--------------|---------------|
| 7  | Rajiv Devinder Sahney          | 747021          | 0.77         | 0            | 747021          | 0.77         | 0            | 0.00          |
| 8  | Sahir Zaveri                   | 19752           | 0.02         | 0            | 19752           | 0.02         | 0            | 0.00          |
| 9  | Trilochan Singh Sahney         | 1000            | 0.00         | 0            | 1000            | 0.00         | 0            | 0.00          |
| 10 | Trilochan Singh Sahney Trust 1 | 34829642        | 35.94        | 0            | 33809300        | 34.88        | 0            | (1.06)        |
| 11 | Aziz Y. Zaveri                 | 649568          | 0.67         | 0            | 667559          | 0.69         | 0            | 0.02          |
|    | <b>Total</b>                   | <b>52981124</b> | <b>54.66</b> | <b>73.08</b> | <b>51977198</b> | <b>53.63</b> | <b>73.08</b> | <b>(1.03)</b> |

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

| Sr. No. | Shareholder's Name           | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|---------|------------------------------|-------------------------------------------|----------------------------------|-----------------------------------------|----------------------------------|
|         |                              | No. of Shares                             | % of total Shares of the Company | No. of Shares                           | % of total Shares of the Company |
| 1.      | Aarti D. Sahney              |                                           |                                  |                                         |                                  |
|         | At the beginning of the Year | 407000                                    | 0.42                             |                                         |                                  |
|         | Date wise Increase/ Decrease | Nil                                       | Nil                              | 407000                                  | 0.42                             |
|         | At the End of the Year       |                                           |                                  | 407000                                  | 0.42                             |
| 2.      | Bhupinder Singh Sahney       |                                           |                                  |                                         |                                  |
|         | At the beginning of the Year | 17970                                     | 0.02                             |                                         |                                  |
|         | Date wise Increase/ Decrease | Nil                                       | Nil                              | 17970                                   | 0.02                             |
|         | At the End of the Year       |                                           |                                  | 17970                                   | 0.02                             |
| 3.      | Devesh S. Sahney             |                                           |                                  |                                         |                                  |
|         | At the beginning of the Year | 3634583                                   | 3.75                             |                                         |                                  |
|         | Date wise Increase/ Decrease | Nil                                       | Nil                              |                                         |                                  |
|         | At the End of the year       |                                           |                                  | 3634583                                 | 3.75                             |
| 4.      | Hanwantbir Kaur Sahney       |                                           |                                  |                                         |                                  |
|         | At the beginning of the Year | 2867000                                   | 2.96                             |                                         |                                  |
|         | Date wise Increase/ Decrease | Nil                                       | Nil                              | 2867000                                 | 2.96                             |
|         | At the End of the Year       |                                           |                                  | 2867000                                 | 2.96                             |
| 5.      | Harshbeena Sahney Zaveri     |                                           |                                  |                                         |                                  |
|         | At the beginning of the Year | 8500167                                   | 8.77                             |                                         |                                  |
|         | 01/06/2018 Purchase          | 15792                                     | 0.02                             | 8515959                                 | 8.79                             |
|         | 27/07/2018 Purchase          | 2930                                      | 0.00                             | 8518889                                 | 8.79                             |
|         | 07/09/2018 Purchase          | 1211                                      | 0.00                             | 8520100                                 | 8.79                             |
|         | 05/10/2018 Purchase          | 3982                                      | 0.00                             | 8524082                                 | 8.79                             |
|         | 12/10/2018 Purchase          | 4725                                      | 0.01                             | 8528807                                 | 8.80                             |
|         | 19/10/2018 Purchase          | 4537                                      | 0.00                             | 8533344                                 | 8.80                             |
|         | 26/10/2018 Purchase          | 26696                                     | 0.03                             | 8560040                                 | 8.83                             |
|         | 02/11/2018 Purchase          | 8664                                      | 0.01                             | 8568704                                 | 8.84                             |
|         | At End of the Year           |                                           |                                  | 8568704                                 | 8.84                             |

| Sr. No. | Shareholder's Name                 | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|---------|------------------------------------|-------------------------------------------|----------------------------------|-----------------------------------------|----------------------------------|
|         |                                    | No. of Shares                             | % of total Shares of the Company | No. of Shares                           | % of total Shares of the Company |
| 6.      | Jasjiv Singh Devinder Singh Sahney |                                           |                                  |                                         |                                  |
|         | At the beginning of the Year       | 303495                                    | 0.31                             |                                         |                                  |
|         | Date wise Increase/ Decrease       | Nil                                       | Nil                              | 303495                                  | 0.31                             |
|         | At End of the Year                 |                                           |                                  | 303495                                  | 0.31                             |
| 7.      | Rajiv Devinder Sahney              |                                           |                                  |                                         |                                  |
|         | At the beginning of the Year       | 747021                                    | 0.77                             |                                         |                                  |
|         | Date wise Increase/ Decrease       | Nil                                       | Nil                              | 747021                                  | 0.77                             |
|         | At the End of the Year             |                                           |                                  | 747021                                  | 0.77                             |
| 8.      | Sahir Zaveri                       |                                           |                                  |                                         |                                  |
|         | At the beginning of the Year       | 19752                                     | 0.02                             |                                         |                                  |
|         | Date wise Increase/ Decrease       | Nil                                       | Nil                              | 19752                                   | 0.02                             |
|         | At the End of the Year             |                                           |                                  | 19752                                   | 0.02                             |
| 9.      | Trilochan Singh Sahney             |                                           |                                  |                                         |                                  |
|         | At the beginning of the Year       | 1000                                      | 0                                |                                         |                                  |
|         | Date wise Increase/ Decrease       | Nil                                       | Nil                              | 1000                                    | 0                                |
|         | At the End of the Year             |                                           |                                  | 1000                                    | 0                                |
| 10.     | Trilochan Singh Sahney Trust 1     |                                           |                                  |                                         |                                  |
|         | At the beginning of the Year       | 34829642                                  | 35.94                            |                                         |                                  |
|         | 11/05/2018 Sell                    | -20342                                    | -0.02                            | 34809300                                | 35.91                            |
|         | 01/06/2018 Sell                    | -1000000                                  | -1.03                            | 33809300                                | 34.88                            |
|         | At the End of the Year             |                                           |                                  | 33809300                                | 34.88                            |
| 11.     | Aziz Y Zaveri                      |                                           |                                  |                                         |                                  |
|         | At the beginning of the Year       | 649568                                    | 0.67                             |                                         |                                  |
|         | 01/06/2018 Purchase                | 1000                                      | 0.00                             | 650568                                  | 0.67                             |
|         | 08/06/2018 Purchase                | 1746                                      | 0.00                             | 652332                                  | 0.67                             |
|         | 20/07/2018 Purchase                | 4000                                      | 0.01                             | 656332                                  | 0.68                             |
|         | 27/07/2018 Purchase                | 2000                                      | 0.00                             | 660332                                  | 0.68                             |
|         | 29/09/2018 Purchase                | 2000                                      | 0.00                             | 661033                                  | 0.68                             |
|         | 05/10/2018 Purchase                | 701                                       | 0.00                             | 664059                                  | 0.68                             |
|         | 26/10/2018 Purchase                | 3026                                      | 0.01                             | 664059                                  | 0.69                             |
|         | 02/11/2018 Purchase                | 500                                       | 0.00                             | 664559                                  | 0.69                             |
|         | 31/12/2018 Purchase                | 3000                                      | 0.00                             | 667559                                  | 0.69                             |
|         | At the End of the Year             |                                           |                                  | 667559                                  | 0.69                             |

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

| Sr. No. | Shareholder's Name                                         | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|---------|------------------------------------------------------------|-------------------------------------------|----------------------------------|-----------------------------------------|----------------------------------|
|         |                                                            | No. of Shares                             | % of total Shares of the Company | No. of Shares                           | % of total Shares of the Company |
| 1       | Nalanda India Equity Fund Ltd.                             |                                           |                                  |                                         |                                  |
|         | At the beginning of the Year                               | 9682667                                   | 9.99                             |                                         |                                  |
|         | Date wise Increase/ Decrease                               | Nil                                       | Nil                              | 9682667                                 | 9.99                             |
|         | At the End of the Year                                     |                                           |                                  | 9682667                                 | 9.99                             |
| 2       | ICICI Prudential Life Insurance Company                    |                                           |                                  |                                         |                                  |
|         | At the beginning of the Year                               | 3808112                                   | 3.93                             |                                         |                                  |
|         | Date wise Increase/ Decrease                               | Nil                                       | Nil                              |                                         |                                  |
|         | At the End of the Year                                     |                                           |                                  | 3808112                                 | 3.93                             |
| 3       | SBI Magnum Tax gain Scheme                                 |                                           |                                  |                                         |                                  |
|         | At the beginning of the Year                               | 3409139                                   | 3.93                             |                                         |                                  |
|         | 15/06/2018 Sale                                            | (420862)                                  | (0.43)                           | 2988277                                 | 3.08                             |
|         | 22/06/2018 Sale                                            | (7790)                                    | (0.01)                           | 2980487                                 | 3.08                             |
|         | 10/08/2018 Sale                                            | (21649)                                   | (0.02)                           | 2958838                                 | 3.05                             |
|         | 16/11/2018 Sale                                            | (2700000)                                 | (2.79)                           | 258838                                  | 0.27                             |
|         | 23/11/2018 Sale                                            | (258838)                                  | (0.27)                           | 0                                       | 0.00                             |
|         | At the End of the Year                                     |                                           |                                  | Nil                                     | Nil                              |
| 4       | Sundaram Mutual Fund A/C (Sundaram Smile Fund)             |                                           |                                  |                                         |                                  |
|         | At the beginning of the Year                               | 25334862                                  | 2.61                             |                                         |                                  |
|         | 22/02/2019 Sale                                            | (86889)                                   | (0.09)                           | 2446597                                 | 2.52                             |
|         | 01/03/2019 Sale                                            | (5708)                                    | (0.01)                           | 2440889                                 | 2.52                             |
|         | At the End of the Year                                     |                                           |                                  | 2440889                                 | 2.52                             |
| 5       | Reliance Capital Trustee Co. Limited                       |                                           |                                  |                                         |                                  |
|         | At the beginning of the Year                               | 2335472                                   | 2.41                             |                                         |                                  |
|         | At the End of the Year                                     |                                           |                                  | 2335472                                 | 2.41                             |
| 6       | Mondrian Emerging Markets Small Cap Equity                 |                                           |                                  |                                         |                                  |
|         | At the beginning of the Year                               | 1786613                                   | 1.84                             |                                         |                                  |
|         | 04/05/2018 Sale                                            | (49000)                                   | (0.05)                           | 1737613                                 | 1.79                             |
|         | 11/05/2018 Sale                                            | (80196)                                   | (0.08)                           | 1657417                                 | 1.71                             |
|         | 18/05/2018 Sale                                            | (1657417)                                 | (1.71)                           | 0                                       | 0.00                             |
|         | At the End of the Year                                     |                                           |                                  | Nil                                     | Nil                              |
| 7       | SBI Magnum Midcap Fund                                     |                                           |                                  |                                         |                                  |
|         | At the beginning of the Year                               | 1275761                                   | 1.32                             |                                         |                                  |
|         | At the End of the Year                                     |                                           |                                  | 1275761                                 | 1.32                             |
| 8       | Ontario Pension Board-Mondrian Investment Partners Limited |                                           |                                  |                                         |                                  |
|         | At the beginning of the Year                               | 1145781                                   | 1.18                             |                                         |                                  |
|         | 18/05/2018 Sale                                            | (1145781)                                 | (1.18)                           | 0                                       | 0.00                             |
|         | At the End of the Year                                     |                                           |                                  | Nil                                     | Nil                              |

| Sr. No. | Shareholder's Name                                              | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|---------|-----------------------------------------------------------------|-------------------------------------------|----------------------------------|-----------------------------------------|----------------------------------|
|         |                                                                 | No. of Shares                             | % of total Shares of the Company | No. of Shares                           | % of total Shares of the Company |
| 9       | Acacia Partners, LP                                             |                                           |                                  |                                         |                                  |
|         | At the beginning of the Year                                    | 1080000                                   | 1.11                             |                                         |                                  |
|         | At the End of the Year                                          |                                           |                                  | 1080000                                 | 1.11                             |
| 10      | SBI Magnum Multiplier Fund                                      |                                           |                                  |                                         |                                  |
|         | At the beginning of the Year                                    | 968241                                    | 1.00                             |                                         |                                  |
|         | 20/04/2018 Sale                                                 | (34404)                                   | (0.04)                           | 933837                                  | 0.96                             |
|         | 27/04/2018 Sale                                                 | (746534)                                  | (0.77)                           | 187303                                  | 0.19                             |
|         | 04/05/2018 Sale                                                 | (33168)                                   | (0.03)                           | 154135                                  | 0.16                             |
|         | 18/05/2018 Sale                                                 | (35655)                                   | (0.04)                           | 118480                                  | 0.12                             |
|         | 25/05/2018 Sale                                                 | (76924)                                   | (0.08)                           | 41556                                   | 0.04                             |
|         | 01/06/2018 Sale                                                 | (41556)                                   | (0.04)                           | 0                                       | 0.00                             |
|         | At the End of the Year                                          |                                           |                                  | Nil                                     | Nil                              |
| 11      | Acacia Institutional Partners, LP                               |                                           |                                  |                                         |                                  |
|         | At the beginning of the Year                                    | 900000                                    | 0.93                             |                                         |                                  |
|         | At the End of the Year                                          |                                           |                                  | 900000                                  | 0.93                             |
| 12      | Sundaram Mutual Fund A/c Sundaram Infrastructure Advantage Fund |                                           |                                  |                                         |                                  |
|         | At the beginning of the Year                                    | 765771                                    | 0.79                             |                                         |                                  |
|         | At the End of the Year                                          |                                           |                                  | 765771                                  | 0.79                             |
| 13      | Franklin Templeton Mutual Fund A/c Franklin Build India Fund    |                                           |                                  |                                         |                                  |
|         | At the beginning of the Year                                    | 700000                                    | 0.72                             |                                         |                                  |
|         | At the End of the Year                                          |                                           |                                  | 700000                                  | 0.72                             |
| 14      | J P Morgan Smaller Companies Fund                               |                                           |                                  |                                         |                                  |
|         | At the beginning of the Year                                    | 691680                                    | 0.71                             |                                         |                                  |
|         | 21/12/2018 Sale                                                 | (95566)                                   | (0.10)                           | 596114                                  | 0.62                             |
|         | 31/12/2018 Sale                                                 | (54434)                                   | (0.06)                           | 541680                                  | 0.56                             |
|         | At the End of the Year                                          |                                           |                                  | 541680                                  | 0.56                             |

| Sr. No. | Shareholder's Name           | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|---------|------------------------------|-------------------------------------------|----------------------------------|-----------------------------------------|----------------------------------|
|         |                              | No. of Shares                             | % of total Shares of the Company | No. of Shares                           | % of total Shares of the Company |
| 15      | HDFC Small Cap Fund          |                                           |                                  |                                         |                                  |
|         | At the beginning of the Year | 635000                                    | 0.66                             |                                         |                                  |
|         | 08/06/2018 Purchase          | 2250000                                   | 2.32                             | 2885000                                 | 2.98                             |
|         | 03/08/2018 Purchase          | 15000                                     | 0.02                             | 2900000                                 | 2.99                             |
|         | 10/08/2018 Purchase          | 51750                                     | 0.05                             | 2951750                                 | 3.05                             |
|         | 17/08/2018 Purchase          | 23000                                     | 0.02                             | 2974750                                 | 3.07                             |
|         | 29/09/2018 Purchase          | 42000                                     | 0.04                             | 3016750                                 | 3.11                             |
|         | 05/10/2018 Purchase          | 23400                                     | 0.02                             | 3040150                                 | 3.14                             |
|         | 12/10/2018 Purchase          | 80297                                     | 0.08                             | 3120447                                 | 3.22                             |
|         | 19/10/2018 Purchase          | 726400                                    | 0.75                             | 3846847                                 | 3.97                             |
|         | 26/10/2018 Purchase          | 180000                                    | 0.19                             | 4026847                                 | 4.15                             |
|         | 02/11/2018 Purchase          | 5600                                      | 0.01                             | 4032447                                 | 4.16                             |
|         | 16/11/2018 Purchase          | 2521000                                   | 2.60                             | 6553447                                 | 6.76                             |
|         | 23/11/2018 Purchase          | 128385                                    | 0.13                             | 6681832                                 | 6.89                             |
|         | 30/11/2018 Purchase          | 49000                                     | 0.05                             | 6730832                                 | 6.94                             |
|         | 07/12/2018 Purchase          | 64400                                     | 0.07                             | 6795232                                 | 7.01                             |
|         | 14/12/2018 Purchase          | 540850                                    | 0.56                             | 7336082                                 | 7.57                             |
|         | 04/01/2019 Purchase          | 89360                                     | 0.09                             | 7425442                                 | 7.66                             |
|         | 11/01/2019 Purchase          | 94040                                     | 0.10                             | 7519482                                 | 7.76                             |
|         | 18/01/2019 Purchase          | 166700                                    | 0.17                             | 7686182                                 | 7.93                             |
|         | 25/01/2019 Purchase          | 539000                                    | 0.56                             | 8225182                                 | 8.49                             |
|         | 01/02/2019 Purchase          | 200000                                    | 0.21                             | 8425182                                 | 8.69                             |
|         | At the End of the Year       |                                           |                                  | 8425182                                 | 8.69                             |

**(v) Shareholding of Directors and Key Managerial Personnel:**

| Sr. No. | Name of the Director         | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|---------|------------------------------|-------------------------------------------|----------------------------------|-----------------------------------------|----------------------------------|
|         |                              | No. of Shares                             | % of total Shares of the Company | No. of Shares                           | % of total Shares of the Company |
| 1.      | Trilochan Singh Sahney*      |                                           |                                  |                                         |                                  |
|         | At the beginning of the Year | 1000                                      | 0.00                             |                                         |                                  |
|         | Date wise Increase/ Decrease | NIL                                       | NIL                              | 1000                                    | 0.00                             |
|         | At the End of the Year       |                                           |                                  | 1000                                    | 0.00                             |
| 2.      | Harshbeena Sahney Zaveri     |                                           |                                  |                                         |                                  |
|         | At the beginning of the Year | 8500167                                   | 8.72                             |                                         |                                  |
|         | At End of the Year           |                                           |                                  | 8568704                                 | 8.84                             |
| 3.      | S. C. Rangani                |                                           |                                  |                                         |                                  |
|         | At the beginning of the Year | 6000                                      | 0.00                             |                                         |                                  |
|         | At the End of the Year       |                                           |                                  | 9000                                    | 0.00                             |
| 4.      | Devesh S. Sahney             |                                           |                                  |                                         |                                  |
|         | At the beginning of the Year | 3634583                                   | 3.75                             |                                         |                                  |
|         | At the End of the year       |                                           |                                  | 3634583                                 | 3.75                             |
| 5.      | Tashwinder Singh             |                                           |                                  |                                         |                                  |
|         | At the beginning of the Year | NIL                                       | NIL                              |                                         |                                  |
|         | Date wise Increase/ Decrease | NIL                                       | NIL                              | NIL                                     | NIL                              |
|         | At the End of the Year       |                                           |                                  | NIL                                     | NIL                              |



| Sr. No. | Name of the Director         | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|---------|------------------------------|-------------------------------------------|----------------------------------|-----------------------------------------|----------------------------------|
|         |                              | No. of Shares                             | % of total Shares of the Company | No. of Shares                           | % of total Shares of the Company |
| 8.      | A. A. Gowariker *            |                                           |                                  |                                         |                                  |
|         | At the beginning of the Year | NIL                                       | NIL                              |                                         |                                  |
|         | Date wise Increase/ Decrease | NIL                                       | NIL                              | NIL                                     | NIL                              |
|         | At the End of the Year       |                                           |                                  | NIL                                     | NIL                              |
| 9.      | Ashank Desai                 |                                           |                                  |                                         |                                  |
|         | At the beginning of the Year | NIL                                       | NIL                              |                                         |                                  |
|         | Date wise Increase/ Decrease | NIL                                       | NIL                              | NIL                                     | NIL                              |
|         | At the End of the Year       |                                           |                                  | NIL                                     | NIL                              |
| 10.     | Rustom Desai                 |                                           |                                  |                                         |                                  |
|         | At the beginning of the Year | NIL                                       | NIL                              |                                         |                                  |
|         | Date wise Increase/ Decrease | NIL                                       | NIL                              | NIL                                     | NIL                              |
|         | At the End of the Year       |                                           |                                  | NIL                                     | NIL                              |
| 11.     | Tanushree Bagrodia           |                                           |                                  |                                         |                                  |
|         | At the beginning of the Year | NIL                                       | NIL                              |                                         |                                  |
|         | Date wise Increase/ Decrease | NIL                                       | NIL                              | NIL                                     | NIL                              |
|         | At the End of the Year       |                                           |                                  | NIL                                     | NIL                              |
| 12.     | Shruti Joshi *               |                                           |                                  |                                         |                                  |
|         | At the beginning of the Year | NIL                                       | NIL                              |                                         |                                  |
|         | At the End of the Year       |                                           |                                  | 10                                      | 0.00                             |

\* For part of the year

## 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                                 | 10537.36-                        | 9445.43         | -        | 19982.79                         |
| ii) Interest due but not paid                       | -                                | -               | -        | -                                |
| iii) Interest accrued but not due                   | 33.84                            | 348.02          | -        | 381.86                           |
| Total (i+ii+iii)                                    | 10571.20                         | 9793.45         | -        | 20364.65                         |
| Change in Indebtedness during the financial year    |                                  |                 |          |                                  |
| Addition                                            | 51253.04                         | 11500.00        | -        | 62753.04                         |
| Reduction                                           | (44988.05)                       | (12254.78)      | -        | (57242.83)                       |
| Net Change                                          | 6264.99                          | (754.78)        | -        | 5510.21                          |
| Indebtedness at the end of the financial year       |                                  |                 |          |                                  |
| i) Principal Amount                                 | 16798.57                         | 8730.33         | -        | 25528.90                         |
| ii) Interest due but not paid                       | -                                | -               | -        | -                                |
| iii) Interest accrued but not due                   | 37.62                            | 308.34          | -        | 345.96                           |
| Total (i+ii+iii)                                    | 16836.19                         | 9038.67         | -        | 25874.86                         |

**VII. Remuneration of Directors and Key Managerial Personnel**

A. Remuneration to Managing Director, Whole-time Directors and/or Manager for 2018-19:

(In Rs.)

| Sr. No. | Particulars of Remuneration                                                                                                                                                                                          | Name of MD/WTD/ Manager                                 |                                           | Total Amount                     |
|---------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------|-------------------------------------------|----------------------------------|
|         |                                                                                                                                                                                                                      | Ms. H. S. Zaveri<br>(Vice Chairman & Managing Director) | Mr. S. C. Rangani<br>(Executive Director) |                                  |
| 1.      | Gross salary:<br>(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961<br>(b) Value of perquisites u/s 17(2)<br>(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | 1,35,00,000<br>2,94,35,994<br>--                        | 99,00,000<br>84,600<br>--                 | 2,34,00,000<br>2,95,20,594<br>-- |
| 2.      | Stock Option                                                                                                                                                                                                         | -                                                       | -                                         | -                                |
| 3.      | Sweat Equity                                                                                                                                                                                                         | -                                                       | -                                         | -                                |
| 4.      | Commission:<br>- as % of profit<br>- others, specify (Variable Pay)                                                                                                                                                  | 98,76,970                                               | 25,00,000                                 | 1,23,76,970                      |
| 5.      | Others, please specify Retirals                                                                                                                                                                                      | 22,69,350                                               | 11,88,000                                 | 34,57,350                        |
|         | Total (A)                                                                                                                                                                                                            | 5,50,82,314                                             | 1,36,72,600                               | 6,87,54,914                      |
|         | Ceiling as per the Act (Sec197)                                                                                                                                                                                      |                                                         |                                           | 15,69,49,233                     |

B. Remuneration to Other Directors during 2018-19:

(In Rs.)

| Sr. No. | Particulars of Remuneration                  | Name of Directors |                     |                  |                      |                  |                  |               |
|---------|----------------------------------------------|-------------------|---------------------|------------------|----------------------|------------------|------------------|---------------|
|         |                                              | Mr. T. S. Sahney  | Ms. A. A. Gowariker | Mr. D. S. Sahney | Mr. Tashwinder Singh | Mr. Ashank Desai | Mr. Rustom Desai | Vishakha R.M. |
| 1.      | Fee for attending board / committee meetings | -                 | 1,80,000            | -                | 5,80,000             | 3,60,000         | 3,30,000         | 2,50,000      |
|         | Commission                                   | -                 | 5,00,000            | -                | 5,00,000             | 5,00,000         | 3,33,333         | -             |
|         | Others, please specify                       |                   |                     |                  |                      |                  |                  |               |
|         | Total (1)                                    | -                 | 6,80,000            | -                | 10,80,000            | 8,60,000         | 6,63,333         | -             |
| 2.      | Other Non-Executive Directors                |                   |                     |                  |                      |                  |                  |               |
|         | Fee for attending board / committee meetings | 1,00,000          | -                   | 1,20,000         | -                    | -                | -                | -             |
|         | Commission                                   | 57,50,000         | -                   | 4,16,667         | -                    | -                | -                | -             |
|         | Others, please specify                       |                   |                     |                  |                      |                  |                  |               |
|         | Total (2)                                    | 58,50,000         | -                   | 5,36,667         | -                    | -                | -                | -             |
|         | Total (B)=(1+2)                              | 58,50,000         | 6,80,000            | 5,36,667         | 10,80,000            | 8,60,000         | 6,63,333         | -             |

C. Remuneration to Key Managerial Personnel other than Managing Director, Whole-time Directors and/or Manager for 2018-19: (In Rs.)

| Sr. No. | Particulars of Remuneration                                                         | Name of Manager (KMP)                     |                                                        | Total Amount |
|---------|-------------------------------------------------------------------------------------|-------------------------------------------|--------------------------------------------------------|--------------|
|         |                                                                                     | Ms. Tanushree Bagrodia<br>(CFO & VP (IT)) | Ms. Shruti Joshi<br>Company Secretary<br>& AVP (Legal) |              |
| 1.      | Gross salary:                                                                       |                                           |                                                        |              |
|         | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 53,19,996                                 | 13,42,903                                              | 66,62,899    |
|         | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961                             | 89,85,708                                 | 22,10,561                                              | 1,11,96,269  |
|         | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961/Variable Pay | 31,34,847                                 | 7,00,000                                               | 38,34,847    |
| 2.      | Stock Option                                                                        | -                                         | -                                                      | -            |
| 3.      | Sweat Equity                                                                        | -                                         | -                                                      | -            |
| 4.      | Commission:<br>- as % of profit<br>- others, specify...                             | -                                         | -                                                      | -            |
| 5.      | Others, please specify                                                              | 35,89,225                                 | 2,25,742                                               | 38,14,967    |
|         | Total (A)                                                                           | 2,10,29,776                               | 44,79,206                                              | 2,55,08,982  |

**VIII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES:**

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

## ANNEXURE 8

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

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

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

| Name of Directors                                           | Remuneration<br>(Rs. In lacs) | Median<br>Remuneration<br>(Rs. In Lacs) | Ratio  |
|-------------------------------------------------------------|-------------------------------|-----------------------------------------|--------|
| Ms. Harshbeena Zaveri<br>Executive/Non-Independent Director | 550.82                        | 4.21                                    | 130.84 |
| Mr. S. C. Rangani<br>Executive/ Non-Independent Director    | 136.72                        | 4.21                                    | 32.48  |
| Ms. Tanushree Bagrodia (CFO)                                | 210.29                        | 4.21                                    | 49.95  |
| Ms. Shruti Joshi (CS)                                       | 44.79                         | 4.21                                    | 10.64  |

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

| Name of Directors                                             | Percentage increase in remuneration<br>in the Financial year. |
|---------------------------------------------------------------|---------------------------------------------------------------|
| Ms. Harshbeena Zaveri,<br>Executive, Non-Independent Director | 45.26                                                         |
| Mr. S. C. Rangani,<br>Executive, Non-Independent Director     | 70.01                                                         |
| Ms. Tanushree Bagrodia (CFO)                                  | 67.68                                                         |

- c. The percentage increase in the median remuneration of employees in the financial year ;

The median remuneration of employees of the Company has decreased by 1.19 per cent during the financial year 2018-19. (from Rs.4.26 lacs p.a to Rs. 4.21 Lacs p.a..)

- d. The Company has 1516 number of permanent employees on the rolls of company as on 31 March, 2019;
- e. Average percentile increase already made in the salaries of employees other than the managerial personnel and its comparison with the percentile increase in the managerial remuneration and justification thereof.
- Average percentile reduction in the salaries of employees other than Managerial Personnel is 1.3 per cent while increase in the Managerial Remuneration is 4.3 per cent.
- f. The remuneration is as per the remuneration policy of the company.

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

**Harshbeena Zaveri**  
Vice Chairman & Managing Director

**S. C. Rangani**  
Executive Director

Place: Mumbai  
Date: May 29, 2019

## **CEO/CFO CERTIFICATION**

We, Harshbeena Zaveri and Tanushree Bagrodia, the Vice Chairman & Managing Director and Chief Financial Officer of NRB Bearings limited (the Company) respectively, hereby certify to the Board of Directors that:

- a. We have reviewed financial statements and the cash flow statement for the year 2018-19 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 violate 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 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 Limited**

**Harshbeena Zaveri**  
**Vice Chairman & Managing Director**

**Tanushree Bagrodia**  
**Chief Financial Officer**

Place: Mumbai

Date : May 29, 2019

### **Declaration regarding compliance by the Board Members and Senior Management Personnel with the Company 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 website. All Board Members and Senior Management personnel have affirmed compliance with the Code of Conduct in respect of the financial year ended March 31, 2019.

### **For NRB Bearings Limited**

**Harshbeena Zaveri**  
**Vice Chairman & Managing Director**

Place: Mumbai

Date : May 29, 2019

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **Industry Structure and Development**

The Company is in the ball and roller bearing business for the requirements of the mobility industry which has Indian Original Equipment Manufacturers (OEMs) and Tier I customers accounting for 65 per cent -70 per cent of the demand while the rest is supplied to the Aftermarket (12 per cent -15 per cent) and Exports (20 per cent -25 per cent). Exports is predominantly to OEMs and Tier I customers. Other than the Aftermarket, vehicle manufacturers comprise of the following broad segments:

- 2/3 wheelers comprising motor cycles, scooters, mopeds, auto rickshaws (passengers and goods) and industrial 4 stroke engines
- Passenger cars from small cars hatchbacks to luxury models and utility vehicles
- Commercial vehicles from LCVs, MCV/HCV to buses
- Farm equipment and off highway vehicles including forklifts trucks and construction equipment
- Railway locomotives
- Defence vehicles including gun carriers and tanks
- Aircraft and aerospace applications

Market growth in the Indian mobility industry for both people and goods has a very large potential given the geographical spread, size of population and the current low penetration. Growth in the goods mobility segment is being driven by the need to establish strong supply chains between producers and markets. Improvements in road infrastructure would help this area of business.

After strong growth in 2017 and early 2018, global economic activity slowed notably in the second half of 2018, reflecting a confluence of factors affecting major economies. China's growth declined following a combination of needed regulatory tightening to rein in shadow banking and an increase in trade tensions with the United States. The euro area economy lost more momentum than expected as consumer and business confidence weakened and external demand, especially from emerging Asia, softened. Trade tensions increasingly took a toll on business confidence and financial market sentiment worsened, with financial conditions tightening for vulnerable emerging markets and advanced economies.

The Indian economy started the fiscal year 2018-19 with a healthy 8.2 per cent growth in the first quarter on the back of domestic resilience. Growth eased to 7.3 per cent in the subsequent quarters due to rising global volatility, largely from financial volatility, normalized monetary policy in advanced economies, externalities from trade disputes, and investment rerouting. Further, in the first half of FY19 the Indian rupee suffered because of the crude price shock, and conditions exacerbated as recovery in some advanced economies caused faster investment outflows. The rupee recovered in the latter half though the global growth remained muted. Despite the global scenario, the Indian economy remains one of the fastest growing. In fact, the effects of the aforementioned external shocks were contained in part by India's strong macroeconomic fundamentals and policy changes (including amendments to the policy/code related to insolvency and bankruptcy, bank recapitalization, and foreign direct investment).

These projections could be attributed to the sustained rise in consumption and a gradual revival in investments, especially with a greater focus on infrastructure development. The improving macroeconomic fundamentals have further been supported by the implementation of reform measures, which has helped foster an environment to boost investments and ease banking sector concerns. Together, these augur well for a healthy growth path for the economy.

The automobile industry in India is world's fourth largest, with the country currently being the world's fourth largest manufacturer of cars and seventh largest manufacturer of commercial vehicles in 2017. Indian automotive industry (including component manufacturing) is expected to reach Rs. 16.16-18.18 trillion (US\$ 251.4-282.8 billion) by 2026. The automobile industry produced a total 30,915,420 vehicles including passenger vehicles, commercial vehicles, three wheelers and two wheelers in April 2018-March 2019 as against 29,094,447 in April 2017-March 2018, registering a growth of 6.26 per cent over the same period last year.

In April 2018-March 2019, overall automobile exports grew by 14.50 per cent. While Passenger Vehicles exports declined by (-) 9.64 per cent, Commercial Vehicles, Three Wheelers and Two Wheelers registered a growth of 3.17 per cent, 49.00 per cent and 16.55 per cent respectively in April 2018-March 2019 over the same period last year.

Source: International Monetary Fund, IBEF, SIAM

**Vehicle Production (Nos.)**

| Category       | 2018-19    | 2017-18    | % Growth | % Growth Expected in 2019-20 |
|----------------|------------|------------|----------|------------------------------|
| 2-Wheelers     |            |            |          |                              |
| Motorcycle     | 16,502,734 | 15,159,700 | 8.86%    | 5-7%                         |
| Scooter        | 7,095,163  | 7,117,795  | -0.32%   |                              |
| Mopeds         | 905,189    | 869,562    | 4.10%    |                              |
| Total          | 24,503,086 | 23,147,057 | 5.86%    |                              |
| 3-Wheelers     | 1,268,723  | 1,022,181  | 24.12%   | 3-5%                         |
| Passenger Cars | 2,710,057  | 2,746,658  | -1.33%   |                              |
| MUV/MPV        | 1,315,990  | 1,273,609  | 3.32%    |                              |
| HCV/MCV        | 444,202    | 344,592    | 28.91%   | 10-12%                       |
| LCV            | 667,974    | 550,856    | 21.26%   |                              |
| Total          | 30,910,032 | 29,092,734 | 6.26%    |                              |

Source: SIAM

The auto-components industry accounts for 2.3 per cent of India's Gross Domestic Product (GDP). Auto Components industry exports, which is currently valued at USD 13.5 bn, is expected to grow at an annual rate of 23.9 per cent to reach USD 80 bn by 2026. USA, Germany, Turkey, UK, and Italy are the top destinations for exports.

Source: IBEF

**Growth drivers of the Auto comp industry:**

- Expanding R&D hub  
India accounted for 40 per cent of global engineering and R&D activities
- Emerging global sourcing hub  
Proximity to markets such as ASEAN, Europe, Japan and Korea
- Cost competitive  
Excise duty reduction in vehicles will spur demand
- Fourth largest vehicles manufacturer in the world  
India expected to be the third largest market by 2026
- Favorable trade policy  
100 per cent FDI allowed and no restrictions on import-export

The auto components sector has been observing robust growth with a turnover of US\$ 51.2 billion in FY18 and turnover is anticipated to reach US\$ 200 billion by FY26. India's exports of auto components could account for as much as 26 per cent of the market by 2021. Favourable government policies such as Auto Policy 2002, Automotive Mission Plan 2016-2026, National Automotive Testing and R&D Infrastructure Projects (NATRiPs), have helped the Indian auto components industry achieve considerable growth. The government has also extended the FAME Scheme from September 2018 to March 2019, largely benefitting electric public transportation and personal use hybrid vehicles.

India is emerging as global hub for auto component sourcing. A cost-effective manufacturing base keeps costs lower by 10-25 per cent relative to operations in Europe and Latin America. Relative to Chinese suppliers, India is geographically closer to key automotive markets like the Middle East and Europe.

**Financials**

During the year under review Revenue from operations, net of levies, has increased by 13.2 per cent to Rs. 94,021 lacs from Rs.83,063 lacs in 2017-18. Domestic sales increased by 11.8 per cent Rs.72,767 lacs from Rs. 65,082 lacs while exports have increased by 17.5 per cent to Rs.19,821 lacs from Rs. 16,860 lacs in 2017-18.

The table below sets forth the key expense items as a percentage of income for 2018-19 and 2017-18. Margins have been higher owing to higher volumes leading to lower employee and expense payments.

(Rs. in Lacs)

|                                              | % of Turnover -Year ended March 31 |               |
|----------------------------------------------|------------------------------------|---------------|
|                                              | 2019                               | 2018          |
| Revenue from operations (net of excise duty) | 94021 (100%)                       | 83063 (100 %) |
| Other income                                 | 691.23                             | 1151.54       |
| Expenditure:                                 |                                    |               |
| - Material (Including change in stock)       | 41.38                              | 42.78         |
| - Employee Cost                              | 13.00                              | 13.39         |
| - Manufacturing and Other expenses (Net)     | 28.05                              | 28.65         |
| Total Expenditure                            | 82.43                              | 81.82         |
| Profit before Depreciation, Interest and Tax | 17.57                              | 18.18         |
| Depreciation                                 | 3.39                               | 3.37          |
| Finance costs                                | 1.50                               | 1.72          |
| Profit before Exceptional Items and Tax      | 13.42                              | 14.48         |
| Exceptional Item                             | 1.76                               | 0.00          |

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

| Ratio                                      | NRB        | SKF India  | Timken India | Schaeffler India |
|--------------------------------------------|------------|------------|--------------|------------------|
| Year Ended                                 | 31.03.2019 | 31.03.2019 | 31.03.2019   | 31.03.2019       |
| Operating Profit (EBITDA) to Net Sales - % | 20.07%     | 16.01%     | 17.34%       | 18.20%           |
| RONW-PAT/Net Worth - %                     | 20.84%     | 19.78%     | 11.08%       | 15.51%           |
| ROCE –EBIT/Cap employed - %                | 27.68%     | 29.76%     | 16.54%       | 24.79%           |
| EPS *                                      | 10.19      | 16.63      | 66.03        | 134.30           |

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

Source: Information disclosed in public domain

### Economic Value Addition

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) |
|-------------------------------------------|---------|---------------|
|                                           | 2018-19 | 2017-18       |
| EBIT                                      | 15682   | 13457         |
| Less: Adjusted Tax                        | 4391    | 3840          |
| NOPAT (Net Operating Profit less tax)     | 11291   | 9617          |
| Equity                                    | 47401   | 39034         |
| Debt                                      | 25875   | 20364         |
| Total Invested Capital                    | 73276   | 59398         |
| Post Tax Cost of Debt %                   | 3.98    | 3.99          |
| Cost of Equity %                          | 11.28   | 11.50         |
| Weighted Average Cost of Capital % (WACC) | 8.70    | 8.93          |
| Weighted Average Cost of Capital (WACC)   | 6376    | 5302          |
| EVA (NOPAT – WACC)                        | 4915    | 4315          |

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 10 year G-secs @ 7.2 per cent p.a. plus equity premium adjusted for Company's beta variant at 0.85.

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

### **Segment wise Performance**

The Company has a single reportable segment of ball and roller bearings as the primary business segment for the purpose of IND AS 108. The assets and liabilities of the Company are all expended towards this business segment.

### **Outlook**

The ancillary industry has set targets to achieve by 2026 ; to double the contribution to manufacturing GDP with a four-fold growth in size and a six-fold growth in exports. At present, the auto components industry accounts for 2.3 per cent of India's GDP and has a share of 4 per cent share in country's exports.

But the reality is more than what meets our eye. The global automotive industry is at an inflection point today, facing stark headwinds by a variety of disruptive megatrends that can broadly be categorised into three – electrification, connected technologies and autonomous mobility. There is a pronounced shift towards cleaner, greener, and smarter mobility across the globe, thanks to rapid pace of climate change and sprawling urbanisation woes – India being no exception. The disruptions are questioning the status quo in the automotive sector that was prevalent for over a century, ushering both challenges and new opportunities for the stakeholders including OEMs and suppliers.

### **Critical trends**

As the industry gears to ramp up performance in India and globally, the following are shaping the industry:

- Constantly shifting market dynamics due to changing manufacturing locales, customer demands, operating models and priorities
- Changing needs of OEMs, who are likely to want different, and more agile component inputs, while demand, timelines and processes keep shifting
- Technological improvements and discontinuities that are already starting to change revenue pools, trigger new competition and invite new forms of co-operation
- An evolving regulatory and trade environment forming the backdrop for it all

Source: McKinsey

### **Opportunities and Threats**

#### **Opportunities**

- Pursue export opportunities aggressively
- Enhance import substitution
- Offer premium features at lower costs at a rapid pace
- Focus on component categories that could contribute more to vehicle costs
- Expand aftermarket products to capture value from existing vehicle parts and aftermarket exports
- Offer components which could take off due to an increase in electric vehicle (EV) sales
- Expand portfolio to serve adjacent industries

Identifying which opportunities fit best, and working strategically to seize them, could create a successful future for auto component manufacturers.

#### **Challenges/Threats**

- **Constantly shifting market dynamics**

Manufacturing locales, customer demands and operating models are all evolving, creating a dynamic market for auto component manufacturers.

The number of vehicle recalls has significantly increased in recent years, leading to a growing trend of quality consciousness and renewed focus on manufacturing excellence. The global supply chain is more connected than ever before. This amplifies the impact of any unexpected changes from exchange rate fluctuations and price volatility to geopolitical tensions or natural disasters. These factors and their impact on the industry are difficult to forecast, adding uncertainty to an already dynamic situation. Adding to the mix are rapidly changing customer preferences and the constant need to upgrade, which are constantly creating new paradigms.

- **Changing OEM needs**

The industry needs to keep pace with the changing needs of automotive OEMs, who in turn are coping with the dynamic expectations of the end customer, consolidation of platforms to reduce complexity and alterations in vehicle cost composition. The automotive manufacturers require simpler, more versatile components that are usable across multiple platforms.

- **Technological improvements and discontinuities**

Autonomous vehicles, Connected vehicles, Electrification and Shared Mobility (ACES) are very real, disruptive and technology-driven trends that could change the future of the mobility industry. India is making rapid strides in innovative ACES technologies across cars, two-wheelers and commercial vehicles. These technologies are gaining ground due to increasing customer acceptance, stricter emission regulations, lower battery costs and more widely available charging infrastructure.

- **Evolving regulatory and trade environment**

Rapidly evolving emissions and safety regulations as well as technological disruptions such as connectivity and e-mobility could underpin the demand for electronics at an OEM and customer level. It is expected that the implementation of BS-VI standards will lead to a spike in demand for components like catalytic convertors, electronic fuel injection systems, oxygen sensors and intelligent battery sensors.

- **Spurious/Counterfeit Products**

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

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

## **Risks and concerns**

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

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

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

The following broad categories of risks have been considered:

- **Strategy:** Choices and decisions we make to enhance long term competitive advantage of the Company and value to the stakeholders eg. the Company's shift from bearing related products to becoming a friction solutions provider.
- **Industry:** Relates to the inherent characteristics of our industry including competitive structure, nature of market and regulatory environment. Eg. adding to existing segments, the emerging segments of defence, aerospace and railways and improving its presence in the ASEAN region, thus spreading the risk in terms of geographies.
- **Counterparty:** Risks arising from our association with entities for conducting business. These include customers, vendors and their respective industries.
- **Resources:** Risks arising from sub-optimal utilization of key organization resources such as capital and infrastructure. Eg. risks further broken up into equipment risk and people risk. With insurance covers in place for the equipment, the management of people risks by way of a cordial relationship with the employees and keeping motivation in the plants at a high level.
- **Operations:** Risks inherent to our business operations includes service and 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.

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 and 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 overall production volumes (net of rework) and reduction in rejection rates.

The primary focus of Industrial Relations during the current year will continue to be on the engaging, motivating and improving the productivity while ensuring improved productivity and product quality at the plants without any interim work disruptions. The Company has ambitious sales revenue and profit targets budgeted for the year and its people approach, encouragement of team work should enable its achievement.

Employment of young talented GETs and Management trainees, who currently constitute over a third of the company's employees and make it a forward looking young organization (average age 38 years) and to harness their potential, we have multi phased training programs imparting understanding of bearing and engineering principles, diverse bearing applications, modern manufacturing practices, lean management and quality management and in behavioural aspects and providing an understanding of the Company's customers and markets. Besides developing knowhow building managerial and technical capabilities to align with career aspirations, they also serve as a platform to interact with peers from diverse backgrounds and spread the values of togetherness, positive thinking and mutual respect.

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

Permanent employees directly employed by the Company currently total 1,516 nos.

### **Cautionary Statement**

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

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

## **CORPORATE GOVERNANCE REPORT**

Your Directors present the Company's Report on Corporate Governance for the year ended March 31, 2019, in terms of Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (The "Listing Regulations").

### **COMPANY'S PHILOSOPHY**

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

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

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

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

### **GOVERNANCE STRUCTURE**

The Corporate Governance structure at NRB Bearings is as follows:

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

### **THE BOARD OF DIRECTORS**

#### **Composition and category of Directors**

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

As on March 31, 2019, the Company's Board consists of seven (7) Directors. The Board comprises of two (2) Executive Directors and five (5) Non-Executive Directors out of which four (4) are Independent Directors. Mr. Satish Rangani's tenure as Executive Director expired on January 23, 2019 and he has been appointed as Additional director designated as Executive Director w.e.f January 24, 2019. The composition of the Board is in conformity with Section 149 of the Companies Act, 2013 and Regulation 17 of the Listing Regulations.

#### **Directors' Attendance and their other Directorships/ Committee memberships**

As mandated by Regulation 26(1)(b) of the Listing Regulations, none of the Directors is a member of more than ten (10) Board Level Committees (considering only Audit Committee and Stakeholders' Relationship Committee) or Chairman of more than five (5) Committees across all public limited companies (listed or unlisted) in which he/she is a Director. Further

all Directors have informed about their Directorships, Committee memberships/ Chairmanships including any changes in their positions. Relevant details of the Board of Directors as on March 31, 2019 are given below:

**Directorship / Committee Membership as on March 31, 2019**

| Name                                  | Date of Appointment | Category of Director                      | Directorships in other Indian Public Limited Companies (excluding NRB Bearings) | No. of Board Committees in which Chairman / Member (excluding NRB Bearings) |        | Attendance at Last AGM held on August 9, 2018 | Shareholding in NRB Bearings |
|---------------------------------------|---------------------|-------------------------------------------|---------------------------------------------------------------------------------|-----------------------------------------------------------------------------|--------|-----------------------------------------------|------------------------------|
|                                       |                     |                                           |                                                                                 | Chairman                                                                    | Member |                                               |                              |
| Ms Harshbeena Zaveri<br>DIN: 00003948 | 01/10/2015          | Executive (Promoter)                      | 2                                                                               | 0                                                                           | 3      | Yes                                           | 85,68,704                    |
| Mr. D. S. Sahney<br>DIN: 00003956     | 25/05/2001          | Non-Executive/ Non-Independent (Promoter) | 1                                                                               | 0                                                                           | 1      | Yes                                           | 36,34,583                    |
| Mr. Satish Rangani<br>DIN: 00209069   | 24/01/2019          | Executive                                 | 1                                                                               | 0                                                                           | 1      | Yes                                           | 9,000                        |
| Mr Tashwinder Singh<br>DIN: 06572282  | 23/07/2013          | Independent                               | 2                                                                               | 0                                                                           | 0      | Yes                                           | Nil                          |
| Mr. Ashank Desai<br>DIN: 00017767     | 30/03/2016          | Independent                               | 1                                                                               | 0                                                                           | 3      | Yes                                           | Nil                          |
| Mr. Rustom Desai<br>DIN: 02448175     | 23/01/2017          | Independent                               | 0                                                                               | 0                                                                           | 0      | Yes                                           | Nil                          |
| Ms. Vishakha R.M.<br>DIN: 07108012    | 02/11/2018          | Independent                               | 1                                                                               | 0                                                                           | 0      | NA                                            | Nil                          |

Notes:

1. Directorships exclude private limited companies, foreign companies and Section 8 companies.
2. Chairmanship/Membership of Committee only includes Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee in Indian public limited companies other than NRB Bearings Limited.
3. Details of Director(s) retiring or being re-appointed are given in notice to Annual General Meeting.

**Other Directorships**

| Sr. No | Name of Directors     | Details of other Directorships                                                                                                                                                | Details of Committee Memberships                                                                                                                                                                                                                                             |
|--------|-----------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1      | Ms. Harshbeena Zaveri | <ul style="list-style-type: none"> <li>• SNL Bearings Limited- Non-Executive Director</li> <li>• NRB Industrial Bearings Limited- Promoter/ Non-Executive Director</li> </ul> | SNL Bearings Limited: <ul style="list-style-type: none"> <li>• Audit Committee-Member</li> <li>• Stakeholder Relationship Committee- Member</li> <li>• Nomination and Remuneration Committee-Member</li> <li>• Corporate Social Responsibility Committee-Chairman</li> </ul> |
| 2      | Mr. Satish Rangani    | <ul style="list-style-type: none"> <li>• SNL Bearings Limited- Non-Executive Director</li> </ul>                                                                              | SNL Bearings Limited: <ul style="list-style-type: none"> <li>• Stakeholder Relationship Committee-Member</li> <li>• Corporate Social Responsibility Committee-Member</li> </ul>                                                                                              |

|    |                      |                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                 |
|----|----------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 3. | Mr. Tashwinder Singh | <ul style="list-style-type: none"> <li>• KKR India Financial Services Private Limited</li> <li>• Resonance Eduventures Limited</li> <li>• KKR Capital Markets India Private Limited</li> <li>• Sinlex BAPL Limited</li> </ul> | <ul style="list-style-type: none"> <li>• Nil</li> </ul>                                                                                                                                                                                                                                                                                                         |
| 4. | Ms. Vishakha R. M.   | <ul style="list-style-type: none"> <li>• India First Life Insurance Limited</li> </ul>                                                                                                                                        | India First Life Insurance Limited: <ul style="list-style-type: none"> <li>• Risk Management Committee-Member</li> <li>• Investment Committee-Member</li> <li>• Policyholders Protection Committee-Member</li> <li>• With Profits Committee-Member</li> <li>• Allotment Committee-Member</li> <li>• Corporate Social Responsibility Committee-Member</li> </ul> |
| 5. | Mr. Rustom Desai     | <ul style="list-style-type: none"> <li>• Nil</li> </ul>                                                                                                                                                                       | <ul style="list-style-type: none"> <li>• Nil</li> </ul>                                                                                                                                                                                                                                                                                                         |
| 6. | Mr. Ashank Desai     | <ul style="list-style-type: none"> <li>• Mastek Limited-Promoter/Non-Executive Director</li> </ul>                                                                                                                            | Mastek Limited: <ul style="list-style-type: none"> <li>• Audit Committee-Member</li> <li>• Corporate Social Responsibility Committee-Member</li> <li>• Stakeholder Relationship Committee- Member</li> <li>• Nomination and Remuneration Committee-Member</li> <li>• Governance Committee- Chairman</li> </ul>                                                  |
| 7. | Mr. D. S. Sahney     | <ul style="list-style-type: none"> <li>• NRB Industrial Bearings Limited - Promoter / Executive Director</li> </ul>                                                                                                           | NRB Industrial Bearings Limited: <ul style="list-style-type: none"> <li>• Audit Committee-Member</li> </ul>                                                                                                                                                                                                                                                     |

Ms. Harshbeena Zaveri, Vice Chairman & Managing Director, is the sister of Mr. D. S. Sahney, Non-Executive Director hence, they are related to each other. None of the other directors are related to each other.

### Independent Directors

The Independent Directors fulfil the criteria of independence specified in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulations. A formal letter of appointment to Independent Directors as provided in Companies Act, 2013 has been issued to the Independent Directors and disclosed on website of the Company viz. [www.nrbbearings.com](http://www.nrbbearings.com). In the opinion of the Board the Independent Directors fulfil the conditions specified in the Listing Regulations and are independent of the management.

### Number of Independent Directorships

In compliance with the Listing Regulations, Directors of the Company do not serve as Independent Director in more than seven (7) listed companies. In case he/she is serving as a Whole-Time Director in any listed company, does not hold the position of Independent Director in more than three (3) listed companies. During the year under review Ms. A. A.Gowariker, Independent Director resigned from the company due to her inability to offer adequate time and services to her directorship role.

### Board Meetings

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

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

During the financial year 2018-19 the Board of Directors met five (5) times i.e., on May 21, 2018, August 9, 2018, November 2, 2018, January 17, 2019 and February 4, 2019. The maximum gap between any two consecutive meetings was less than one hundred and twenty (120) days, as stipulated under Section 173(1) of the Act, and Regulation 17(2) of the Listing Regulations and the Secretarial Standards issued by Institute of Company Secretaries of India.

**Attendance of Directors at the Board Meetings:**

| Sr. No. | Name of Director      | No. of Board Meetings attended |
|---------|-----------------------|--------------------------------|
| 1.      | Mr. T. S. Sahney*     | 2                              |
| 2.      | Ms. Harshbeena Zaveri | 5                              |
| 3.      | Mr. D. S. Sahney      | 3                              |
| 4.      | Mr. S. C. Rangani     | 5                              |
| 5.      | Mr. Tashwinder Singh  | 5                              |
| 6.      | Ms. A. A. Gowariker** | 1                              |
| 7.      | Mr. Ashank Desai      | 4                              |
| 8.      | Mr. Rustom Desai      | 2                              |
| 9.      | Ms. Vishakha R.M.***  | 3                              |

\* Director up to October 15, 2018

\*\* Director up to October 30, 2018

\*\*\* Director w.e.f November 2, 2018

**Information placed before the Board**

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

**Post Meeting Mechanism**

The important decisions taken at the Board/Board committee meetings are communicated to the concerned department/division.

**Board Support**

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

**FAMILIARISATION PROGRAMME FOR DIRECTORS**

On appointment, the concerned Director is issued a Letter of Appointment setting out in detail, the terms of appointment, duties, responsibilities and expected time commitments. Each newly appointed Independent Director is taken through an induction and familiarization program including visit to the plant/ Engineering Centre to familiarize them with all facts of Roller Bearing manufacturing and interactive session with the core management team members of the Company on manufacturing, engineering, human relations, marketing, finance and other important aspects. The details of familiarization program can be accessed from the website [www.nrbbearings.com](http://www.nrbbearings.com).

**GOVERNANCE CODES****Code of Conduct**

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

## Conflict of Interests

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

## Insider Trading Code

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

## COMMITTEES OF THE BOARD

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

The Company has six Board Level Committees:

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

## (A) AUDIT COMMITTEE

### Composition

The Audit Committee of the Board of Directors ("the Audit Committee") is entrusted with the responsibility to supervise the Company's internal controls and financial reporting process. The composition, quorum, powers, role and scope are in accordance with Section 177 of the Companies Act, 2013 and the provisions of Regulation 18 of the Listing Regulations. All members of the Audit Committee are financially literate and bring in expertise in the fields of finance and accounts, taxation, company law, risk and international finance. It functions in accordance with its terms of reference that defines its authority, responsibility and reporting function. Mr. Tashwinder Singh, Independent Director is the Chairman of the Audit Committee. The other members of the Audit Committee include Ms. Vishakha R.M.(Independent Director) and Ms. Harshbeena Zaveri.

### Meetings and Attendance

The Audit Committee met six(6) times during the financial year 2018-19. The maximum gap between two meetings was not more than one hundred and twenty (120) days. The Committee met on May 21, 2018, August 9, 2018, October 1, 2018, November 2, 2018, January 9, 2019 and February 4, 2019. The requisite quorum was present at all the meetings. The Chairman of the Audit Committee was present at the last Annual General Meeting of the Company held on August 9, 2018.

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

| Sr. No. | Name of the Directors | Position | Category                                               | No. of Meetings Attended |
|---------|-----------------------|----------|--------------------------------------------------------|--------------------------|
| 1.      | Mr. Tashwinder Singh  | Chairman | Independent Director                                   | 6                        |
| 2.      | Ms. A. A.Gowariker*   | Member   | Independent Director                                   | 2                        |
| 3.      | Ms. Harshbeena Zaveri | Member   | Executive Director (Vice Chairman & Managing Director) | 6                        |
| 4.      | Ms. Vishakha R.M.     | Member   | Independent Director                                   | 3                        |

\* Ms. A. A.Gowariker was a member up to October 30, 2018.



**Terms of Reference**

For the purpose of effective compliance of provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations. The Audit Committee is responsible for overseeing of the Company's financial reporting process and reviewing with management the quarterly/ half yearly and annual financial statements before submission to the Board. To fulfil its above role, the Audit Committee has powers to investigate any activity within its terms of reference, to seek information from employees and to obtain outside legal and professional advice.

Its other terms of reference, inter alia, include:

1. Reviewing with management the quarterly/annual financial statements before submission to the Board focusing primarily on (i) matters required to be included in the Directors' 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 the draft audit report, (v) significant adjustments arising out of audit, (vi) compliance with stock exchanges and legal requirements concerning financial statements and (viii) any related party transactions, i.e. transactions of the Company of materials nature with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company at large.
2. 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.
3. Scrutiny of inter-corporate loans and investments.
4. Valuation of undertakings or assets of the Company wherever, it is necessary.
5. Evaluation of internal financial controls and risk management systems.
6. Reviewing the functioning of the whistle blower mechanism.
7. Approval of appointment of the Chief Financial Officer (CFO) after assessing the qualifications, experience and background of the candidate.
8. Approval or any subsequent modification of transactions with the Company with related parties.
9. Monitoring the end use of funds raised through public offers and related matters.

**Functions of Audit Committee**

The Audit Committee, while reviewing the Annual Financial Statements also reviews the applicability of various accounting standards referred to in Section 133 of the Companies Act, 2013. The compliance of the accounting standards as applicable to the Company has been ensured in the preparation of the Financial Statements for the year ended March 31, 2019.

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

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

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

**Internal Controls and Governance Processes**

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

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

### **Composition**

The Nomination and Remuneration Committee comprises of three (3) Directors. Mr. Tashwinder Singh, Independent Director, is the Chairman of the Committee. The other members of the Nomination and Remuneration committee include Mr. Rustom Desai (Independent Director) and Ms. Vishakha R.M. (Independent Director). The composition of Nomination and Remuneration Committee is in accordance with the provisions of Section 178(1) of the Companies Act, 2013 and Regulation 19 of the Listing Regulations.

### **Meeting and Attendance**

The Nomination and Remuneration Committee met five(5) times during the year on April 23, 2018, June 12, 2018, November 2, 2018, January 17, 2019 and February 21, 2019. The requisite quorum was present at the meeting. The Chairman of the Nomination and Remuneration Committee was present at the last Annual General Meeting of the Company. The table below provides the attendance of the Nomination and Remuneration Committee members:

| Sr. No. | Name of the Director | Position | Category             | No. of Meetings attended |
|---------|----------------------|----------|----------------------|--------------------------|
| 1.      | Mr. Tashwinder Singh | Chairman | Independent Director | 5                        |
| 2.      | Ms. A. A.Gowariker*  | Member   | Independent Director | 2                        |
| 3.      | Mr. Rustom Desai     | Member   | Independent Director | 1                        |
| 4.      | Ms. Vishakha R.M.    | Member   | Independent Director | 3                        |

\* Ms. A. A.Gowariker was a member up to October 30, 2018.

### **Terms of Reference**

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

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

### **Remuneration Policy**

#### **Remuneration to Non-Executive Directors (including Independent Directors)**

The Board has decided directors shall be remunerated by way of sitting fees of Rs. 40,000/- each per meeting being paid for the Board meetings and Business Strategy committee meetings, Rs. 30,000/- each per meeting paid for the Audit Committee meetings, Nomination and Remuneration Committee and Corporate Social Responsibility Committee meetings and Rs. 20,000/- per meeting paid for Stakeholders Relationship Committee meetings. In addition, the non-executive Directors are entitled to commission @ 0.50%, with a ceiling of Rs.5.00 lakhs per Director as determined by the Board of Directors, which will be apportioned and payable for 2018-19.

The details of the remuneration package of Directors/ Key management personnel is tabled below: (In Rs.)

| Name of Director/KMP   | Sitting fees<br>FY 2018-19 | Commission on<br>profits * | Salary and Per-<br>quisites | Total       |
|------------------------|----------------------------|----------------------------|-----------------------------|-------------|
| Mr. T. S. Sahney # **  | 1,00,000                   | 43,49,088                  | -                           | 44,49,088   |
| Ms. Harshbeena Zaveri  | -                          | 98,76,970                  | 4,52,05,344                 | 5,50,82,314 |
| Mr. Tashwinder Singh   | 5,80,000                   | 5,00,000                   | -                           | 10,80,000   |
| Mr. D. S. Sahney       | 1,20,000                   | 3,00,000                   | -                           | 4,20,000    |
| Ms. A. A. Gowariker#   | 1,80,000                   | 1,00,000                   | -                           | 2,80,000    |
| Mr. S. C. Rangani      | -                          | -                          | 1,36,72,600                 | 1,36,72,600 |
| Mr. Ashank Desai       | 3,60,000                   | 4,00,000                   | -                           | 7,60,000    |
| Mr. Rustom Desai       | 3,30,000                   | 2,00,000                   | -                           | 5,30,000    |
| Ms. Vishakha R. M.     | 2,50,000                   | 3,00,000                   | -                           | 5,50,000    |
| Ms. Tanushree Bagrodia | -                          | -                          | 2,10,29,776                 | 2,10,29,776 |
| Ms. Shruti Joshi       | -                          | -                          | 44,79,206                   | 44,79,206   |

\* Commission to Non-Executive Directors @ 0.50% of net profits, with a ceiling of Rs.5.00 lakhs p.a. per director as determined by the Board of Directors based on net profits for the year FY 2018-19 (payable for 2018-19).

\*\* Commission to Non-Executive Chairman has been approved @ 1% of net profits, less commission payable to Non-Executive Directors as above (payable for 2018-19).

# Ceased to be a Director

Other than as disclosed above, there is no pecuniary relationship or transaction between the Company and the Non-Executive Directors.

## Board Evaluation

In terms of the requirement of the Companies Act, 2013 and the Listing Regulations, an annual performance evaluation of the Board is undertaken where the Board formally assesses its own performance with the aim to improve the effectiveness of the Board and the Committees. The evaluation process is focussed on various aspects of the functioning of the Board and Committees such as composition of the Board, improving Board effectiveness, performance of Board Committees, Board knowledge sessions and time allocation for strategic issues, etc. During the year, Board Evaluation cycle was completed by the Company internally which included the Evaluation of the Board as a whole, Board Committees and Peer Evaluation of the Directors. Evaluation of the performance of individual Directors on parameters such as attendance, contribution and independent judgment was also carried out during the year. The Board noted that the evaluation process showed that the Board was rated as "Good" reflecting the overall engagement and effectiveness of the Board and the Committees.

## Skill matrix for the Board of Directors

In terms of the requirement of the Listing Regulations the Board has identified the following core skills/ expertise/ competencies of the Directors in the context of the Company's business for effective functioning as given below:

- Leadership experience

Experience in leading large well-governed organisations with understanding of organisational systems and processes, complex regulatory environment, strategic planning and risk management, understanding of emerging global and local trends as well as the ability to develop talent and ensure succession planning and the ability to manage crises.

- Experience in guiding business strategy

Experience to develop long term strategies to grow business and the ability to understand business environment impacting market and formulate policies for enhancing market share coupled with collaborative competencies.

- Finance and Accounting expertise

Expertise in financial management, capital allocation, financial reporting requirements along with understanding of financial statements.

- Technological expertise

Ability to anticipate changes in technology, drive product and process innovation.

- Corporate governance and regulatory landscape

Ability and willingness to devote adequate time and energy to fulfil board and committee responsibilities, formulate policies which will ensure interests of the Company and shareholders are safeguarded while maintaining management accountability and adherence to high standards of corporate governance, with an understanding of changing regulatory framework.

### (C) STAKEHOLDERS RELATIONSHIP COMMITTEE

#### Composition and Attendance

The Stakeholders Relationship Committee comprises of three (3) directors. Mr. Ashank Desai, Independent Director is the Chairman of this Committee. During the year under review the Committee met six (6) times on April 4, 2018, August 9, 2018, November 2, 2018, January 17, 2019, February 4, 2019 and March 14, 2019. The table below highlights the composition and attendance of the members of the Committee. The requisite quorum was present at all the meetings.

| Sr. No. | Name of the Directors | Position | Category               | No. of Meetings attended |
|---------|-----------------------|----------|------------------------|--------------------------|
| 1       | Mr. Ashank Desai #    | Chairman | Independent Director   | 5                        |
| 2       | Ms. A. A.Gowariker *  | Chairman | Independent Director   | 2                        |
| 3       | Mr. T. S. Sahney **   | Member   | Non-Executive Director | 1                        |
| 4       | Ms. Harshbeena Zaveri | Member   | Managing Director      | 4                        |
| 5       | Ms. Vishakha R. M.    | Member   | Independent Director   | 3                        |

\* Member and Chairman up to October 30, 2018

\*\* Member up to October 15, 2018

# With effect from January 17, 2019

#### Terms of Reference

The terms of reference of the Stakeholders Relationship Committee are as follows:

1. Review and resolve any grievances of the security holders of the Company- including shareholders, debenture holders and other security holders.
2. Review of the work done by the share transfer agent- M/s Universal Capital Securities Private Limited by monitoring the share transfer process and review observations of the regulatory authority regarding the same.
3. Approve any requests for transfers/transmission of shares, to approve any request for issue of duplicate share certificates and to ensure that the timelines specified by regulators the same are adhered to.
4. Approve or modify the process of transfer and transmission of securities of the Company.
5. Approve or modify the process of issue of duplicate certificate.

The shareholders of the Company are serviced by the share transfer agent- M/s. Universal Capital Securities Private Limited. As required under the Listing Regulations, the Company has appointed Ms. Shruti Joshi, Company Secretary as Compliance Officer to monitor the share transfer process and liaison with the regulatory authorities.

### DETAILS OF SHAREHOLDERS' COMPLAINTS RECEIVED, RESOLVED AND PENDING SHARE TRANSFERS

The total number of complaints received and resolved during the year ended March 31, 2019 was as follows:

| Sr. No. | Particulars                                                                    | Number of Complaints |
|---------|--------------------------------------------------------------------------------|----------------------|
| 1       | No. of Investors Complaints pending at the beginning of the year               | 0                    |
| 2       | No. of Investors Complaints received during the year                           | 1                    |
| 3       | No. of Investors Complaints resolved and disposed of during the year           | 1                    |
| 4       | No. of Investors Complaints those remaining unresolved at the end of the year. | 0                    |

The above table includes Complaints received from SEBI SCORES, BSE and NSE by the Company.

There were no complaints outstanding as on March 31, 2019. The number of pending share transfers and pending requests for dematerialization as on March 31, 2019 were Nil. Shareholders'/Investors' queries and other correspondence are normally attended to within seven working days except where constrained by disputes or legal impediments. No investor grievances remained unattended/pending for more than thirty days as on March 31, 2019.

#### **(D) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

##### **Composition**

The Corporate Social Responsibility (CSR) Committee comprises of three (3) Directors, Ms. Harshbeena Zaveri is the Chairman of the Committee. The other members of the CSR Committee include Mr. S. C. Rangani and Mr. Ashank Desai. The Composition of CSR Committee is in accordance with the provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014. The Company has spent Rs.182.00 lakhs on various CSR activities and projects for the financial year 2018-19.

##### **Terms of Reference**

- 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
- ii. Recommending the amount of expenditure to be incurred on such activities
- iii. Monitoring the CSR policy from time to time

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

- i. Promotion of Education – both at schools and post graduate levels
- ii. Promoting gender equality and empowering women
- iii. Ensuring environmental sustainability

The Composition of the CSR Committee as at March 31, 2019 and the details of meetings of the Committee are as under:

##### **Meetings and Attendance:**

The CSR Committee met once (1) during the year on October 29, 2018. The requisite quorum was present at the Meeting. The table below provides the attendance of the members at the CSR Committee meeting:

| Sr. No. | Name                  | Position | Category                                                      | No. of Meetings Attended |
|---------|-----------------------|----------|---------------------------------------------------------------|--------------------------|
| 1.      | Ms. Harshbeena Zaveri | Chairman | Non-Executive Director<br>(Vice Chairman & Managing Director) | 1                        |
| 2.      | Mr. S. C. Rangani     | Member   | Executive Director                                            | 1                        |
| 3.      | Mr. Ashank Desai      | Member   | Independent Director                                          | 1                        |

#### **(E) INDEPENDENT DIRECTORS' MEETING**

During the year under review, the Independent Directors met on March 13, 2019, inter alia, to:

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

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

#### **AFFIRMATIONS AND DISCLOSURES:**

##### **a. Compliances with Governance Framework**

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

##### **b. Related party transactions**

All transactions entered into with the Related Parties as defined under the Companies Act, 2013 and Regulation 23 of the Listing Regulations during the financial year were in the ordinary course of business and on arm's length basis. There were no materially significant transactions with Related Parties during the financial year 2018-19. Related party

transactions have been disclosed under significant accounting policies and notes forming part of the Financial Statements in accordance with IND AS. A statement in summary form of transactions with Related Parties in ordinary course of business and arm's length basis is periodically placed before the Audit committee for review and recommendation to the Board for approval. During the year there were no transactions with Related Parties, which were not in the normal course of business, not at arm's length or exceeding the threshold limits prescribed under the Companies Act, 2013.

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

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

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

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

**d. Vigil Mechanism/ Whistle Blower Policy**

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

**e. Disclosure of Accounting Treatment**

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

**f. Risk Management**

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

**g. Commodity price risk and Commodity hedging activities**

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

**h. Details of Utilization of funds**

During the year under review the Company has not raised any funds through preferential allotment or qualified institutions placement.

**i. Certificate from practicing Company Secretary**

The Company has obtained a certificate from Mr. Upendra Shukla, Practicing Company Secretary, confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India and Ministry of Corporate Affairs or any such authority and the same forms part of this report.

**j. Recommendation of Committees**

During the year under review, there has been no instance of the Board not accepting any recommendation of any Committee to the Board as is mandatorily required.

**k. Fees paid to Statutory Auditors**

Total fees for all services paid by the Company and the subsidiaries, on a consolidated basis, to the M/s. Walker Chandiok & Co., LLP, Chartered Accountants, Statutory Auditors and forms part of the Notes to Financial Statements.

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

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

A Committee comprising of MD, CFO (both women) and VP-HR is set up to receive, investigate and redress any complaints. In addition ICC (Internal Complaints Committees) have been set up at all the offices/plants of the company as set out in the Act. During the year under review one (1) complaint was received and resolved.

**m. Non-mandatory requirements**

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

**n. Disclosure of Compliance**

The Company has complied with the corporate governance requirements specified in Regulation 17 to 27 and Regulation 46 of the Listing Regulations, within the mandatory time period.

**Route Map to the AGM Venue**

## Annexure to Corporate Governance Report

The Board of Directors  
NRB Bearings Limited,  
Dhannur, 15, Sir P.M. Road,  
Fort, Mumbai - 400 001.

I have examined the registers, records, books, form, returns and disclosures received from the Directors of NRB Bearings Limited, (CIN L29130MH1965PLC013251), having Registered Office at Dhannur, 15, Sir P.M. Road, Fort, Mumbai - 400 001 (the Company), produced before me by the Company for the purpose of issuing this Certificate in pursuance to Regulation 34(3) read with Schedule V Para-C Sub-clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verification (including Director Identification Number (DIN) status on MCA website) as considered necessary and explanation furnished to me by the Company and its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ended on 31st March, 2019 has been debarred or disqualified from being appointed or continuing as Directors of the companies by the Securities and Exchange Board of India and/or Ministry of Corporate Affairs:

| Sr.No: | Name of the Director                          | DIN                                    | Date of Appointment in the Company |
|--------|-----------------------------------------------|----------------------------------------|------------------------------------|
| 1)     | Harshbeena Sahney Zaveri<br>(DIN: 00003948)   | Managing Director                      | 01/10/2015                         |
| 2)     | Satish Chellaram Rangani<br>(DIN: 00209069)   | Whole-time Director                    | 24/07/2013                         |
| 3)     | Devesh Singh Sahney<br>(DIN: 00003956)        | Non Executive Director                 | 25/05/2001                         |
| 4)     | Ashank Datta Desai<br>(DIN: 00017767)         | Non Executive,<br>Independent Director | 30/03/2016                         |
| 5)     | Rustom Jamshed Desai<br>(DIN: 02448175)       | Non Executive,<br>Independent Director | 23/01/2017                         |
| 6)     | Tashwinder Harjap Singh<br>(DIN: 06572282)    | Non Executive,<br>Independent Director | 23/07/2013                         |
| 7)     | Vishakha Rajesh Maheshwari<br>(DIN: 07108012) | Non Executive,<br>Independent Director | 02/11/2018                         |

**Note:** Ensuring the eligibility for appointment/continuing as Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion based on verification of documents/ information available to me. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

UPENDRA C. SHUKLA  
COMPANY SECRETARY  
FCS: 2727/CP No: 1654

Place: Mumbai  
Date : May 29, 2019



## **INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE**

### **To the Members of NRB Bearings Limited**

1. This certificate is issued in accordance with the terms of our engagement letter dated August 20, 2018.
2. We have examined the compliance of conditions of corporate governance by NRB Bearings Limited (the 'Company') for the year ended March 31, 2019, as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2), and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations').

### **Management's Responsibility**

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

### **Auditor's Responsibility**

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

### **Opinion**

7. Based on the procedures performed by us and to the best of our information and according to the explanations provided to us, in our opinion, the Company has complied, in all material respects, with the conditions of corporate governance as stipulated in the Listing Regulations during the year ended March 31, 2019.

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

### **Restriction on use**

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

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm Registration No. 001076N/N500013

per **Adi P. Sethna**

Partner

Membership No.:108840

**Place:** Mumbai

**Date :** May 29, 2019

## SHAREHOLDER INFORMATION

### GENERAL BODY MEETING

#### DETAILS OF LAST THREE ANNUAL GENERAL MEETINGS HELD

| AGM              | Financial Year | Date and Time               | Venue                                                            | Details of Special Resolution Passed |
|------------------|----------------|-----------------------------|------------------------------------------------------------------|--------------------------------------|
| 53 <sup>rd</sup> | 2017-18        | August 9, 2018, 3:30 P.M.   | M C Ghia Hall, K Dubash Marg, Mumbai – 400001                    | No special resolution was passed     |
| 52 <sup>nd</sup> | 2016-17        | August 11, 2017, 3:00 P.M.  | Y B Chavan Centre, Cultural Hall, Nariman Point, Mumbai - 400021 | No special resolution was passed     |
| 51 <sup>st</sup> | 2015-16        | August 23, 2016, 11:00 A.M. | M C Ghia Hall, K Dubash Marg, Mumbai – 400001                    | No Special Resolution was passed     |

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

### POSTAL BALLOT

During the year under review one (1) special resolution was passed through postal ballot for issue of unsecured NCDs/ Debentures not exceeding Rs. 100,00,00,000/- (Rupees One hundred Crores only) on private placement basis.

Mr. Upendra C. Shukla, Practicing Company Secretary was appointed as the Scrutinizer for conducting the postal ballot process in fair and transparent manner. Upon completion of the scrutiny of Ballot Forms and electronic responses, the Scrutinizer had submitted his report to the Chairman of the Company. The results of the Postal Ballot were declared on Wednesday, July 11, 2018. The said results along with the Scrutinizer's Report was displayed on the website of the Company, i.e., [www.nrbearings.com](http://www.nrbearings.com) and intimated to the Stock Exchanges where the shares of the Company are listed.

#### Details of voting pattern for the postal ballot

| Particulars                                                                                                                                                        | Voted in favour of the resolution                   |                                   |                              | Voted against the resolution                        |                                   |                              |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------|-----------------------------------|------------------------------|-----------------------------------------------------|-----------------------------------|------------------------------|
|                                                                                                                                                                    | No. of members voted through e-voting/postal ballot | No. of votes cast (No. of shares) | % of total no. of votes cast | No. of members voted through e-voting/postal ballot | No. of votes cast (No. of shares) | % of total no. of votes cast |
| Special Resolution: Issue of Unsecured Redeemable Non-Convertible (negligible) Debentures (NCD's) on private placement basis, upto an amount of Rs. 100.00 Crores. | 126                                                 | 81976883                          | 100.00%                      | 10                                                  | 375                               | 0.00%                        |

#### Procedure for Postal Ballot

- Appointment of Scrutinizer who is not in the employment of the Company.
- Notice of postal ballot along with the explanatory statement to shareholders by registered post or speed post or courier or through electronic means like registered email id.
- Facilitation of the communication for assent or dissent of the members within a period of thirty (30) days.
- Advertisement in newspaper, one English newspaper and in one vernacular language newspaper in the principal vernacular language of the district in which the registered office of the Company is situated.
- Notice should also be placed on the website of the Company.
- Declaration of results by the Scrutinizer after following due process.

#### Proposed postal ballot

Currently, the Company does not have any proposal to pass any resolution through postal ballot.

**ANNUAL GENERAL MEETING FOR THE FINANCIAL YEAR 2018-19**

|                                            |                                                                                 |
|--------------------------------------------|---------------------------------------------------------------------------------|
| <b>DAY AND DATE</b>                        | <b>Friday, August 9, 2019</b>                                                   |
| <b>TIME</b>                                | <b>3:30 p.m.</b>                                                                |
| <b>VENUE</b>                               | <b>M C Ghia Hall, K Dubash Marg, Mumbai - 400021</b>                            |
| <b>BOOK CLOSURE DATES FOR DIVIDEND</b>     | <b>Saturday, August 3, 2019 to Friday, August 9, 2019 (both days inclusive)</b> |
| <b>LAST DATE OF RECEIPT OF PROXY FORMS</b> | <b>Wednesday, August 7, 2019</b>                                                |

**Tentative Calendar for Financial Year ending March 31, 2020**

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

| <b>Sr. No.</b> | <b>Particulars of Quarter</b>             | <b>Tentative dates</b> |
|----------------|-------------------------------------------|------------------------|
| 1.             | First Quarter Results                     | July/August 2019       |
| 2.             | Second Quarter & Half Yearly Results      | October/November 2019  |
| 3.             | Third Quarter & Nine-months ended Results | January/February 2020  |
| 4.             | Fourth Quarter & Annual Results           | April/May 2020         |

**Dividend**

The Board of Directors at their Meeting held on March 20, 2018, declared interim dividend of Rs. 1.40 per share, on equity shares of the Company and the same was paid out on April 4, 2018. At their meeting held on May 29, 2019, the Board has recommended Final Dividend of Rs. 2.60 per share (130%) for FY 2018-19 which shall be payable, subject to approval of shareholders, to the members whose names appear on Company's Register of Members in respect of physical shareholders as on August 2, 2019 and whose name appear in the list of Beneficial Owners on August 2, 2019 furnished by NSDL and CDSL for this purpose.

**Dividend History for the last 7 financial years**

The Table below highlights the history of Dividend declared by the Company in the last 7 financial years:

| <b>Sr. No.</b> | <b>Financial year</b>                                  | <b>Date of Declaration of Dividend</b> | <b>Amount declared per share</b> |
|----------------|--------------------------------------------------------|----------------------------------------|----------------------------------|
| 1              | 2011-12                                                | August 3, 2012                         | 2.00                             |
| 2              | 2012-13                                                | July 23, 2013                          | 1.70                             |
| 3              | 2013-14                                                | August 11, 2014                        | 1.10                             |
| 4              | 2014-15                                                | July 24, 2015                          | 1.50                             |
| 5              | 2015-16-Interim Dividend, considered as Final Dividend | March 10, 2016                         | 1.40                             |
| 6              | 2016-17-Interim Dividend, considered as Final Dividend | February 13, 2017                      | 1.40                             |
| 7              | 2017-18 – Interim Dividend<br>2017-18 – Final Dividend | March 20, 2018<br>August 9, 2018       | 1.40<br>1.20                     |

**Unclaimed Dividend/ Shares**

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

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

In terms of Section 124(6) of the Companies Act, 2013 read with Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, (as amended from time to time) (IEPF Rules) shares on which dividend has not been paid or claimed by a shareholder for a period of seven consecutive years or more shall be

credited to the Demat Account of Investor Education and Protection Fund Authority (IEPFA) within a period of thirty days of such shares becoming due to be so transferred. Upon transfer of such shares, all benefits (like bonus, etc.), if any, accruing on such shares shall also be credited to such Demat Account and the voting rights on such shares shall remain frozen till the rightful owner claims the shares

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

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

**Details of Unclaimed Dividend as on March 31, 2019 and due dates for transfer are as follows:**

| Sr. No. | Financial year             | Date of Declaration of Dividend | Unclaimed Amount (Rs.) | Due Date for transfer to IEPF Account |
|---------|----------------------------|---------------------------------|------------------------|---------------------------------------|
| 1       | 2011-12                    | August 03, 2012                 | 3,26,518               | September 08, 2019                    |
| 2       | 2012-13                    | July 23, 2013                   | 2,72,165               | August 28, 2020                       |
| 3       | 2013-14                    | August 11, 2014                 | 2,49,194               | September 16, 2021                    |
| 4       | 2014-15                    | July 24, 2015                   | 3,57,258               | August 29, 2022                       |
| 5       | 2015-16 (Interim Dividend) | March 10, 2016                  | 1,03,433               | April 15, 2023                        |
| 6       | 2016-17 (Interim Dividend) | February 13, 2017               | 3,36,872               | March 21, 2024                        |
| 7       | 2017-18 (Interim Dividend) | March 20, 2018                  | 4,07,332               | April 25, 2025                        |
| 8       | 2017-18                    | August 9, 2018                  | 3,62,390               | September 14, 2025                    |

During the year under review, 2010-11 final dividend has been transferred to IEPF on September 29, 2018.

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

**Distribution of Shareholding as on March 31, 2019:**

| No. of Equity Shares | 2019                 |                    |                    |                 | 2018                 |                    |                    |                 |
|----------------------|----------------------|--------------------|--------------------|-----------------|----------------------|--------------------|--------------------|-----------------|
|                      | 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             | 22,568               | 89.45              | 21,27,629          | 2.19            | 19,288               | 87.11              | 22,44,881          | 2.32            |
| 501- 1000            | 1,522                | 5.96               | 13,13,065          | 1.36            | 1,650                | 7.46               | 14,48,177          | 1.49            |
| 1001-2000            | 575                  | 2.25               | 9,18,475           | 0.95            | 600                  | 2.71               | 9,79,215           | 1.01            |
| 2001- 3000           | 216                  | 0.84               | 5,51,585           | 0.57            | 190                  | 0.86               | 5,07,884           | 0.52            |
| 3001- 4000           | 81                   | 0.32               | 2,96,293           | 0.31            | 95                   | 0.43               | 3,46,424           | 0.36            |
| 4001- 5000           | 61                   | 0.24               | 2,92,456           | 0.30            | 69                   | 0.31               | 3,33,138           | 0.34            |
| 5001- 10000          | 89                   | 0.35               | 6,70,793           | 0.69            | 111                  | 0.50               | 8,26,936           | 0.86            |
| 10001 & above        | 152                  | 0.59               | 9,07,52,304        | 93.63           | 138                  | 0.62               | 9,02,35,945        | 93.10           |
| TOTAL                | 25,264               | 100.00             | 9,69,22,600        | 100.00          | 22,141               | 100.00             | 9,69,22,600        | 100.00          |

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

| No. of Equity Shares                                              | 2019                 |                    |                    |                 | 2018                 |                    |                    |                 |
|-------------------------------------------------------------------|----------------------|--------------------|--------------------|-----------------|----------------------|--------------------|--------------------|-----------------|
|                                                                   | No. of share holders | % of share holders | No. of shares held | % share holding | No. of share holders | % of share holders | No. of shares held | % share holding |
| Individuals/HUF clearing members                                  | 24,346               | 96.37              | 2,30,28,601        | 24.76           | 21,444               | 96.85              | 2,33,27,261        | 24.07           |
| Corporate Bodies/LLP/NBFC Partnership Firms                       | 210                  | 0.83               | 47,15,237          | 4.68            | 199                  | 0.90               | 45,63,549          | 4.71            |
| IEPF Suspense A/c                                                 | 1                    | 0.00               | 58,620             | 0.06            | 1                    | 0.00               | 28,974             | 0.03            |
| Trust                                                             | 3                    | 0.01               | 3,38,11,900        | 34.89           | 1                    | 0.00               | 3,48,29,642        | 35.94           |
| Foreign Collaborator                                              | -                    | -                  | -                  | -               | -                    | -                  | -                  | -               |
| NRI/OCBs                                                          | 629                  | 2.49               | 3,80,957           | 0.39            | 427                  | 1.93               | 2,87,071           | 0.30            |
| FI/FII/Banks/ Foreign national/ Trusts/Foreign Portfolio Investor | 34                   | 0.13               | 1,62,90,737        | 16.81           | 32                   | 0.14               | 1,83,17,145        | 18.90           |
| Mutual Funds/UTI                                                  | 39                   | 0.15               | 1,82,82,966        | 18.86           | 36                   | 0.16               | 1,49,43,958        | 15.42           |
| Alternate Investment Fund                                         | 2                    | 0.01               | 3,53,582           | 0.36            | 1                    | 0.00               | 6,25,000           | 0.64            |
| TOTAL                                                             | 25,264               | 100.00             | 9,69,22,600        | 100.00          | 22,141               | 100.00             | 9,69,22,600        | 100.00          |

**DEMATERIALIZATION OF SHARES AND LIQUIDITY**

99.53 per cent of the equity shares of the Company have been dematerialized (NSDL 96.88 per cent and CDSL 2.65 per cent) as on March 31, 2019. The Company has entered into agreements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) whereby shareholders have an option to dematerialize their shares with either of the Depositories.

**Dematerialization of Shares**

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

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

SEBI had amended Regulation 40 of the Listing Regulations wherein it is intimated that transfer of securities shall not be processed unless the securities are held in dematerialized form with a depository with effect from April 1, 2019.

**Consolidation of folios and avoidance of multiple mailing**

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

## RECONCILIATION OF SHARE CAPITAL AUDIT REPORT

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

### Compliance with Secretarial Standards

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

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

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

The Company has entered into agreements with NSDL and CDSL during the year 2000-01 and has been allotted ISIN No. INE 349A01013. The shares were split into shares of face value Rs. 2/- each effective April 4, 2007 and the new ISIN No. is INE 349A 01021

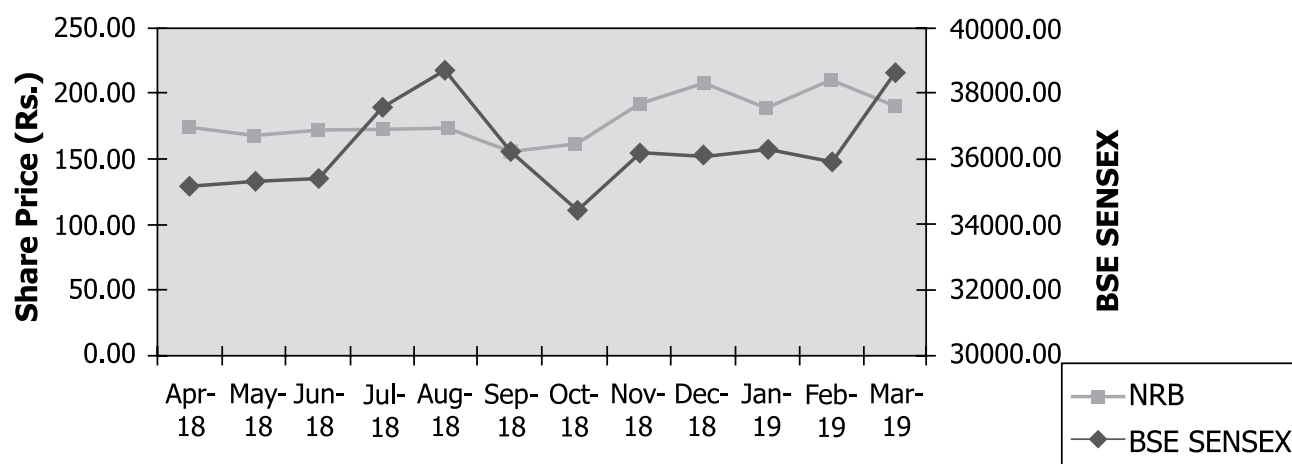
Listing fees for the year 2018-19 have been paid to the Stock Exchange- BSE Limited and National Stock Exchange of India Limited.

### Share Price Data

| 2018-19        | Bombay Stock Exchange |         |           | National Stock Exchange |         |           |
|----------------|-----------------------|---------|-----------|-------------------------|---------|-----------|
| Month          | High (Rs)             | Low(Rs) | Volume    | High (Rs)               | Low(Rs) | Volume    |
| April 2018     | 182.50                | 155.35  | 4,90,431  | 182.25                  | 153.90  | 44,78,987 |
| May 2018       | 174.30                | 150.00  | 38,07,307 | 174.95                  | 154.00  | 57,76,277 |
| June 2018      | 193.40                | 154.30  | 10,34,102 | 193.40                  | 154.00  | 67,36,351 |
| July 2018      | 182.50                | 148.15  | 5,88,096  | 182.40                  | 151.00  | 22,14,319 |
| August 2018    | 191.75                | 164.80  | 6,04,892  | 191.45                  | 164.00  | 30,12,789 |
| September 2018 | 184.00                | 140.10  | 1,55,588  | 175.50                  | 151.30  | 14,51,876 |
| October 2018   | 168.00                | 149.90  | 1,56,537  | 167.95                  | 150.00  | 17,65,302 |
| November 2018  | 200.05                | 160.25  | 19,87,059 | 199.90                  | 159.50  | 48,66,069 |
| December 2018  | 223.60                | 181.80  | 6,89,006  | 223.85                  | 181.75  | 47,84,977 |
| January 2019   | 219.10                | 175.00  | 2,63,880  | 219.30                  | 175.30  | 30,92,824 |
| February 2019  | 213.80                | 178.15  | 3,80,892  | 211.95                  | 180.00  | 20,65,093 |
| March 2019     | 212.40                | 188.00  | 2,12,853  | 212.75                  | 187.00  | 18,38,278 |

### NRB Bearings Equity Share performance.

#### NRB in comparison with BSE SENSEX



#### MEANS OF COMMUNICATION TO SHAREHOLDERS

- (i) The Un-audited quarterly/ half yearly results are announced within forty-five days of the close of the quarter. The audited annual results are announced within sixty days from the closure of the financial year as per the requirement of the Listing Regulations.
- (ii) The approved financial results are forthwith sent to the Stock Exchanges and are published in a national English newspaper and in local language (Marathi) newspaper, within forty-eight hours of approval thereof.
- (iii) The Company's financial results and official press releases are displayed on the Company's Website- [www.nrbbearings.com](http://www.nrbbearings.com).
- (iv) Any presentation made to the institutional investors or/and analysts are also posted on the Company's website.
- (v) Management Discussion and Analysis report forms part of the Annual Report, which is sent to the shareholders of the Company.
- (vi) The quarterly results, shareholding pattern, quarterly compliances and all other corporate communication to the Stock Exchanges are filed electronically.
- (vii) A separate dedicated section under "Investor Relations", on the Company's website gives information on unclaimed dividends, shareholding pattern, quarterly/half yearly results and other relevant information of interest to the investors / public.
- (viii) SEBI processes investor complaints in a centralized web based complaints redressal system i.e. SCORES. Through this system a shareholder can lodge complaint against a company for his grievance. The Company uploads the action taken on the complaint which can be viewed by the shareholder. The Company and shareholder can seek and provide clarifications online through SEBI.
- (ix) The Company has designated the email id [investorcare@nrbbearings.co.in](mailto:investorcare@nrbbearings.co.in) exclusively for investor relations, and the same is prominently displayed on the Company's website [www.nrbbearings.com](http://www.nrbbearings.com).

#### Share Transfer System

The Stakeholders Relationship Committee comprising of three (3) Directors is authorized to consider and resolve the grievances of security holders of the Company. The committee meets quarterly and on a need basis to approve physical transfer of shares. Share transfers in physical form are presently registered and returned within a period of fifteen (15) days from the date of receipt in case documents are complete in all respects.

#### Nomination

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

**Electronic Clearing Service**

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

**Service of documents through electronic mode**

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

**Address for Correspondence:**

| Compliance Officer                                                                                      | Universal Capital Securities Pvt Ltd                                                                                                               | Address of the Company                                                                                                          |
|---------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------|
| Ms. Shruti Joshi, Company Secretary<br>Phone: 022-22664160/4998<br>E-mail: investorcare@nrbbearings.com | 21, Shakil Niwas, Mahakali Caves Road,<br>Andheri (East), Mumbai - 400093<br>Tel : 022-28207203/05<br>Fax : 022-28207207<br>e-mail: info@uniseq.in | NRB Bearings Limited,<br>Dhannur, 15, Sir P. M. Road,<br>Fort, Mumbai – 400001<br>Phone: 022-22664160/4998<br>Fax :022-22660412 |

**Plant Locations:**

The Company has the following manufacturing locations:

|             |                                                                                      |
|-------------|--------------------------------------------------------------------------------------|
| Thane       | Pokhran Road No.2, Majiwade, Thane 400 610                                           |
| Aurangabad  | E-40, MIDC Industrial Area, Chikalthana, Aurangabad 431210.                          |
| Jalna       | C-6, Additional MIDC Industrial Area, Jalna 431203                                   |
| Waluj       | E-72, (I) MIDC, Waluj, Aurangabad 431133                                             |
| Hyderabad   | A-5, Uppal Industrial Estate, Hyderabad 500039                                       |
| Uttarakhand | Plot No 33, Sector – II, SIDCUL IIE Pantnagar, Udham Singh Nagar, Uttarakhand 263153 |

**COMPLIANCE CERTIFICATE OF THE AUDITORS:**

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



## INDEPENDENT AUDITOR'S REPORT

### To the Members of NRB Bearings Limited Report on the Audit of the Standalone Financial Statements

#### Opinion

1. We have audited the accompanying standalone financial statements of **NRB Bearings Limited** ('the Company'), which comprise the Balance Sheet as at 31 March 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. 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 Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 March 2019, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

#### Basis for Opinion

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

#### Key Audit Matters

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

| Key audit matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | How our audit addressed the key audit matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Valuation of investment in subsidiary Company</b><br><br>Refer to Note 5(a)(2) in the standalone financial statements.<br><br>The Company has investments in NRB Bearings (Thailand) Limited, ('wholly owned subsidiary') amounting to ₹ 2,413.12 lakhs, has given loan (including interest receivable) amounting to ₹ 1,764.22 lakhs, has trade receivables amounting to ₹ 1,214.19 lakhs and has given guarantee amounting to ₹ 2,375.60 lakhs, which is engaged in business of manufacturing and Sale of bearings. Such investment in the aforesaid subsidiary is accounted for at cost in accordance with Ind AS 27, Separate Financial Statements. The Company assesses the recoverable amount of the investment when impairment indicators exist, by comparing the fair value (less costs of disposal) and carrying the amount of the investment as on the reporting date. | <br>Our audit procedures in relation to assessing the carrying value of investments included but were not limited to, the following:<br><ul style="list-style-type: none"><li>• Obtained an understanding of management's processes and controls for determining the fair value of investments;</li><li>• Evaluated the design of and tested the operating effectiveness of the key controls around determining the value in use;</li><li>• Evaluated the appropriateness of the valuation methodology used to arrive at the fair value of the investments using our valuation specialist;</li><li>• Tested the accuracy of the input data used by the management;</li><li>• Reconciled the cash flow projections to the business plans approved by the Company's board of directors;</li></ul> |

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>During the year ended 31 March 2019, NRB Bearings (Thailand) Limited has reported a profit of ₹ 472.00 lakhs but as at that date its accumulated losses aggregating ₹ 2,855.76 lakhs have significantly eroded its capital.</p> <p>As at 31 March 2019, management has assessed that the recoverable amount computed is higher than the carrying value of the investment in NRB Bearings (Thailand) Limited. However, there is a risk that the investment in NRB Bearings (Thailand) Limited may be impaired if the projections used in computation of value in use method are not met.</p> <p>Management's assessment of value in use requires estimation and judgement around assumptions used. The key assumptions used in management's assessment include, but are not limited to, projections of future cash flows, growth rates, comparable market multiples.</p> <p>Accordingly, valuation of investment in subsidiary has been considered as key audit matter owing to the materiality of the amounts involved and inherent subjectivity involved in the determination of the amount considered recoverable.</p> | <ul style="list-style-type: none"> <li>• Evaluated the reasonableness of the key assumptions used in the cash flow projections, such as growth rates, comparable market multiples, etc. considering our understanding of the business, industry and relevant market factors.</li> <li>• Obtained and evaluated sensitivity analysis performed by the management on aforesaid key assumptions and performed further independent sensitivity analysis to determine impact of estimation uncertainty on the valuation;</li> <li>• Evaluated the historical accuracy of business projections made by the management in prior period;</li> <li>• Tested the mathematical accuracy of the cash flow projections and fair valuation computation; and</li> <li>• Evaluated the appropriateness and adequacy of the related disclosures made in the standalone financial statements in accordance with the applicable accounting standards.</li> </ul> |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

#### **Information other than the Financial Statements and Auditor's Report thereon**

6. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements**

7. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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.
8. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
9. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Financial Statements**

10. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
11. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for explaining our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Report on Other Legal and Regulatory Requirements**

15. As required by section 197(16) of the Act, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
16. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
17. Further to our comments in Annexure A, as required by section 143(3) of the Act, we report that:

- a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) the standalone financial statements dealt with by this report are in agreement with the books of account;
- d) in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;
- e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of section 164(2) of the Act;
- f) we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31 March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report as per Annexure B expressed an unmodified opinion;
- g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
  - i. the Company has disclosed the impact of pending litigations on its financial position as at 31 March 2019;
  - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2019;
  - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2019;
  - iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these standalone financial statements. Hence, reporting under this clause is not applicable.

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

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

Place: Mumbai  
Date: 29 May 2019

**Annexure A to the Independent Auditor's Report of even date to the members of NRB Bearings Limited, on the standalone financial statements for the year ended 31 March 2019****Annexure A**

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (b) The 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 2018. According to the information and explanations given to us no material discrepancies were noticed on such verification.
- (c) The title deeds of all the immovable properties (which are included under the head 'Property, plant and equipment') are held in the name of the Company except for the following property which was transferred as a result of amalgamation of companies as stated in Note 2 to the standalone financial statements wherein the title deed is in the name of the erstwhile company.

| <b>Nature of property</b> | <b>Total Number of Cases</b> | <b>Whether leasehold / freehold</b> | <b>Gross block as on 31 March 2019</b> | <b>Net block on 31 March 2019</b> | <b>Remarks</b>                                                                                                                                                                                                                |
|---------------------------|------------------------------|-------------------------------------|----------------------------------------|-----------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Land at Waluj             | 1                            | Leasehold land                      | ₹ 6.23 lakhs                           | ₹ 4.36 lakhs                      | The lease deed is in the name of NRB Torrington Private Limited, erstwhile Company that was merged with the Company under Section 391 to 394 of the Companies Act, 1956 in terms of the approval of the Honorable High Court. |

- (ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year, except for goods-in-transit and stocks lying with third parties. For stocks lying with third parties at the year-end, written confirmations have been obtained by the management. No material discrepancies were noticed on the aforesaid verification.
- (iii) The Company has granted two unsecured loans (including a loan granted during the year) to only one party covered in the register maintained under Section 189 of the Act, which is its wholly owned foreign subsidiary; and with respect to the same:
- (a) in our opinion, the terms and conditions of the loans granted are not, prima facie, prejudicial to the Company's interest;
- (b) the schedule of repayment of principal and interest has been stipulated and repayments of the principal amount and the receipts of interest are regular.
- (c) there is no overdue amount in respect of loans granted to the party.
- (iv) In our opinion, the Company has complied with the provisions of Section 186 in respect of investments, loans and guarantees. Further, in our opinion, the Company has not entered into any transaction covered under Section 185 and Section 186 of the Act in respect of provision of security.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of

Company's products and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

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

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

Statement of Disputed Dues

| Name of the statute             | Nature of dues  | Amount*<br>(₹ in Lakhs) | Amount paid there-against<br>(₹ in Lakhs) | Period to which the amount relates | Forum where dispute is pending           |
|---------------------------------|-----------------|-------------------------|-------------------------------------------|------------------------------------|------------------------------------------|
| The Income-tax Act, 1961        | Income tax      | 411.51                  | -                                         | A.Y. 2012-13                       | Commissioner of Income Tax (Appeals)     |
|                                 |                 | 171.02                  | -                                         | A.Y. 2013-14                       |                                          |
|                                 |                 | 259.87                  | -                                         | A.Y. 2014-15                       |                                          |
|                                 |                 | 232.36                  | -                                         | A.Y. 2015-16                       |                                          |
| The Bombay Sales Tax Act, 1959  | Value added tax | 1.20                    | -                                         | FY 1996-97                         | Deputy Commissioner (Appeals)            |
| The Bombay Sales Tax Act, 1959  | Value added tax | 14.49                   | -                                         | FY 2014-15                         | Joint Commissioner Sales Tax (Appeals)   |
| The Central Sales Tax Act, 1956 | Sales tax       | 2.42                    | -                                         | F.Y. 1996-97                       | Deputy Commissioner (Appeals)            |
|                                 |                 | 214.04                  | -                                         | F.Y. 2012-13                       |                                          |
|                                 |                 | 2.31                    | -                                         | FY 2013-14                         |                                          |
|                                 |                 | 46.32                   | -                                         | F.Y. 2014-15                       |                                          |
| The Central Sales Tax Act, 1956 | Sales tax       | 7.84                    | -                                         | F.Y. 2012-13                       | Additional Deputy Commissioner (Appeals) |
| The Central Sales Tax Act, 1956 | Sales tax       | 40.07                   | -                                         | FY 2012-13                         | Joint Commissioner Sales Tax (Appeals)   |
|                                 |                 | 21.21                   | -                                         | FY 2013-14                         |                                          |
|                                 |                 | 79.08                   | -                                         | FY 2014-15                         |                                          |
|                                 |                 | 26.91                   | -                                         | FY 2014-15                         |                                          |
|                                 |                 | 5.61                    | -                                         | FY 2015-16                         |                                          |

\* including interest

- (viii) The Company has not defaulted in repayment of loans or borrowings to any financial institution or a bank or government or any dues to debenture-holders during the year.
- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, the term loans availed during the year, were applied for the purposes for which the loans were obtained.
- (x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.
- (xi) Managerial remuneration has been paid and provided by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.

- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the standalone financial statements etc., as required by the applicable IndAS.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures. Accordingly, the provisions of clause 3(xiv) of the Order are not applicable.
- (xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act. Accordingly, the provisions of clause 3(xv) of the Order are not applicable.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

**Adi P. Sethna**

Partner

Membership No.: 108840

Place: Mumbai

**Annexure B to the Independent Auditor's Report of even date to the Members of NRB Bearings Limited on the standalone financial statements for the year ended 31 March 2019**

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

1. In conjunction with our audit of the standalone financial statements of **NRB Bearings Limited** ('the Company') as at and for the year ended 31 March 2019, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Company as at that date.

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

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditors' Responsibility**

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

**Meaning of Internal Financial Controls over Financial Reporting**

6. A company's IFCoFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's IFCoFR include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

7. Because of the inherent limitations of IFCoFR, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the IFCoFR to future periods are subject to the risk that the IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such controls were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

**Adi P. Sethna**

Partner

Membership No.: 108840

Place: Mumbai

Date: 29 May 2019



**Standalone Balance Sheet as at 31 March 2019**
**(₹ in Lakhs)**

|           | Particulars                                                                            | Note No. | As at 31 March 2019 | As at 31 March 2018 |
|-----------|----------------------------------------------------------------------------------------|----------|---------------------|---------------------|
| <b>I</b>  | <b>ASSETS</b>                                                                          |          |                     |                     |
| <b>1</b>  | <b>Non-current assets</b>                                                              |          |                     |                     |
|           | Property, plant and equipment                                                          | 2        | <b>28,447.83</b>    | 22,287.31           |
|           | Capital work-in-progress                                                               |          | <b>1,251.92</b>     | 1,314.82            |
|           | Investment property                                                                    | 3        | -                   | -                   |
|           | Intangible assets                                                                      | 4        | <b>58.62</b>        | 62.56               |
|           | Investments in subsidiaries                                                            | 5(a)     | <b>2,673.27</b>     | 1,900.71            |
|           | Financial assets                                                                       |          |                     |                     |
|           | Investments                                                                            | 5(b)     | <b>459.66</b>       | 568.32              |
|           | Loans                                                                                  | 6        | <b>432.18</b>       | 404.97              |
|           | Other financial assets                                                                 | 7        | <b>5.52</b>         | 2.93                |
|           | Income tax (Current-tax) assets (net)                                                  | 8        | <b>2,363.67</b>     | 1,695.73            |
|           | Other non-current assets                                                               | 9        | <b>1,491.72</b>     | 1,031.00            |
|           | <b>Total non-current assets</b>                                                        |          | <b>37,184.39</b>    | <b>29,268.35</b>    |
| <b>2</b>  | <b>Current assets</b>                                                                  |          |                     |                     |
|           | Inventories                                                                            | 10       | <b>24,130.09</b>    | 14,269.08           |
|           | Financial assets                                                                       |          |                     |                     |
|           | Trade receivables                                                                      | 11       | <b>22,089.63</b>    | 23,575.28           |
|           | Cash and cash equivalents                                                              | 12       | <b>2,155.65</b>     | 1,182.38            |
|           | Bank balances other than cash and cash equivalents                                     | 13       | <b>99.96</b>        | 1,492.92            |
|           | Loans                                                                                  | 14       | <b>1,764.22</b>     | 2,597.32            |
|           | Other financial assets                                                                 | 15       | <b>540.38</b>       | 384.67              |
|           | Other current assets                                                                   | 16       | <b>3,107.56</b>     | 4,189.42            |
|           | <b>Total current assets</b>                                                            |          | <b>53,887.49</b>    | <b>47,691.07</b>    |
|           | <b>Total assets</b>                                                                    |          | <b>91,071.88</b>    | <b>76,959.42</b>    |
| <b>II</b> | <b>EQUITY AND LIABILITIES</b>                                                          |          |                     |                     |
| <b>A</b>  | <b>Equity</b>                                                                          |          |                     |                     |
|           | Equity share capital                                                                   | 17       | <b>1,938.45</b>     | 1,938.45            |
|           | Other equity                                                                           | 18       | <b>45,462.39</b>    | 37,096.36           |
|           | <b>Total equity</b>                                                                    |          | <b>47,400.84</b>    | <b>39,034.80</b>    |
| <b>B</b>  | <b>Liabilities</b>                                                                     |          |                     |                     |
| <b>1</b>  | <b>Non-current liabilities</b>                                                         |          |                     |                     |
|           | Financial Liabilities                                                                  |          |                     |                     |
|           | Borrowings                                                                             | 19       | <b>8,289.55</b>     | 6,886.00            |
|           | Deferred tax liabilities (net)                                                         | 20       | <b>982.69</b>       | 330.70              |
|           | <b>Total non-current liabilities</b>                                                   |          | <b>9,272.24</b>     | <b>7,216.70</b>     |
| <b>2</b>  | <b>Current liabilities</b>                                                             |          |                     |                     |
|           | Financial Liabilities                                                                  |          |                     |                     |
|           | Borrowings                                                                             | 21       | <b>15,575.48</b>    | 9,228.03            |
|           | Trade payables                                                                         |          |                     |                     |
|           | Total outstanding dues of micro enterprises and small enterprises                      | 22       | <b>1,043.58</b>     | -                   |
|           | Total outstanding dues of creditors other than micro enterprises and small enterprises |          | <b>10,237.69</b>    | 10,412.97           |
|           | Other financial liabilities                                                            | 23       | <b>6,043.67</b>     | 8,957.75            |
|           | Other current liabilities                                                              | 24       | <b>416.24</b>       | 722.93              |
|           | Provisions                                                                             | 25       | <b>1,082.14</b>     | 894.90              |
|           | Current tax (net)                                                                      | 26       | -                   | 491.33              |
|           | <b>Total current liabilities</b>                                                       |          | <b>34,398.80</b>    | <b>30,707.91</b>    |
|           | <b>Total liabilities</b>                                                               |          | <b>43,671.04</b>    | <b>37,924.61</b>    |
|           | <b>Total equity and liabilities</b>                                                    |          | <b>91,071.88</b>    | <b>76,959.42</b>    |

Notes 1 to 47 form an integral part of the Standalone financial statements.

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

**For Walker Chandiok & Co LLP**

Chartered Accountants

Firm Registration No. 001076N / N500013

**Adi P. Sethna**

Partner

Membership No.: 108840

**Place : Mumbai**
**Date : 29 May 2019**
**Harshbeena Zaveri**

Vice Chairman and  
Managing Director  
DIN : 00003948

**Vishaka Maheshwari**

Director  
DIN: 07108012

**Place: Mumbai**
**Date: 29 May 2019**
**For and on behalf of the Board of Directors**
**S. C. Rangani**

Executive Director  
DIN : 00209069

**Rustom Desai**

Director  
DIN: 02448175

**Ashank Desai**

Director  
DIN : 00017767

**Tanushree Bagrodia**

Chief Financial Officer

**Tashwinder Singh**

Director  
DIN : 06572282

**Shruti Joshi**

Company Secretary

**Standalone Statement of Profit and Loss for the year ended 31 March 2019**

(₹ in Lakhs)

|             | Particulars                                                   | Note No. | Year ended 31 March 2019 | Year ended 31 March 2018 |
|-------------|---------------------------------------------------------------|----------|--------------------------|--------------------------|
| I           | Revenue from operations                                       | 27       | 94,020.99                | 84,843.10                |
| II          | Other income                                                  | 28       | 691.29                   | 1,151.54                 |
| <b>III</b>  | <b>Total Income (I + II)</b>                                  |          | <b>94,712.28</b>         | <b>85,994.64</b>         |
| <b>IV</b>   | <b>Expenses</b>                                               |          |                          |                          |
|             | Cost of materials consumed                                    | 29       | 42,218.61                | 34,638.67                |
|             | Changes in inventories of finished goods and work-in-progress | 30       | (3,315.56)               | 893.23                   |
|             | Excise duty on sale of goods (Refer note 27)                  |          | -                        | 1,779.88                 |
|             | Employee benefits expense                                     | 31       | 12,219.12                | 11,122.94                |
|             | Finance costs                                                 | 32       | 1,413.77                 | 1,426.86                 |
|             | Depreciation and amortisation expense                         | 2 to 4   | 3,185.69                 | 2,797.70                 |
|             | Other expenses                                                | 33       | 26,376.16                | 21,304.40                |
|             | <b>Total Expenses (IV)</b>                                    |          | <b>82,097.79</b>         | <b>73,963.68</b>         |
| <b>V</b>    | <b>Profit before tax and exceptional items (III-IV)</b>       |          | <b>12,614.49</b>         | <b>12,030.96</b>         |
| <b>VI</b>   | <b>Exceptional Items - gain</b>                               | 33A      | 1,653.62                 | -                        |
| <b>VII</b>  | <b>Profit before tax (V+VI)</b>                               |          | <b>14,268.11</b>         | <b>12,030.96</b>         |
| <b>VIII</b> | <b>Income tax expense / (credit):</b>                         | 34       |                          |                          |
|             | (i) Current tax                                               |          | 3,725.32                 | 3,739.98                 |
|             | (ii) Deferred tax                                             |          | 665.87                   | 99.64                    |
|             |                                                               |          | <b>4,391.19</b>          | <b>3,839.62</b>          |
| <b>IX</b>   | <b>Net profit after tax (VII-VIII)</b>                        |          | <b>9,876.92</b>          | <b>8,191.34</b>          |
| <b>X</b>    | <b>Other comprehensive income (OCI)</b>                       | 35       |                          |                          |
|             | Items that will not be reclassified to profit or loss         |          |                          |                          |
|             | - Remeasurement gain/(loss) on defined benefit plans          |          | (39.67)                  | 84.96                    |
|             | - Gain/(loss) on fair value of equity instruments             |          | (110.22)                 | 68.50                    |
|             | - Income tax effect on above                                  |          | 13.88                    | (29.40)                  |
|             |                                                               |          | <b>(136.01)</b>          | <b>124.06</b>            |
| <b>XI</b>   | <b>Total Comprehensive Income for the year (IX + X)</b>       |          | <b>9,740.91</b>          | <b>8,315.40</b>          |
| <b>XII</b>  | <b>Earnings per equity share:</b>                             | 47       |                          |                          |
|             | Basic and diluted (in ₹)                                      |          | 10.19                    | 8.45                     |
|             | Face value per share (in ₹)                                   |          | 2.00                     | 2.00                     |

Notes 1 to 47 form an integral part of the Standalone financial statements.

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

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm Registration No. 001076N / N500013

**Adi P. Sethna**

Partner

Membership No.: 108840

For and on behalf of the Board of Directors

**Harshbeena Zaveri**

Vice Chairman and

Managing Director

DIN : 00003948

**Tashwinder Singh**

Director

DIN : 06572282

**Tanushree Bagrodia**

Chief Financial Officer

**S. C. Rangani**

Executive Director

DIN : 00209069

**Vishaka Maheshwari**

Director

DIN: 07108012

**Shruti Joshi**

Company Secretary

**Ashank Desai**

Director

DIN : 00017767

**Rustom Desai**

Director

DIN: 02448175

Place : Mumbai

Date : 29 May 2019

Place: Mumbai

Date: 29 May 2019

**Standalone Cash Flow Statement for the year ended 31 March 2019**

|          |                                                                                    | (₹ in Lakhs)                |                             |
|----------|------------------------------------------------------------------------------------|-----------------------------|-----------------------------|
|          | Particulars                                                                        | Year ended<br>31 March 2019 | Year ended<br>31 March 2018 |
| <b>A</b> | <b>Cash Flow From Operating Activities</b>                                         |                             |                             |
|          | <b>Net Profit before tax as per Statement of Profit and Loss</b>                   | <b>14,268.11</b>            | 12,030.96                   |
|          | <b>Adjustments for:</b>                                                            |                             |                             |
|          | Depreciation and amortisation expense                                              | <b>3,185.69</b>             | 2,797.70                    |
|          | Liabilities no longer required, written back                                       | <b>(27.29)</b>              | -                           |
|          | Foreign exchange loss/(gain)                                                       | <b>(743.86)</b>             | (334.30)                    |
|          | Fair valuation gain on derivative instrument measured at FVTPL                     | <b>(150.33)</b>             | (45.73)                     |
|          | Fair valuation loss / (gain) on financial assets measured at FVTPL                 | <b>(1.57)</b>               | 4.47                        |
|          | Finance costs                                                                      | <b>1,413.77</b>             | 1,426.86                    |
|          | Interest income                                                                    | <b>(170.17)</b>             | (248.04)                    |
|          | Dividend income                                                                    | <b>(139.88)</b>             | (14.42)                     |
|          | Profit on sale of property plant and equipments (net) (including exceptional gain) | <b>(1,654.72)</b>           | (11.10)                     |
|          | Provision for doubtful debts                                                       | <b>753.03</b>               | 481.62                      |
|          | <b>Operating profit before working capital changes</b>                             | <b>16,732.78</b>            | <b>16,088.02</b>            |
|          | <b>Adjustment for movements in:</b>                                                |                             |                             |
|          | Changes in working capital:                                                        |                             |                             |
|          | Adjustment for (increase)/ decrease in assets                                      |                             |                             |
|          | - Trade receivables                                                                | <b>1,128.38</b>             | (2,504.42)                  |
|          | - Inventories                                                                      | <b>(9,861.01)</b>           | 1,506.43                    |
|          | - Bank balances other than cash and cash equivalents                               | <b>43.23</b>                | (54.67)                     |
|          | - Other non-current financial assets                                               | <b>(29.80)</b>              | 13.22                       |
|          | - Other current financial assets                                                   | <b>(155.71)</b>             | (63.02)                     |
|          | - Other non-current assets                                                         | <b>(92.07)</b>              | 743.91                      |
|          | - Other current assets                                                             | <b>1,093.49</b>             | (3,577.70)                  |
|          | Adjustment in increase/ (decrease) in liabilities                                  |                             |                             |
|          | - Other non-current liabilities                                                    | -                           | (63.54)                     |
|          | - Other financial liabilities                                                      | <b>55.35</b>                | 289.75                      |
|          | - Trade payables                                                                   | <b>956.04</b>               | 1,487.55                    |
|          | - Provisions                                                                       | <b>147.57</b>               | 239.90                      |
|          | - Other current liabilities                                                        | <b>(279.42)</b>             | 1,887.30                    |
|          | <b>Operating profit after working capital changes</b>                              | <b>9,738.83</b>             | <b>15,992.73</b>            |
|          | Direct taxes paid (net of refund)                                                  | (4,884.59)                  | (3,248.71)                  |
|          | <b>Net cash generated from operating activities (A)</b>                            | <b>4,854.24</b>             | <b>12,744.02</b>            |

## Standalone Cash Flow Statement for the year ended 31 March 2019

(₹ in Lakhs)

|          | Particulars                                                            | Year ended<br>31 March 2019 | Year ended<br>31 March 2018 |
|----------|------------------------------------------------------------------------|-----------------------------|-----------------------------|
| <b>B</b> | <b>Cash Flow From Investing Activities</b>                             |                             |                             |
|          | Purchase of property, plant and equipment and intangible assets        | (8,947.64)                  | (3,467.79)                  |
|          | Sale proceeds from property, plant and equipment                       | 1,725.77                    | 13.23                       |
|          | Investment in subsidiary company                                       | (772.57)                    | -                           |
|          | Interest received                                                      | 170.17                      | 248.04                      |
|          | Grant of inter-corporate deposit granted to related party              | -                           | (701.66)                    |
|          | Refund of inter-corporate deposit to related party                     | 1,033.49                    | -                           |
|          | Dividend received                                                      | 139.88                      | 14.42                       |
|          | <b>Net cash used in investing activities (B)</b>                       | <b>(6,650.90)</b>           | <b>(3,893.76)</b>           |
| <b>C</b> | <b>Cash Flow From Financing Activities</b>                             |                             |                             |
|          | Proceeds from non-current borrowings                                   | 3,413.38                    | 407.16                      |
|          | Proceeds form (repayment of) current borrowing (net)                   | 6,395.81                    | (5,977.72)                  |
|          | Repayment of non-current borrowings                                    | (4,250.62)                  | (1,072.07)                  |
|          | Finance costs paid                                                     | (1,413.77)                  | (1,426.86)                  |
|          | Interim dividend declared, deposited in separate bank account          | -                           | (1,356.92)                  |
|          | Movement in unclaimed dividend bank balances                           | (7.19)                      | 3.95                        |
|          | Dividend paid                                                          | (1,155.88)                  | (3.95)                      |
|          | Dividend distribution tax paid                                         | (211.81)                    | (276.24)                    |
|          | <b>Net cash generated from/ (used) in financing activities (C)</b>     | <b>2,769.92</b>             | <b>(9,702.64)</b>           |
|          | <b>Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)</b>   | <b>973.27</b>               | <b>(852.38)</b>             |
|          | Add: Balance of Cash and Cash Equivalents at the beginning of the year | 1,182.38                    | 2,034.76                    |
|          | <b>Closing balance of Cash and Cash Equivalents (Refer note 12)</b>    | <b>2,155.65</b>             | <b>1,182.38</b>             |
|          | <b>Components of Cash and Cash Equivalents:</b>                        |                             |                             |
|          | Cash on Hand                                                           | 2.67                        | 2.73                        |
|          | Balances with banks on current accounts                                | 2,152.98                    | 1,179.65                    |

### Notes:

- The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows. Effective 1 April 2017, the Company adopted the amendment to Ind AS 7, which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. (Refer note 38E).

Notes 1 to 47 form an integral part of the Standalone financial statements

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

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm Registration No. 001076N / N500013

**Adi P. Sethna**

Partner

Membership No.: 108840

For and on behalf of the Board of Directors

**Harshbeena Zaveri**

Vice Chairman and

Managing Director

DIN : 00003948

**Tashwinder Singh**

Director

DIN : 06572282

**Tanushree Bagrodia**

Chief Financial Officer

**S. C. Rangani**

Executive Director

DIN : 00209069

**Vishaka Maheshwari**

Director

DIN: 07108012

**Shruti Joshi**

Company Secretary

**Ashank Desai**

Director

DIN : 00017767

**Rustom Desai**

Director

DIN: 02448175

**Place : Mumbai**
**Date : 29 May 2019**
**Place: Mumbai**
**Date: 29 May 2019**

## Standalone Statement of Changes in Equity for the year ended 31 March 2019

### A. Equity share capital (Refer note 17)

(₹ in lakhs)

| Equity share capital       | Number of shares  | Amount          |
|----------------------------|-------------------|-----------------|
| <b>As at 31 March 2017</b> | 96,922,600        | 1,938.45        |
| Changes during the year    | -                 | -               |
| <b>As at 31 March 2018</b> | 96,922,600        | 1,938.45        |
| Changes during the year    | -                 | -               |
| <b>As at 31 March 2019</b> | <b>96,922,600</b> | <b>1,938.45</b> |

### B. Other equity (Refer Note 18)

(₹ in lakhs)

| Particulars                                                         | Reserves and surplus |                  |                            |                              |                   | Other reserves                                    | Total             |
|---------------------------------------------------------------------|----------------------|------------------|----------------------------|------------------------------|-------------------|---------------------------------------------------|-------------------|
|                                                                     | Securities premium   | General reserve  | Capital Redemption reserve | Debenture Redemption reserve | Retained earnings | Fair Value Gain on Equity Instruments through OCI |                   |
| <b>Balance as at 01 April 2017</b>                                  | 847.61               | 9,521.20         | 11.10                      | 2,000.00                     | 17,558.68         | 475.53                                            | <b>30,414.12</b>  |
| <b>Transactions during the year</b>                                 |                      |                  |                            |                              |                   |                                                   |                   |
| Net profit for the year                                             | -                    | -                | -                          | -                            | 8,191.34          | -                                                 | <b>8,191.34</b>   |
| Other comprehensive income                                          | -                    | -                | -                          | -                            | 55.56             | 68.50                                             | <b>124.06</b>     |
| Less: Interim dividend (₹ 1.4 per equity share)                     | -                    | -                | -                          | -                            | (1,356.92)        | -                                                 | <b>(1,356.92)</b> |
| Less: Dividend distribution tax on interim dividend                 | -                    | -                | -                          | -                            | (276.24)          | -                                                 | <b>(276.24)</b>   |
| Less: Transfer to debenture redemption reserve                      | -                    | -                | -                          | 1,250.00                     | (1,250.00)        | -                                                 | -                 |
| <b>Balance as at 31 March 2018</b>                                  | <b>847.61</b>        | <b>9,521.20</b>  | <b>11.10</b>               | <b>3,250.00</b>              | <b>22,922.42</b>  | <b>544.03</b>                                     | <b>37,096.36</b>  |
| <b>Transactions during the year</b>                                 |                      |                  |                            |                              |                   |                                                   |                   |
| Net profit for the year                                             | -                    | -                | -                          | -                            | 9,876.92          | -                                                 | <b>9,876.92</b>   |
| Other comprehensive income/ (loss)                                  | -                    | -                | -                          | -                            | (25.79)           | (110.22)                                          | <b>(136.01)</b>   |
| Less: Final dividend of previous year ₹ 1.2 per equity share        | -                    | -                | -                          | -                            | (1,163.07)        | -                                                 | <b>(1,163.07)</b> |
| Less: Dividend distribution tax on final dividend                   | -                    | -                | -                          | -                            | (211.81)          | -                                                 | <b>(211.81)</b>   |
| Less: Transfer from debenture redemption reserve to general reserve | -                    | 1,000.00         | -                          | (1,000.00)                   | -                 | -                                                 | -                 |
| <b>Balance as at 31 March 2019</b>                                  | <b>847.61</b>        | <b>10,521.20</b> | <b>11.10</b>               | <b>2,250.00</b>              | <b>31,398.67</b>  | <b>433.81</b>                                     | <b>45,462.39</b>  |

Note 1 to 47 form an integral part of the Standalone financial statements

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

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm Registration No. 001076N / N500013

**Adi P. Sethna**

Partner

Membership No.: 108840

Place : Mumbai

Date : 29 May 2019

For and on behalf of the Board of Directors

**Harshbeena Zaveri**

Vice Chairman and  
Managing Director  
DIN : 00003948

**Tashwinder Singh**

Director  
DIN : 06572282

**Tanushree Bagrodia**

Chief Financial Officer

Place: Mumbai

Date: 29 May 2019

**S. C. Rangani**

Executive Director  
DIN : 00209069

**Vishaka Maheshwari**

Director  
DIN: 07108012

**Shruti Joshi**

Company Secretary

**Ashank Desai**

Director  
DIN : 00017767

**Rustom Desai**

Director  
DIN: 02448175

## **Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2019**

### **1 Company Information**

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

The separate financial statements were authorised for issue in accordance with the resolution of the directors on 29 May 2019.

#### **Basis of Preparation**

The Company has prepared its financial statements to comply in all material respects with the provisions of the Companies Act, 2013 (the Act) and rules framed thereunder and the guidelines issued by Securities and Exchange Board of India. In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 under Section 133 of the Act, with effect from 1 April 2017.

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

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

#### **1.1 Significant accounting policies**

##### **a. Investment in subsidiaries**

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

##### **b. Foreign Currency Transactions**

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

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

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

Exchange differences on monetary items are recognised in Statement of Profit and Loss in the period in which they arise except for: exchange difference arising on settlement / restatement of long-term foreign currency monetary items recognized in the financial statements upto the year ended 31 March 2017 prepared under previous GAAP, are capitalized as a part of the depreciable property plant and equipments to which the monetary item relates and depreciated over the remaining useful life of such assets. If such monetary items do not relate to acquisition of depreciable property plant and equipments, the exchange difference is amortised over the maturity period / upto the date of settlement of such monetary item, whichever is earlier and charged to the Statement of Profit and Loss. The un-amortised exchange difference is carried under other equity as "Foreign currency monetary item translation difference account" net of tax effect thereon, where applicable.

**Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2019****c. Revenue Recognition**

The company derives revenues from sale of manufactured goods. Effective 01 April 2018, the Company has adopted Indian Accounting Standard 115 (Ind AS 115) - 'Revenue from contracts with customers selecting the cumulative catch-up transition method, applied to contracts that were not completed as on the transition date i.e. 01 April 2018. Accordingly, the comparative amounts of revenue and the corresponding contract assets / liabilities are not required to be adjusted retrospectively. However, the effect on adoption of Ind-AS 115 was insignificant. Revenue from sale of goods is recognized on satisfaction of performance obligation upon transfer of control of promised products to customers for an amount that reflects the consideration the Company expects to receive in exchange for those products. The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, it does not adjust any of the transaction prices for the time value of money.

For performance obligations where the above conditions are not met, revenue is recognised at the point in time in which the performance obligations are satisfied.

**d. Other Income**

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

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

**e. Income tax**

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

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

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

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

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

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

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**Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2019**

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Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

**f. Leases****As a lessee**

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

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

**As a lessor**

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

**g. Impairment of non-financial assets**

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

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

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

**h. Cash and cash equivalents**

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

**i. Trade receivable**

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

**j. Inventories**

Raw material and components, work in progress, Finished Goods and Traded goods are stated at "cost or net realisable value whichever is lower". Good in transit are stated at cost. Cost formulae used is weighted average cost. Due allowance is estimated and made for defective and obsolete items, wherever necessary, based on the past experience of the Company. Cost comprises of all cost of purchase, cost of conversion and other cost incurred in bringing the inventories to their present location and condition.

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



## Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2019

between standard costs and actual costs, unless such costs are specifically identifiable, in which case they are included in the valuation at actuals.

### **k. Investments and financial assets**

#### **Classification**

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

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

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

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

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

#### **Measurement**

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

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

#### **Measurement of debt instruments**

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

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.
- **Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.
- **Fair value through profit or loss:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the Statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

#### **Measurement of equity instruments**

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

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/ (losses)

## **Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2019**

in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

### **Impairment of financial assets**

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

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

### **De-recognition of financial assets**

A financial asset is derecognised only when

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

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

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

### **l. Derivatives**

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

### **m. Offsetting financial instruments**

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

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

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

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

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

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

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

**Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2019**

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

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

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

**o. Investment Properties**

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

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

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

**p. Intangible Assets**

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

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

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

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised. Depreciation is calculated pro-rata from the date of addition upto the date of disposal.

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

**q. Borrowings and other financial liabilities**

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

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

## **Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2019**

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

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

### **r. Borrowing Costs**

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

### **s. Provisions, Contingent Liabilities and contingent assets**

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

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

### **t. Employee Benefits**

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

### **B) Post employment benefits**

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

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

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

### **u. Earnings per share**

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

**Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2019****v. Operating Cycle**

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

**w. Contributed equity**

Equity shares are classified as equity.

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

**x. Critical estimates and judgements**

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

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

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

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

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

**ii) Income Tax:**

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

**iii) Contingencies:**

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

**iv) Impairment of financial assets:**

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

**v) Impairment of non-financial assets:**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Units (CGU) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent to those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

## **Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2019**

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

### **vi) Defined benefit obligation**

The cost of post-employment benefits is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rate of return on assets, future salary increases and mortality rates. Due to the long term nature of these plans such estimates are subject to significant uncertainty. The assumptions used are disclosed in Note 43.

### **y. Standard issued but not yet effective**

#### **Ind AS 116**

On 30th March 2019, the Ministry of Corporate Affairs (MCA) has notified Ind AS 116 Leases, under Companies (Indian Accounting Standards) Amendment Rules, 2019 which is applicable with effect from 1st April, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lease accounting model for lessee and requires the lessee to recognize right of use assets and lease liabilities for all leases with a term of more than twelve months, unless the underlying asset is low value in nature. Currently, operating lease expenses are charged to the statement of profit and loss. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17. As per Ind AS 116, the lessee needs to recognise depreciation on rights of use assets and finance costs on lease liabilities in the statement of profit and loss. The lease payments made by the lessee under the lease arrangement will be adjusted against the lease liabilities. Based on management assessment, the adoption of Ind AS 116 will not have any material impact on the financial statements of the company.

#### **Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments**

On 30 March 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition –

- i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and
- ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after 1 April 2019. The Company will adopt the standard on 1 April 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. 1 April 2019 without adjusting comparatives.

Effective date for application of these amendments is annual period beginning on or after 1 April 2019.

## Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2019

### 2 Property, plant and equipment

(₹ in Lakhs)

| Particulars                     | Free Hold Land | Leasehold Land | Buildings & Flats | Plant & Equipment | Furniture & Fixtures | Office Equipment | Electrical Installation | Vehicles      | Total            |
|---------------------------------|----------------|----------------|-------------------|-------------------|----------------------|------------------|-------------------------|---------------|------------------|
| <b>Gross carrying value</b>     |                |                |                   |                   |                      |                  |                         |               |                  |
| As at 1 April 2017              | 60.00          | 177.43         | 8,411.11          | 43,675.84         | 622.27               | 722.55           | 951.41                  | 519.52        | 55,140.13        |
| Additions                       | -              | -              | 339.22            | 3,132.31          | 42.41                | 97.48            | 126.22                  | 171.52        | 3,909.16         |
| Disposals                       | -              | -              | -                 | -                 | -                    | -                | -                       | 186.59        | 186.59           |
| <b>As at 31 March 2018</b>      | <b>60.00</b>   | <b>177.43</b>  | <b>8,750.33</b>   | <b>46,808.15</b>  | <b>664.68</b>        | <b>820.03</b>    | <b>1,077.63</b>         | <b>504.45</b> | <b>58,862.70</b> |
| Additions                       | -              | -              | 3,067.56          | 6,110.85          | 35.01                | 9.33             | 146.81                  | 25.44         | 9,395.00         |
| Disposals                       | -              | -              | 120.18            | -                 | -                    | -                | -                       | 6.58          | 126.76           |
| <b>As at 31 March 2019</b>      | <b>60.00</b>   | <b>177.43</b>  | <b>11,697.71</b>  | <b>52,919.00</b>  | <b>699.69</b>        | <b>829.36</b>    | <b>1,224.44</b>         | <b>523.31</b> | <b>68,130.94</b> |
| <b>Accumulated Depreciation</b> |                |                |                   |                   |                      |                  |                         |               |                  |
| As at 1 April 2017              | -              | 22.36          | 1,851.86          | 29,984.64         | 464.57               | 450.45           | 830.31                  | 391.67        | 33,995.86        |
| Charge for the year             | -              | 4.32           | 170.31            | 2,409.20          | 4.53                 | 81.48            | 29.23                   | 64.92         | 2,763.99         |
| Disposal/ adjustment            | -              | -              | -                 | -                 | -                    | -                | -                       | 184.46        | 184.46           |
| <b>As at 31 March 2018</b>      | <b>-</b>       | <b>26.68</b>   | <b>2,022.17</b>   | <b>32,393.84</b>  | <b>469.10</b>        | <b>531.93</b>    | <b>859.54</b>           | <b>272.13</b> | <b>36,575.39</b> |
| Charge for the year             | -              | 2.16           | 227.71            | 2,634.02          | 79.66                | 89.73            | 48.84                   | 81.31         | 3,163.43         |
| Disposal/ adjustment            | -              | -              | 49.13             | -                 | -                    | -                | -                       | 6.58          | 55.71            |
| <b>As at 31 March 2019</b>      | <b>-</b>       | <b>28.84</b>   | <b>2,200.75</b>   | <b>35,027.86</b>  | <b>548.76</b>        | <b>621.66</b>    | <b>908.38</b>           | <b>346.86</b> | <b>39,683.11</b> |
| <b>Net carrying value</b>       |                |                |                   |                   |                      |                  |                         |               |                  |
| As at 31 March 2018             | 60.00          | 150.75         | 6,728.16          | 14,414.31         | 195.58               | 288.10           | 218.09                  | 232.32        | 22,287.31        |
| As at 31 March 2019             | 60.00          | 148.59         | 9,496.96          | 17,891.14         | 150.93               | 207.70           | 316.06                  | 176.45        | 28,447.83        |

#### Footnotes:

- Buildings and flats include:
  - Shares in respect of residential premises of a cost of ₹ 2.25 lakhs (31 March 2018 ₹ 2.25 lakhs) in a co-operative society which is in the process of being transferred in the name of the Company.
  - Cost of shares of an aggregate face value of ₹ 750 (31 March 2018 ₹ 750) in co-operative housing societies viz. 5 shares of ₹ 50 each in Vile Parle Vatika Cooperative Housing Society Limited, 5 shares of ₹ 50 each in The Ganesh Villa Co-operative Housing Society Limited and 5 shares of ₹ 50 each in Vinayak Bhavan Cooperative Housing Society Limited.
- The title deeds/ leasehold right of Land and Buildings, having gross carrying amount aggregating ₹ 61.40 lakhs (31 March 2018: ₹ 61.40 lakhs) and net carrying amount aggregating ₹ 59.54 lakhs (31 March 2018 - ₹ 59.66 lakhs), have been transferred to and vested in the Company, pursuant to the Schemes of Amalgamation/Arrangement and the procedural formalities for changing the name of the Company is in process.
- The above amounts includes adjustment of foreign exchange loss aggregating to ₹ 319.32 lakhs (31 March 2018- ₹ 5.92 lakhs) against the carrying value of plant and machinery. The balance amount, based on aforesaid adjustments, of plant and equipment to be amortised, as at the year-end, aggregates ₹ 1,357.65 lakhs (31 March 2018: ₹ 1,258.17 lakhs).

## Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2019

### 3 Investment Properties

(₹ in Lakhs)

| Particulars                      | Buildings and flats | Total |
|----------------------------------|---------------------|-------|
| <b>Gross carrying value*</b>     |                     |       |
| As at 01 April 2017              | 41.00               | 41.00 |
| As at 31 March 2018              | 41.00               | 41.00 |
| As at 31 March 2019              | 41.00               | 41.00 |
| <b>Accumulated Depreciation*</b> |                     |       |
| As at 01 April 2017              | 41.00               | 41.00 |
| As at 31 March 2018              | 41.00               | 41.00 |
| As at 31 March 2019              | 41.00               | 41.00 |
| <b>Net carrying value</b>        |                     |       |
| <b>As at 31 March 2018</b>       | -                   | -     |
| <b>As at 31 March 2019</b>       | -                   | -     |

\* There is no addition and disposal to the gross block and depreciation charge for the year ended 31 March 2019 and 31 March 2018.

#### 3.1 Fair value of Investment Property

(₹ in Lakhs)

| Particulars         | As at<br>31 March 2019 | As at<br>31 March 2018 |
|---------------------|------------------------|------------------------|
| Buildings and flats | 1,729.35               | 1,729.35               |
| <b>Total</b>        | <b>1,729.35</b>        | <b>1,729.35</b>        |

#### 3.2 Income from Investment property generating Rental Income

(₹ in Lakhs)

| Particulars                                                                                                     | As at<br>31 March 2019 | As at<br>31 March 2018 |
|-----------------------------------------------------------------------------------------------------------------|------------------------|------------------------|
| Rental Income derived from investment properties                                                                | 118.85                 | 117.72                 |
| Direct Operating expenses from property (including repairs and maintenance) that generated rental income        | 1.27                   | 1.24                   |
| Direct Operating expenses from property (including repairs and maintenance) that did not generate rental income | -                      | -                      |
| Income arising from investment properties before depreciation                                                   | 117.58                 | 116.48                 |
| Depreciation                                                                                                    | -                      | -                      |
| <b>Income from Investment properties (net)</b>                                                                  | <b>117.58</b>          | <b>116.48</b>          |

#### 3.3 Estimation of fair value of investment properties:

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

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



**Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2019**

**4 Intangible assets**

**(₹ in Lakhs)**

| <b>Particulars</b>              | <b>Software</b> | <b>Total</b>  |
|---------------------------------|-----------------|---------------|
| <b>Gross carrying value</b>     |                 |               |
| As at 1 April 2017              | 591.23          | 591.23        |
| Additions                       | 66.46           | 66.46         |
| Disposals                       | -               | -             |
| <b>As at 31 March 2018</b>      | <b>657.69</b>   | <b>657.69</b> |
| Additions                       | 18.32           | 18.32         |
| Disposals                       | -               | -             |
| <b>As at 31 March 2019</b>      | <b>676.01</b>   | <b>676.01</b> |
| <b>Accumulated Amortisation</b> |                 |               |
| As at 1 April 2017              | 561.42          | 561.42        |
| Charge for the year             | 33.71           | 33.71         |
| Disposal/ adjustment            | -               | -             |
| <b>As at 31 March 2018</b>      | <b>595.13</b>   | <b>595.13</b> |
| Charge for the year             | 22.26           | 22.26         |
| Disposal/ adjustment            | -               | -             |
| <b>As at 31 March 2019</b>      | <b>617.39</b>   | <b>617.39</b> |
|                                 |                 |               |
| <b>Net carrying value</b>       |                 |               |
| <b>As at 31 March 2018</b>      | <b>62.56</b>    | <b>62.56</b>  |
| <b>As at 31 March 2019</b>      | <b>58.62</b>    | <b>58.62</b>  |

## Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2019

### Non - Current

#### 5(a) Investments in subsidiaries (Also refer note 39)

(₹ in Lakhs)

| Particulars                                                                       | As at 31 March 2019 |                 | As at 31 March 2018 |                 |
|-----------------------------------------------------------------------------------|---------------------|-----------------|---------------------|-----------------|
|                                                                                   | Quantity (Nos.)     | Amount          | Quantity (Nos.)     | Amount          |
| <b>Investment in Equity shares (fully paid-up)</b>                                |                     |                 |                     |                 |
| <b>(i) Investment in Foreign subsidiaries (wholly owned) (Unquoted) (At cost)</b> |                     |                 |                     |                 |
| NRB Bearings (Thailand) Limited (THB 10 each)<br>(Refer note 2 below)             | <b>14,666,994</b>   | <b>2,413.12</b> | 10,999,994          | 1,640.56        |
| NRB Bearings Europe GmbH (Euro 1 each)                                            | <b>25,000</b>       | <b>20.48</b>    | 25,000              | 20.48           |
| <b>(ii) Investment in Indian subsidiary (Quoted) (At Cost)</b>                    |                     |                 |                     |                 |
| SNL Bearings Limited (₹ 10 each)                                                  | <b>2,652,762</b>    | <b>239.67</b>   | 2,652,762           | 239.67          |
|                                                                                   |                     | <b>2,673.27</b> |                     | <b>1,900.71</b> |

#### Notes:

- Aggregate amount of unquoted investments (gross) 2,433.60 1,661.04  
Aggregate amount of quoted investments (gross) 239.67 239.67  
Aggregate amount of impairment in the value of investments - -
- During the current year, the Company invested an amount of ₹ 772.56 lakhs by way of subscription to the rights issue of equity shares of NRB Bearings (Thailand) Limited ('NBTL'), a wholly owned subsidiary of the Company.

The Company, as at 31 March 2019, has made investment in NRB Bearings (Thailand) Limited (NRBT) amounting to ₹ 2,413.12 lakhs (31 March 2018: ₹ 1,640.56 lakhs), has given loan (including interest receivable) amounting to ₹ 1,764.22 lakhs (31 March 2018: ₹ 2,597.32 lakhs), has trade receivables amounting to ₹ 1,214.19 lakhs (31 March 2018: ₹ 858.76 lakhs), has given advances amounting to ₹ Nil (31 March 2018: ₹ 131.98 lakhs) and has given guarantee amounting to ₹ 2,375.60 lakhs (31 March 2018: ₹ 2,277.44 lakhs). NRBT is a 100% wholly owned subsidiary of the Company, which is engaged in manufacturing and sale of bearing products. During the year ended 31 March 2019, NRBT has reported a profit of ₹ 472.00 lakhs. As at that date its accumulated losses aggregate to ₹ 2,855.76 lakhs. Over the years NRBT's net worth has eroded. The management has considered that the losses suffered by NRBT and the erosion of its networth indicate potential impairment in carrying value of the investment. Accordingly, the management has carried out an internal impairment assessment and concluded that the estimated recoverable amount is higher than the carrying value of the investment. Accordingly, there is no impairment as at 31 March 2019. Determination of recoverable amount involved consideration of key assumptions including but not limited to, projections of future cash flow, growth rates, discount rates, estimated future operating expenditure. The cash flow projections are based on key assumptions such as margins, expected growth rates based on new business, potential new customers and management's expectation / extrapolation of normal increase / steady growth rate, which are reasonable, especially considering the recent performance of NRBT. The management believes that any reasonable possible change in key assumptions would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the investment.

**Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2019**

**Financial assets**

**5(b) Investments**

(₹ in Lakhs)

| Particulars                                                                                      | As at 31 March 2019 |               | As at 31 March 2018 |               |
|--------------------------------------------------------------------------------------------------|---------------------|---------------|---------------------|---------------|
|                                                                                                  | Quantity (Nos.)     | Amount        | Quantity (Nos.)     | Amount        |
| <b>(i) Equity investment measured at fair value through other comprehensive income</b>           |                     |               |                     |               |
| <b>a. Quoted</b>                                                                                 |                     |               |                     |               |
| Indusind Bank Limited (₹ 10 each)                                                                | 8,541               | 152.03        | 8,541               | 153.46        |
| Eicher Motors Limited (₹ 10 each)                                                                | 600                 | 123.29        | 600                 | 170.24        |
| Hero Motocorp Limited (₹ 2 each)                                                                 | 6,250               | 159.58        | 6,250               | 221.42        |
| <b>b. Unquoted</b>                                                                               |                     |               |                     |               |
| 21st Century Battery Limited (₹ 10 each)                                                         | 10,000              | 1.00          | 10,000              | 1.00          |
| Less: Provision for impairment in value                                                          |                     | (1.00)        |                     | (1.00)        |
| <b>Total investment in equity shares</b>                                                         |                     | <b>434.90</b> |                     | <b>545.12</b> |
| <b>(ii) Investment in mutual funds measured at fair value through profit and loss (Unquoted)</b> |                     |               |                     |               |
| DSP Black Rock Equity Fund                                                                       | 50,000              | 24.76         | 50,000              | 23.20         |
| <b>Total non-current investments</b>                                                             |                     | <b>459.66</b> |                     | <b>568.32</b> |

**Notes:**

|                                                            |        |        |
|------------------------------------------------------------|--------|--------|
| Aggregate amount of quoted investments (gross)             | 434.90 | 545.12 |
| Aggregate amount of unquoted investments (gross)           | 25.76  | 24.20  |
| Aggregate amount of impairment in the value of investments | (1.00) | (1.00) |

**Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2019**

|                                                                                                        | (₹ in Lakhs)           |                        |
|--------------------------------------------------------------------------------------------------------|------------------------|------------------------|
|                                                                                                        | As at<br>31 March 2019 | As at<br>31 March 2018 |
| <b><u>Non-Current</u></b>                                                                              |                        |                        |
| <b>6 Loans</b>                                                                                         |                        |                        |
| <b>Unsecured, considered good</b>                                                                      |                        |                        |
| Security Deposits                                                                                      | 432.18                 | 404.97                 |
| <b>Total</b>                                                                                           | <b>432.18</b>          | <b>404.97</b>          |
| <b>Break up of security details</b>                                                                    |                        |                        |
| Loans receivables considered good - secured                                                            | -                      | -                      |
| Loans receivables considered good - unsecured                                                          | 432.18                 | 404.97                 |
| Loans receivables which have significant increase in credit risk                                       | -                      | -                      |
| Loans receivables - credit impaired                                                                    | -                      | -                      |
| <b>Total</b>                                                                                           | <b>432.18</b>          | <b>404.97</b>          |
| Loss allowance                                                                                         | -                      | -                      |
| <b>Total loans</b>                                                                                     | <b>432.18</b>          | <b>404.97</b>          |
| <b>7 Other financial assets</b>                                                                        |                        |                        |
| Margin money deposits with the maturity of more than 12 months                                         | 5.52                   | 2.93                   |
| <b>Total</b>                                                                                           | <b>5.52</b>            | <b>2.93</b>            |
| <b>8 Income tax (current-tax) assets (net)</b>                                                         |                        |                        |
| Advance taxes paid (net of provision for tax ₹ 25,309.76 lakhs;<br>31 March 2018 ₹ 18,062.31 lakhs)    | 2,363.67               | 1,695.73               |
| <b>Total</b>                                                                                           | <b>2,363.67</b>        | <b>1,695.73</b>        |
| <b>9 Other non-current assets</b>                                                                      |                        |                        |
| Capital advances                                                                                       | 869.77                 | 501.12                 |
| Prepayments                                                                                            | 13.74                  | 16.48                  |
| Balance with government authorities                                                                    | 608.21                 | 513.40                 |
| <b>Total</b>                                                                                           | <b>1,491.72</b>        | <b>1,031.00</b>        |
| <b><u>Current</u></b>                                                                                  |                        |                        |
| <b>10 Inventories</b>                                                                                  |                        |                        |
| Raw materials and components (including Goods-in-transit ₹ 38.54 lakhs,<br>31 March 2018 ₹ 1.35 lakhs) | 9,264.68               | 4,248.09               |
| Work-in-progress                                                                                       | 5,560.79               | 4,041.28               |
| Finished goods (including Goods-in-transit ₹ 977.26 lakhs,<br>31 March 2018 ₹ 758.04 lakhs)            | 4,647.37               | 2,851.32               |
| Stores and spares                                                                                      | 4,657.25               | 3,128.39               |
| <b>Total</b>                                                                                           | <b>24,130.09</b>       | <b>14,269.08</b>       |

## Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2019

(₹ in Lakhs)

|                                                                                                                                         | As at<br>31 March 2019 | As at<br>31 March 2018 |
|-----------------------------------------------------------------------------------------------------------------------------------------|------------------------|------------------------|
| <b>11 Trade receivables</b>                                                                                                             |                        |                        |
| Receivable from:                                                                                                                        |                        |                        |
| - Related parties (Refer note 40)                                                                                                       | 1,255.23               | 858.76                 |
| - Others                                                                                                                                | 24,312.33              | 25,697.71              |
| Less: Loss allowance                                                                                                                    | (3,477.93)             | (2,981.19)             |
|                                                                                                                                         | 20,834.40              | 22,716.52              |
| <b>Total receivables</b>                                                                                                                | 22,089.63              | 23,575.28              |
| Current portion                                                                                                                         | 22,089.63              | 23,575.28              |
| Non-current portion                                                                                                                     | -                      | -                      |
| <b>Break up of security details</b>                                                                                                     |                        |                        |
| Trade receivables considered good - secured                                                                                             | 52.45                  | 68.04                  |
| Trade receivables considered good - unsecured                                                                                           | 22,037.18              | 23,507.24              |
| Trade receivables which have significant increase in credit risk                                                                        | -                      | -                      |
| Trade receivables - credit impaired                                                                                                     | 3,477.93               | 2,981.19               |
| <b>Total</b>                                                                                                                            | <b>25,567.56</b>       | <b>26,556.47</b>       |
| Loss allowance                                                                                                                          | (3,477.93)             | (2,981.19)             |
| <b>Total trade receivables</b>                                                                                                          | <b>22,089.63</b>       | <b>23,575.29</b>       |
| <b>Footnote:</b>                                                                                                                        |                        |                        |
| No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. |                        |                        |
| <b>12 Cash and cash equivalents</b>                                                                                                     |                        |                        |
| Balances with banks                                                                                                                     |                        |                        |
| - Current accounts                                                                                                                      | 1,728.62               | 1,010.13               |
| - EEFC account                                                                                                                          | 384.25                 | 169.52                 |
| Deposits with the original maturity of less than three months                                                                           | 40.11                  | -                      |
| Cash on Hand                                                                                                                            | 2.67                   | 2.73                   |
| <b>Total</b>                                                                                                                            | <b>2,155.65</b>        | <b>1,182.38</b>        |
| <b>13 Bank balances other than cash and cash equivalents</b>                                                                            |                        |                        |
| Margin money deposits (fixed deposit pledge with banks)                                                                                 | 73.20                  | 116.43                 |
| Unpaid dividend (Refer footnote below)                                                                                                  | 26.76                  | 1,376.49               |
| <b>Total</b>                                                                                                                            | <b>99.96</b>           | <b>1,492.92</b>        |

**Footnote :**

Previous year includes interim dividend declared on 20 March 2018, deposited in separate bank account amounting to ₹ 1356.92 lakhs.

**Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2019**

|           |                                                                                                                                        | (₹ in Lakhs)           |                        |
|-----------|----------------------------------------------------------------------------------------------------------------------------------------|------------------------|------------------------|
|           |                                                                                                                                        | As at<br>31 March 2019 | As at<br>31 March 2018 |
| <b>14</b> | <b>Loans</b>                                                                                                                           |                        |                        |
|           | <b>Unsecured, considered good</b>                                                                                                      |                        |                        |
|           | Inter corporate deposits to related party (including interest thereon)<br>(Refer note 40)                                              | 1,764.22               | 2,597.32               |
|           | Less: Loss allowance                                                                                                                   | -                      | -                      |
|           | <b>Total</b>                                                                                                                           | <b>1,764.22</b>        | <b>2,597.32</b>        |
|           | <b>Break up of security details</b>                                                                                                    |                        |                        |
|           | Loans considered good - secured                                                                                                        | -                      | -                      |
|           | Loans considered good - unsecured                                                                                                      | 1,764.22               | 2,597.32               |
|           | Loans which have significant increase in credit risk                                                                                   | -                      | -                      |
|           | Loans - credit impaired                                                                                                                | -                      | -                      |
|           | <b>Total</b>                                                                                                                           | <b>1,764.22</b>        | <b>2,597.32</b>        |
|           | Loss allowance                                                                                                                         | -                      | -                      |
|           | <b>Total loans</b>                                                                                                                     | <b>1,764.22</b>        | <b>2,597.32</b>        |
|           | <b>Footnote :</b>                                                                                                                      |                        |                        |
|           | No loans or other receivable are due from directors or other officers of the Company either severally or jointly with any other person |                        |                        |
| <b>15</b> | <b>Other financial assets</b>                                                                                                          |                        |                        |
|           | Derivative assets                                                                                                                      | 530.38                 | 380.05                 |
|           | Others                                                                                                                                 | 10.00                  | 4.62                   |
|           | <b>Total</b>                                                                                                                           | <b>540.38</b>          | <b>384.67</b>          |
| <b>16</b> | <b>Other current assets</b>                                                                                                            |                        |                        |
|           | <b>Advances to suppliers:</b>                                                                                                          |                        |                        |
|           | - Related parties (Refer note 40)                                                                                                      | -                      | 131.98                 |
|           | - Others                                                                                                                               | 1,076.80               | 689.67                 |
|           | Advance for expenses                                                                                                                   | 131.33                 | 80.07                  |
|           | Export incentive and duty drawback receivable                                                                                          | 14.16                  | 924.61                 |
|           | Balances with government authorities                                                                                                   | 1,391.70               | 1,977.58               |
|           | Prepayments                                                                                                                            | 493.57                 | 385.51                 |
|           | <b>Total</b>                                                                                                                           | <b>3,107.56</b>        | <b>4,189.42</b>        |

## Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2019

(₹ in Lakhs)

|                                                                                | As at<br>31 March 2019 | As at<br>31 March 2018 |
|--------------------------------------------------------------------------------|------------------------|------------------------|
| <b>17 Equity share capital</b>                                                 |                        |                        |
| <b>Authorised:</b>                                                             |                        |                        |
| 100,000,000 (31 March 2018: 100,000,000) Equity Shares of ₹ 2 each             | 2,000.00               | 2,000.00               |
| <b>Total</b>                                                                   | <b>2,000.00</b>        | <b>2,000.00</b>        |
| <b>Issued, Subscribed and Paid-Up:</b>                                         |                        |                        |
| 96,922,600 (31 March 2018: 96,922,600) Equity Shares of ₹ 2 each fully paid up | 1,938.45               | 1,938.45               |
| <b>Total</b>                                                                   | <b>1,938.45</b>        | <b>1,938.45</b>        |

**(i) Reconciliation of number of Equity Shares outstanding at the beginning and at the end of the year :**

| Particulars                                      | 2018-19           |                 | 2017-18           |                 |
|--------------------------------------------------|-------------------|-----------------|-------------------|-----------------|
|                                                  | (In Nos.)         | (₹ in lakhs)    | (In Nos.)         | (₹ in lakhs)    |
| Shares outstanding at the beginning of the year  | 96,922,600        | 1,938.45        | 96,922,600        | 1,938.45        |
| <b>Shares outstanding at the end of the year</b> | <b>96,922,600</b> | <b>1,938.45</b> | <b>96,922,600</b> | <b>1,938.45</b> |

**(ii) Rights attached to equity shares:**

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

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

| Name of Shareholder                                                              | As at 31 March 2019   |              | As at 31 March 2018   |              |
|----------------------------------------------------------------------------------|-----------------------|--------------|-----------------------|--------------|
|                                                                                  | Number of shares held | % of Holding | Number of shares held | % of Holding |
| (Late) Trilochan Singh Sahney Trust 1 (held by a trustee in his individual name) | 33,809,300            | 34.88%       | 34,829,642            | 35.94%       |
| Harshbeena Zaveri                                                                | 8,568,704             | 8.84%        | 8,500,167             | 8.77%        |
| Nalanda India Equity Fund Limited                                                | 9,682,667             | 9.99%        | 9,682,667             | 9.99%        |
| HDFC Small Cap Fund                                                              | 8,425,182             | 8.69%        | 635,000               | 0.66%        |

**(iv) Details of allotment of shares for consideration other than cash, allotments of bonus shares and shares bought back during past five years:**

- Aggregate number and class of shares allotted as fully paid up pursuant to contracts without payment being received in cash - Nil
- Aggregate number and class of shares allotted as fully paid up by way of bonus shares - Nil
- Aggregate number and class of shares bought back - Nil

## Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2019

### 18 Other equity

(₹ in Lakhs)

#### a) Reserves and surplus

|                                                   | As at<br>31 March 2019 | As at<br>31 March 2018 |
|---------------------------------------------------|------------------------|------------------------|
| Securities Premium                                | 847.61                 | 847.61                 |
| General Reserve                                   | 10,521.20              | 9,521.20               |
| Capital Redemption Reserve                        | 11.10                  | 11.10                  |
| Debenture Redemption Reserve                      | 2,250.00               | 3,250.00               |
| Retained Earnings                                 | 31,398.67              | 22,922.42              |
| Fair Value Gain on Equity Instruments through OCI | 433.81                 | 544.03                 |
| <b>Total</b>                                      | <b>45,462.39</b>       | <b>37,096.36</b>       |

#### i) Securities Premium

|                             |               |               |
|-----------------------------|---------------|---------------|
| Opening balance             | 847.61        | 847.61        |
| Transaction during the year | -             | -             |
| <b>Closing balance</b>      | <b>847.61</b> | <b>847.61</b> |

#### ii) General Reserve

|                                               |                  |                 |
|-----------------------------------------------|------------------|-----------------|
| Opening balance                               | 9,521.20         | 9,521.20        |
| Transferred from debenture redemption reserve | 1,000.00         | -               |
| <b>Closing balance</b>                        | <b>10,521.20</b> | <b>9,521.20</b> |

#### iii) Capital Redemption Reserve

|                                      |              |              |
|--------------------------------------|--------------|--------------|
| Opening Balance                      | 11.10        | 11.10        |
| Add: Transfer from retained earnings | -            | -            |
| <b>Closing balance</b>               | <b>11.10</b> | <b>11.10</b> |

#### iv) Debenture Redemption Reserve

|                                      |                 |                 |
|--------------------------------------|-----------------|-----------------|
| Opening balance                      | 3,250.00        | 2,000.00        |
| Add: Transfer from retained earnings | -               | 1,250.00        |
| Add: Transfer to general reserve     | (1,000.00)      | -               |
| <b>Closing balance</b>               | <b>2,250.00</b> | <b>3,250.00</b> |

#### v) Retained Earnings

|                                                                                                                                        |                  |                  |
|----------------------------------------------------------------------------------------------------------------------------------------|------------------|------------------|
| Opening Balance                                                                                                                        | 22,922.42        | 17,558.68        |
| Add: Profit for the year                                                                                                               | 9,876.92         | 8,191.34         |
| Add: Other comprehensive income/ (loss) for the year (Refer note 35)                                                                   | (25.79)          | 55.56            |
| Less: Interim dividend for the year ended ₹ Nil per fully paid up shares for 31 March 2019 (31 March 2018- ₹ 1.4 per fully paid share) | -                | (1,356.92)       |
| Less: Final dividend for the year ₹ 1.2 fully paid up share for 31 March 2018 (31 March 2018 - ₹ Nil per fully paid share)             | (1,163.07)       | -                |
| Less: Dividend distribution tax on final/ interim dividend                                                                             | (211.81)         | (276.24)         |
| Less: Transfer to debenture redemption reserve                                                                                         | -                | (1,250.00)       |
| <b>Closing balance</b>                                                                                                                 | <b>31,398.67</b> | <b>22,922.42</b> |



## Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2019

|                                                                                                                                                                                                                                                                                                        | (₹ in lakhs)           |                        |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|------------------------|
|                                                                                                                                                                                                                                                                                                        | As at<br>31 March 2019 | As at<br>31 March 2018 |
| <b>b) Others:</b>                                                                                                                                                                                                                                                                                      |                        |                        |
| <b>i) Fair Value Gain of Equity Instruments through OCI</b>                                                                                                                                                                                                                                            |                        |                        |
| Opening balance                                                                                                                                                                                                                                                                                        | 544.03                 | 475.53                 |
| Change in Fair value of FVOCI equity instrument (Refer note 35)                                                                                                                                                                                                                                        | (110.22)               | 68.50                  |
| <b>Closing balance</b>                                                                                                                                                                                                                                                                                 | <b>433.81</b>          | <b>544.03</b>          |
| <b>Nature and purpose of reserves</b>                                                                                                                                                                                                                                                                  |                        |                        |
| <b>i) Capital Redemption Reserve</b>                                                                                                                                                                                                                                                                   |                        |                        |
| It is created on account of merger and the same will be utilised in accordance with the provision of Companies Act 2013.                                                                                                                                                                               |                        |                        |
| <b>ii) Securities Premium Reserve</b>                                                                                                                                                                                                                                                                  |                        |                        |
| Securities premium is used to record the premium received on issue of shares. The amount will be utilised in accordance with the provisions of the Companies Act, 2013.                                                                                                                                |                        |                        |
| <b>iii) Debenture Redemption Reserve</b>                                                                                                                                                                                                                                                               |                        |                        |
| The Company had issued non convertible debentures and accordingly Debenture redemption reserve is required to be created pursuant to the Companies (Share capital and debentures) Rules 2014. The same will be utilised in accordance with the provisions of Companies Act 2013.                       |                        |                        |
| <b>iv) General Reserve</b>                                                                                                                                                                                                                                                                             |                        |                        |
| General Reserve is created from time to time by way of transfer of profits from retained earnings for appropriation purpose. This reserve is a distributable reserve.                                                                                                                                  |                        |                        |
| <b>v) Retained Earnings</b>                                                                                                                                                                                                                                                                            |                        |                        |
| Retained earnings represents the accumulated profits / losses made by the Company over the years.                                                                                                                                                                                                      |                        |                        |
| <b>vi) Fair Value Gain on Equity Instruments through OCI</b>                                                                                                                                                                                                                                           |                        |                        |
| The Company has elected to recognise changes in the fair value of equity investments in Other Comprehensive Income. These changes are accumulated within the FVOCI equity investment reserves within equity and will be transferred to retained earnings on derecognition of these equity instruments. |                        |                        |

|                                                                           | (₹ in lakhs)           |                        |
|---------------------------------------------------------------------------|------------------------|------------------------|
|                                                                           | As at<br>31 March 2019 | As at<br>31 March 2018 |
| <b>19 Long term borrowings</b>                                            |                        |                        |
| Non convertible Debentures - Unsecured (Refer note (a) below)             | 4,973.75               | 1,983.75               |
| External commercial borrowings from bank - Secured (Refer note (b) below) | 1,572.79               | 2,402.89               |
| Foreign Currency Term Loan from banks - Secured (Refer note (c) below)    | 1,191.79               | 1,763.95               |
| Deferred sales tax loan - Unsecured (Refer note (d) below)                | 551.22                 | 735.41                 |
| <b>Total</b>                                                              | <b>8,289.55</b>        | <b>6,886.00</b>        |

## Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2019

(₹ in lakhs)

|          | Particulars                                                      | Security                                                                                                                                                                          | Terms of repayment of principal                                                         | Number of installment outstanding | Rate of interest | As at 31 March 2019 | As at 31 March 2018 |
|----------|------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|-----------------------------------|------------------|---------------------|---------------------|
| <b>a</b> | <b>Non-convertible Debentures</b>                                |                                                                                                                                                                                   |                                                                                         |                                   |                  |                     |                     |
|          | 300 Non convertible debentures of face value of ₹ 1,000,000 each | Unsecured                                                                                                                                                                         | Reedemable at par, on 3 August 2018                                                     | -                                 | 9.93%            | -                   | 3,186.14            |
|          | 200 Non convertible debentures of face value of ₹ 1,000,000 each | Unsecured                                                                                                                                                                         | Reedemable at par, on 12 June 2020                                                      | 1                                 | 9.49%            | 2,154.60            | 2,157.38            |
|          | 300 Non convertible debentures of face value of ₹ 1,000,000 each | Unsecured                                                                                                                                                                         | Reedemable at par, on 12 September 2023                                                 | 1                                 | 9.60%            | 3,148.65            | -                   |
|          |                                                                  |                                                                                                                                                                                   |                                                                                         |                                   | <b>Total</b>     | <b>5,303.25</b>     | <b>5,343.52</b>     |
|          | <b>Comprises of</b>                                              |                                                                                                                                                                                   |                                                                                         |                                   |                  |                     |                     |
|          | Long Term Borrowings                                             |                                                                                                                                                                                   |                                                                                         |                                   |                  | <b>4,973.75</b>     | 1,983.75            |
|          | Current maturities of long term debt *                           |                                                                                                                                                                                   |                                                                                         |                                   |                  | <b>329.50</b>       | 3,359.77            |
|          |                                                                  |                                                                                                                                                                                   |                                                                                         |                                   |                  | <b>5,303.25</b>     | <b>5,343.52</b>     |
| <b>b</b> | <b>External commercial borrowings from bank</b>                  |                                                                                                                                                                                   |                                                                                         |                                   |                  |                     |                     |
|          | External commercial borrowings                                   | Secured by hypothecation of charge on specified moveable assets as and by way of first exclusive charge with borrower to have a minimum Fixed Asset Coverage Ratio (FACR) of 1.1X | Quarterly installments starting from 4 February 2019 to be completed in 4 February 2022 | 12                                | 6.40%            | <b>2,380.60</b>     | 2,429.69            |
|          |                                                                  |                                                                                                                                                                                   |                                                                                         |                                   | <b>Total</b>     | <b>2,380.60</b>     | <b>2,429.69</b>     |
|          | <b>Comprises of</b>                                              |                                                                                                                                                                                   |                                                                                         |                                   |                  |                     |                     |
|          | Long Term Borrowings                                             |                                                                                                                                                                                   |                                                                                         |                                   |                  | <b>1,572.79</b>     | 2,402.89            |
|          | Current maturities of long term debt*                            |                                                                                                                                                                                   |                                                                                         |                                   |                  | <b>807.81</b>       | 26.80               |
|          |                                                                  |                                                                                                                                                                                   |                                                                                         |                                   |                  | <b>2,380.60</b>     | <b>2,429.69</b>     |
| <b>c</b> | <b>Foreign Currency Term Loan from banks</b>                     |                                                                                                                                                                                   |                                                                                         |                                   |                  |                     |                     |
|          | Term Loan                                                        | First pari passu charge on present and future stock and book debts                                                                                                                | Quarterly installments starting from 14 June 2018 to be completed in 14 December 2021   | 11                                | 5.95% to 6.00%   | 1,880.11            | 2,413.48            |
|          |                                                                  |                                                                                                                                                                                   |                                                                                         |                                   | <b>Total</b>     | <b>1,880.11</b>     | <b>2,413.48</b>     |
|          | <b>Comprises of</b>                                              |                                                                                                                                                                                   |                                                                                         |                                   |                  |                     |                     |
|          | Long Term Borrowings                                             |                                                                                                                                                                                   |                                                                                         |                                   |                  | 1,191.79            | 1,763.95            |
|          | Current maturities of long term debt*                            |                                                                                                                                                                                   |                                                                                         |                                   |                  | 688.32              | 649.53              |
|          |                                                                  |                                                                                                                                                                                   |                                                                                         |                                   |                  | <b>1,880.11</b>     | <b>2,413.48</b>     |
| <b>d</b> | <b>Deferred sales tax loan</b>                                   |                                                                                                                                                                                   |                                                                                         |                                   |                  |                     |                     |
|          | Deferred sales tax loan                                          | Unsecured                                                                                                                                                                         | Annual installments to be completed by May 2025                                         | 7                                 | -                | 735.42              | 949.94              |
|          |                                                                  |                                                                                                                                                                                   |                                                                                         |                                   | <b>Total</b>     | <b>735.42</b>       | <b>949.94</b>       |
|          | <b>Comprises of</b>                                              |                                                                                                                                                                                   |                                                                                         |                                   |                  |                     |                     |
|          | Long Term Borrowings                                             |                                                                                                                                                                                   |                                                                                         |                                   |                  | 551.22              | 735.41              |
|          | Current maturities of long term debt*                            |                                                                                                                                                                                   |                                                                                         |                                   |                  | 184.20              | 214.53              |
|          |                                                                  |                                                                                                                                                                                   |                                                                                         |                                   |                  | <b>735.42</b>       | <b>949.94</b>       |

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

## Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2019

### 20 Deferred tax liabilities (net)

(₹ in Lakhs)

|                                               | As at<br>31 March 2019 | As at<br>31 March 2018 |
|-----------------------------------------------|------------------------|------------------------|
| <b>Deferred tax liability on account of :</b> |                        |                        |
| Depreciation and amortisation expense         | (2,582.16)             | (1,752.12)             |
| Financial liability at amortised cost         | (4.60)                 | (4.60)                 |
| Fair valuation of derivative contracts        | (23.60)                | -                      |
| Others                                        | (1.30)                 | (1.30)                 |
|                                               | <b>(2,611.66)</b>      | <b>(1,758.02)</b>      |
| <b>Deferred tax assets on account of :</b>    |                        |                        |
| Provision for gratuity                        | 70.35                  | 25.45                  |
| Amortisation of borrowing                     | -                      | 0.86                   |
| Provision for doubtful debts                  | 1,215.33               | 1,031.72               |
| Voluntary retirement compensation             | 14.81                  | 29.34                  |
| Provision for compensated absence             | 328.48                 | 284.25                 |
| Fair valuation of derivative contracts        | -                      | 55.70                  |
|                                               | <b>1,628.97</b>        | <b>1,427.32</b>        |
| <b>Total</b>                                  | <b>982.69</b>          | <b>330.70</b>          |

### 21 Short Term Borrowings

(₹ in Lakhs)

|                                                                                                             | As at<br>31 March 2019 | As at<br>31 March 2018 |
|-------------------------------------------------------------------------------------------------------------|------------------------|------------------------|
| <b>Secured</b>                                                                                              | <b>9,004.09</b>        | 4,700.00               |
| Loans from banks- Repayable on demand                                                                       |                        |                        |
| Loans in foreign currency from banks- Repayable on demand                                                   | <b>3,571.39</b>        | 1,028.03               |
| <b>Unsecured</b>                                                                                            |                        |                        |
| Commercial papers [Maximum balance outstanding during the year ₹ 3,500 lakhs (31 March 2018 ₹ 8,500 lakhs)] | <b>3,000.00</b>        | 3,500.00               |
| <b>Total</b>                                                                                                | <b>15,575.48</b>       | <b>9,228.03</b>        |

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

| Particulars                                 | Security                                                                                    | As at<br>31 March 2019 | As at<br>31 March 2018 |
|---------------------------------------------|---------------------------------------------------------------------------------------------|------------------------|------------------------|
| <b>Loans from banks - Secured</b>           |                                                                                             |                        |                        |
| Other loans from banks                      | Secured by a pari passu hypothecation charge on all the existing and future current assets. | 9,004.09               | 4,700.00               |
|                                             |                                                                                             | <b>9,004.09</b>        | 4,700.00               |
| <b>Loans in foreign currency from banks</b> |                                                                                             |                        |                        |
| Packing credit loan                         | Secured by a pari passu charge on current assets                                            | 3,571.39               | 1,028.03               |
|                                             |                                                                                             | <b>3,571.39</b>        | 1,028.03               |

## Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2019

### 22 Trade Payables

(₹ in Lakhs)

| Particulars                                                        | As at<br>31 March 2019 | As at<br>31 March 2018 |
|--------------------------------------------------------------------|------------------------|------------------------|
| Trade payables: micro and small enterprises (Refer footnote below) | 1,043.58               | -                      |
| Amounts due to related parties (Refer note 40)                     | 553.28                 | 470.02                 |
| Trade payables: others                                             | 9,684.42               | 9,942.95               |
| <b>Total</b>                                                       | <b>11,281.27</b>       | <b>10,412.97</b>       |

#### Footnote:

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:

|                                                                                                                                                                                                                                                                                        |          |   |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|---|
| a) The principal amount remaining unpaid to any supplier at the end of the year                                                                                                                                                                                                        | 1,028.58 | - |
| b) Interest due remaining unpaid to any supplier at the end of the year                                                                                                                                                                                                                | 15.00    | - |
| c) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year                                                                                          | -        | - |
| d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006                                                            | 15.00    | - |
| e) The amount of interest accrued and remaining unpaid at the end of each accounting year                                                                                                                                                                                              | -        | - |
| f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act, 2006 | -        | - |

Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the Company. Further, disclosure for the balance outstanding to micro and small enterprises has been introduced for the year ended 31 March 2019. Accordingly, disclosure for 31 March 2018 is not available.

## Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2019

### 23 Other financial liabilities

(₹ in Lakhs)

| Particulars                                           | As at<br>31 March 2019 | As at<br>31 March 2018 |
|-------------------------------------------------------|------------------------|------------------------|
| Current Maturities of long-term debts (Refer note 19) |                        |                        |
| - Non convertible debentures                          | 329.50                 | 3,359.77               |
| - External commercial borrowings from bank            | 807.81                 | 26.80                  |
| - Foreign currency term loan from banks               | 688.32                 | 649.53                 |
| - Deferred sales tax loan                             | 184.20                 | 214.53                 |
| Derivative liability                                  | 312.72                 | 312.72                 |
| Security deposits                                     | 860.96                 | 866.96                 |
| Unpaid dividends (unclaimed) (Refer footnote i)       | 26.76                  | 19.57                  |
| Dividend payable (Refer footnote ii)                  | -                      | 1,356.92               |
| Other payables                                        |                        |                        |
| - Property plant and equipment                        | 1,510.25               | 738.82                 |
| - Employee related liability                          | 1,323.15               | 1,412.13               |
| <b>Total</b>                                          | <b>6,043.67</b>        | <b>8,957.75</b>        |

#### Footnotes:

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

### 24 Other current liabilities

(₹ in Lakhs)

| Particulars       | As at<br>31 March 2019 | As at<br>31 March 2018 |
|-------------------|------------------------|------------------------|
| Statutory dues    | 252.04                 | 486.12                 |
| Advances received | 164.20                 | 208.40                 |
| Others            | -                      | 28.41                  |
| <b>Total</b>      | <b>416.24</b>          | <b>722.93</b>          |

### 25 Provisions

(₹ in Lakhs)

| Particulars                            | As at<br>31 March 2019 | As at<br>31 March 2018 |
|----------------------------------------|------------------------|------------------------|
| Provision for employee benefits        |                        |                        |
| - Compensated absences (Refer note 43) | 888.28                 | 821.34                 |
| - Gratuity (Refer note 43)             | 193.86                 | 73.56                  |
| <b>Total</b>                           | <b>1,082.14</b>        | <b>894.90</b>          |

### 26 Current tax liabilities (net)

(₹ in Lakhs)

| Particulars                                                                     | As at<br>31 March 2019 | As at<br>31 March 2018 |
|---------------------------------------------------------------------------------|------------------------|------------------------|
| Provision for tax (net advance tax ₹ Nil Lakhs; 31 March 2018 ₹ 3,248.65 Lakhs) | -                      | 491.33                 |
| <b>Total</b>                                                                    | <b>-</b>               | <b>491.33</b>          |

## Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2019

### 27 Revenue from Operations

(₹ in Lakhs)

| Particulars                                  | Year ended<br>31 March 2019 | Year ended<br>31 March 2018 |
|----------------------------------------------|-----------------------------|-----------------------------|
| <b>Sale of Products</b>                      |                             |                             |
| Finished goods - Bearings                    | <b>92,590.16</b>            | 83,727.04                   |
| <b>Other operating revenues</b>              |                             |                             |
| Scrap sales                                  | <b>954.88</b>               | 663.97                      |
| Export incentives                            | <b>422.86</b>               | 445.08                      |
| Liabilities no longer required, written back | <b>27.29</b>                | -                           |
| Other operating income                       | <b>25.80</b>                | 7.01                        |
| <b>Total</b>                                 | <b>94,020.99</b>            | <b>84,843.10</b>            |

#### Note:

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

### 28 Other Income

(₹ in Lakhs)

| Particulars                                                    | Year ended<br>31 March 2019 | Year ended<br>31 March 2018 |
|----------------------------------------------------------------|-----------------------------|-----------------------------|
| Dividend Income on financial assets measured at FVOCI          | <b>139.88</b>               | 14.42                       |
| Interest Income on financial assets measured at amortised cost |                             |                             |
| - From banks on deposits                                       | <b>26.11</b>                | 26.03                       |
| - On loans inter corporate deposits (Refer note 40)            | <b>144.06</b>               | 181.92                      |
| - Interest on German VAT                                       | -                           | 40.08                       |
| Fair value changes on financial assets measured at FVTPL       | <b>1.57</b>                 | -                           |
| Fair valuation gain on derivative instrument measured at FVTPL | <b>150.33</b>               | 45.73                       |
| Profit on sale of property plant and equipments (net)          | <b>1.10</b>                 | 11.10                       |
| Rent                                                           | <b>126.80</b>               | 124.61                      |
| Net gain on foreign currency transactions and translation      | <b>71.44</b>                | 707.64                      |
| Others                                                         | <b>30.00</b>                | -                           |
| <b>Total</b>                                                   | <b>691.29</b>               | <b>1,151.54</b>             |

### 29 Cost of Materials Consumed

(₹ in Lakhs)

| Particulars                         | Year ended<br>31 March 2019 | Year ended<br>31 March 2018 |
|-------------------------------------|-----------------------------|-----------------------------|
| <b>Raw material consumed</b>        |                             |                             |
| Opening stock                       | <b>4,248.09</b>             | 5,181.99                    |
| Add: Purchases                      | <b>47,235.20</b>            | 33,704.77                   |
| Less: Closing stock (Refer note 10) | <b>(9,264.68)</b>           | (4,248.09)                  |
| <b>Total</b>                        | <b>42,218.61</b>            | <b>34,638.67</b>            |

## Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2019

### 30 Changes in inventories of finished goods and work -in-progress (₹ in Lakhs)

| Particulars             | Year ended<br>31 March 2019 | Year ended<br>31 March 2018 |
|-------------------------|-----------------------------|-----------------------------|
| <b>Work-in-progress</b> |                             |                             |
| Opening                 | 4,041.28                    | 3,525.76                    |
| Closing (Refer note 10) | 5,560.79                    | 4,041.28                    |
|                         | (1,519.51)                  | (515.52)                    |
| <b>Finished goods</b>   |                             |                             |
| Opening                 | 2,851.32                    | 4,260.07                    |
| Closing (Refer note 10) | 4,647.37                    | 2,851.32                    |
|                         | (1,796.05)                  | 1,408.75                    |
| <b>Total</b>            | <b>(3,315.56)</b>           | <b>893.23</b>               |

### 31 Employee Benefits Expense (₹ in Lakhs)

| Particulars                                               | Year ended<br>31 March 2019 | Year ended<br>31 March 2018 |
|-----------------------------------------------------------|-----------------------------|-----------------------------|
| Salaries, allowances and other benefits                   | 10,416.80                   | 9,330.51                    |
| Contribution to provident and other funds (Refer note 43) | 780.31                      | 736.05                      |
| Staff welfare expenses                                    | 1,022.01                    | 1,056.38                    |
| <b>Total</b>                                              | <b>12,219.12</b>            | <b>11,122.94</b>            |

### 32 Finance Costs (₹ in Lakhs)

| Particulars                                                          | Year ended<br>31 March 2019 | Year ended<br>31 March 2018 |
|----------------------------------------------------------------------|-----------------------------|-----------------------------|
| Interest expense on financial liabilities measured at amortised cost |                             |                             |
| - Borrowings                                                         | 731.62                      | 814.93                      |
| - Others                                                             | 673.96                      | 604.46                      |
| Other borrowing costs                                                | 8.19                        | 7.47                        |
| <b>Total</b>                                                         | <b>1,413.77</b>             | <b>1,426.86</b>             |

## Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2019

### 33 Other Expenses

(₹ in Lakhs)

| Particulars                                                            | Year ended 31 March 2019 | Year ended 31 March 2018 |
|------------------------------------------------------------------------|--------------------------|--------------------------|
| Consumption of stores and spare parts                                  | 6,973.40                 | 5,931.66                 |
| Processing charges                                                     | 2,542.11                 | 2,104.16                 |
| Power and fuel                                                         | 2,999.09                 | 2,303.82                 |
| Repairs and maintenance -                                              |                          |                          |
| Buildings                                                              | 235.30                   | 220.67                   |
| Plant and machinery                                                    | 346.73                   | 285.31                   |
| Others                                                                 | 71.77                    | 85.13                    |
| Insurance                                                              | 195.73                   | 169.60                   |
| Rent (Refer note 46)                                                   | 412.74                   | 315.85                   |
| Rates and taxes                                                        | 121.38                   | 69.05                    |
| Legal and professional fees                                            | 1,100.54                 | 839.00                   |
| Directors' fees and commission                                         | 81.20                    | 105.20                   |
| Commission on sales                                                    | 979.62                   | 872.99                   |
| Travelling and conveyance                                              | 841.63                   | 818.62                   |
| Postage, telephone and fax                                             | 61.03                    | 69.04                    |
| Bank charges                                                           | 45.26                    | 51.43                    |
| Advertisement and sales promotion expenses                             | 695.45                   | 513.16                   |
| Forwarding charges                                                     | 3,846.74                 | 3,190.55                 |
| Provision for doubtful debts                                           | 753.03                   | 481.62                   |
| Information Technology expenses                                        | 398.76                   | 448.02                   |
| Excise duty on Increase/ (decrease) in inventories of finished goods   | -                        | (785.75)                 |
| Contract labour                                                        | 2,062.49                 | 1,621.74                 |
| Fair valuation loss on financial assets measured at FVTPL              | -                        | 4.47                     |
| Auditors' remuneration (Refer note 33.1 below)                         | 59.83                    | 51.85                    |
| Expenditure on Corporate Social Responsibility (Refer note 33.2 below) | 182.00                   | 143.16                   |
| Miscellaneous expenses                                                 | 1,370.33                 | 1,394.05                 |
| <b>Total</b>                                                           | <b>26,376.16</b>         | <b>21,304.40</b>         |

#### 33.1 Auditors' remuneration (excluding Goods and service tax)

|                                            |              |              |
|--------------------------------------------|--------------|--------------|
| As auditors - Audit and limited review (*) | 47.50        | 42.00        |
| Tax audit                                  | 3.00         | 3.00         |
| Other matters                              | 7.51         | 2.25         |
| Reimbursement of expenses                  | 1.82         | 0.50         |
| Fees to erstwhile auditors'                | -            | 4.10         |
| <b>Total</b>                               | <b>59.83</b> | <b>51.85</b> |

(\*) Includes fees for earlier year ₹ 5.5 lakhs, previous year ₹ nil)

#### 33.2 Details of expenditure on Corporate Social Responsibility:

|                                                                             |          |          |
|-----------------------------------------------------------------------------|----------|----------|
| Average net profit of the Company for last three financial years            | 8,448.01 | 6,815.67 |
| Prescribed CSR expenditure (2% of the average net profit as computed above) | 168.96   | 136.31   |
| <b>Details of CSR expenditure during the financial year</b>                 |          |          |
| Total amount to be spent for the financial year                             | 168.96   | 136.31   |
| Amount spent                                                                | 182.00   | 143.16   |
| Amount unspent                                                              | -        | -        |

**33A** Exceptional gain during the year ended 31 March 2019 represents surplus on sale of property.



## Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2019

### 34 Tax Expense

(₹ in Lakhs)

| Particulars                                | Year ended<br>31 March 2019 | Year ended<br>31 March 2018 |
|--------------------------------------------|-----------------------------|-----------------------------|
| <b>Current tax expense</b>                 |                             |                             |
| Current tax for the year                   | <b>3,725.32</b>             | 3,739.98                    |
| <b>Total current tax expense</b>           | <b>3,725.32</b>             | 3,739.98                    |
| <b>Deferred taxes</b>                      |                             |                             |
| Change in deferred tax liabilities         | <b>651.99</b>               | 129.04                      |
| <b>Net deferred tax expense / (credit)</b> | <b>651.99</b>               | <b>129.04</b>               |
|                                            | <b>4,377.31</b>             | <b>3,869.02</b>             |

### 34.1 Tax reconciliation (for profit and loss)

(₹ in Lakhs)

|                                                                                                   |                  |                 |
|---------------------------------------------------------------------------------------------------|------------------|-----------------|
| <b>Profit before income tax expense</b>                                                           | <b>14,268.11</b> | 12,030.96       |
| Tax at the rate of 34.944% (for 31 March 2018 - 34.608%)                                          | <b>4,985.85</b>  | <b>4,163.67</b> |
| <b>Tax effect of amounts which are not deductible / not taxable in calculating taxable income</b> |                  |                 |
| Depreciation                                                                                      | -                | (2.08)          |
| Non deductible expenses for tax purpose                                                           | <b>29.39</b>     | 60.87           |
| Deduction under 80IC                                                                              | -                | (121.13)        |
| Exempt income                                                                                     | <b>(48.88)</b>   | (3.44)          |
| Additional allowances for tax purpose                                                             | <b>(393.07)</b>  | (245.37)        |
| Profit on sale of property, plant and equipment                                                   | -                | (3.84)          |
| Tax adjustment of prior years                                                                     | <b>(217.82)</b>  | -               |
| Others                                                                                            | <b>21.84</b>     | 20.34           |
| <b>Income tax expense</b>                                                                         | <b>4,377.31</b>  | <b>3,869.02</b> |

### 34.2 Deferred tax related to the following:

(₹ in lakhs)

| Deferred tax liability (net)                   | As at<br>31 March<br>2019 | Recognised in /<br>reclassified<br>from OCI | Recognised<br>through<br>profit | As at<br>31 March<br>2018 | Recognised<br>through<br>profit<br>and loss<br>through<br>OCI | As at<br>31 March<br>2017 |
|------------------------------------------------|---------------------------|---------------------------------------------|---------------------------------|---------------------------|---------------------------------------------------------------|---------------------------|
| <b>Deferred tax liabilities on account of:</b> |                           |                                             |                                 |                           |                                                               |                           |
| Difference between book and tax depreciation   | <b>(2,582.16)</b>         | -                                           | (830.04)                        | (1,752.12)                | (70.53)                                                       | (1,681.59)                |
| Financial liability measured at amortised cost | <b>(4.60)</b>             | -                                           | -                               | (4.60)                    | -                                                             | (4.60)                    |
| Fair valuation of derivative contracts         | <b>(23.60)</b>            | -                                           | (23.60)                         | -                         | -                                                             | -                         |
| Others                                         | <b>(1.30)</b>             | -                                           | -                               | (1.30)                    | -                                                             | (1.30)                    |
| <b>Total deferred tax liabilities</b>          | <b>(2,611.66)</b>         | -                                           | <b>(853.64)</b>                 | <b>(1,758.02)</b>         | <b>(70.53)</b>                                                | <b>(1,687.49)</b>         |
| <b>Deferred tax assets on account of:</b>      |                           |                                             |                                 |                           |                                                               |                           |
| Provision for Gratuity                         | <b>70.35</b>              | 13.88                                       | 30.16                           | 26.31                     | 16.25                                                         | 10.06                     |
| Provision for doubtful debts                   | <b>1,215.33</b>           | -                                           | 183.61                          | 1,031.72                  | (82.42)                                                       | 1,114.14                  |
| Voluntary retirement compensation              | <b>14.81</b>              | -                                           | (14.53)                         | 29.34                     | (14.66)                                                       | 44.00                     |
| Provision for compensated absence              | <b>328.48</b>             | -                                           | 44.23                           | 284.25                    | 37.72                                                         | 246.53                    |
| Fair valuation of derivative contracts         | -                         | -                                           | (55.70)                         | 55.70                     | (15.40)                                                       | 71.10                     |
| <b>Total deferred tax assets</b>               | <b>1,628.97</b>           | <b>13.88</b>                                | <b>187.77</b>                   | <b>1,427.32</b>           | <b>(58.51)</b>                                                | <b>1,485.83</b>           |
| <b>Total deferred tax liability (Net)</b>      | <b>982.69</b>             | <b>(13.88)</b>                              | <b>665.87</b>                   | <b>330.70</b>             | <b>129.04</b>                                                 | <b>201.66</b>             |

## Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2019

### 35 Other Comprehensive Income (OCI) (₹ in Lakhs)

|                                                                             | Year ended<br>31 March 2019 | Year ended<br>31 March 2018 |
|-----------------------------------------------------------------------------|-----------------------------|-----------------------------|
| <b>Items that will not be reclassified to profit or loss</b>                |                             |                             |
| Actuarial gain/(loss) on remeasurements of the net defined benefit plans    | (39.67)                     | 84.96                       |
| Fair value changes on equity instruments through other comprehensive income | (110.22)                    | 68.50                       |
| Tax on above                                                                | 13.88                       | (29.40)                     |
| <b>Total</b>                                                                | <b>(136.01)</b>             | <b>124.06</b>               |

### 36 Fair value measurements (₹ in lakhs)

#### Financial instruments by category:

| Particulars                                              | 31 March 2019 |        |                     | 31 March 2018 |        |                     |
|----------------------------------------------------------|---------------|--------|---------------------|---------------|--------|---------------------|
|                                                          | FVOCI         | FVTPL  | Amor-<br>tised cost | FVOCI         | FVTPL  | Amor-<br>tised cost |
| <b>Financial Assets - Non-current</b>                    |               |        |                     |               |        |                     |
| Investments (other than subsidiaries)                    | 434.90        | 24.76  | -                   | 545.12        | 23.20  | -                   |
| Non-current Loans                                        | -             | -      | 432.18              | -             | -      | 404.97              |
| Other financial assets                                   | -             | -      | 5.52                | -             | -      | 2.93                |
| <b>Financial Assets - Current</b>                        |               |        |                     |               |        |                     |
| Trade receivables                                        | -             | -      | 22,089.63           | -             | -      | 23,575.28           |
| Cash and cash equivalents                                | -             | -      | 2,155.65            | -             | -      | 1,182.38            |
| Bank balances other than cash and cash equivalents       | -             | -      | 99.96               | -             | -      | 1,492.92            |
| Loans                                                    | -             | -      | 1,764.22            | -             | -      | 2,597.32            |
| Other financial assets                                   | -             | 530.38 | 10.00               | -             | 380.05 | 4.62                |
| <b>Financial Liabilities - Non-Current</b>               |               |        |                     |               |        |                     |
| Non-current borrowings<br>(including current maturities) | -             | -      | 10,299.38           | -             | -      | 11,136.63           |
| <b>Financial Liabilities - Current</b>                   |               |        |                     |               |        |                     |
| Short term borrowings                                    | -             | -      | 15,575.48           | -             | -      | 9,228.03            |
| Trade payables                                           | -             | -      | 11,281.27           | -             | -      | 10,412.97           |
| Other current financial liabilities                      | -             | 312.72 | 3,721.12            | -             | 312.72 | 4,394.40            |

#### I. Fair value hierarchy

The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

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

## Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2019

**Level 2:** The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

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

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

### II. Valuation techniques used to determine fair value

Significant valuation techniques used to value financial instruments include:

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

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

Fair valuation of forward exchange contracts are determined using forward exchange rates at the balance sheet date.

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

### III. Valuation Process

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

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

(₹ in lakhs)

| Particulars                                        | 31 March 2019 |         |         | 31 March 2018 |         |         |
|----------------------------------------------------|---------------|---------|---------|---------------|---------|---------|
|                                                    | Level 1       | Level 2 | Level 3 | Level 1       | Level 2 | Level 3 |
| <b>Financial Assets</b>                            |               |         |         |               |         |         |
| Mutual fund investments measured at FVTPL          | 24.76         | -       | -       | 23.20         | -       | -       |
| Investments in equity instrument measured at FVOCI | 434.90        | -       | -       | 545.12        | -       | -       |
| Interest rate swap and foreign currency option     | -             | 345.41  | -       | -             | 221.45  | -       |
| Forward contract                                   | -             | 184.97  | -       | -             | 158.60  | -       |
| <b>Financial Liability</b>                         |               |         |         |               |         |         |
| Interest rate swap and foreign currency option     | -             | 277.89  | -       | -             | 277.89  | -       |
| Forward contract                                   | -             | 34.83   | -       | -             | 34.83   | -       |

## Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2019

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

(₹ in lakhs)

| Particulars                                           | 31 March 2019   |            | 31 March 2018   |            |
|-------------------------------------------------------|-----------------|------------|-----------------|------------|
|                                                       | Carrying Amount | Fair Value | Carrying Amount | Fair Value |
| <b>Financial Assets</b>                               |                 |            |                 |            |
| Security deposits                                     | 432.18          | 432.18     | 404.97          | 404.97     |
| Other non current assets                              | 5.52            | 4.33       | 2.93            | 2.89       |
| <b>Financial Liabilities</b>                          |                 |            |                 |            |
| Non-current borrowings (including current maturities) | 10,299.38       | 8,963.90   | 11,136.63       | 10,500.88  |

### 37 Financial risk management

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

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

#### A Credit risk

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

#### Credit risk management

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

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

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

#### Age of receivables that are past due:

(₹ in lakhs)

| Particulars                                | As at 31 March 2019 | As at 31 March 2018 |
|--------------------------------------------|---------------------|---------------------|
| Upto 3 months                              | 17,634.68           | 15,546.22           |
| 3 - 6 months                               | 1,543.72            | 4,075.93            |
| 6 - 12 months                              | 1,445.66            | 3,595.77            |
| More than one year                         | 4,943.50            | 3,338.55            |
| <b>Total</b>                               | <b>25,567.56</b>    | <b>26,556.47</b>    |
| Provision for expected credit loss created | (3,477.93)          | (2,981.19)          |

#### B Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. For the Company, liquidity risk arises from obligations on account of financial liabilities – borrowings, trade payables and other financial liabilities.

## Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2019

### Liquidity risk management

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

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

### Maturities of financial liabilities

(₹ in lakhs)

| As at 31 March 2019                                              | Within 1 year    | Between 1 and 2 years | Beyond 2 years  | Total            |
|------------------------------------------------------------------|------------------|-----------------------|-----------------|------------------|
| <b>Non-derivative</b>                                            |                  |                       |                 |                  |
| Non-current borrowings (including current maturities)            | 2,009.83         | 3,602.94              | 4,686.59        | 10,299.36        |
| Short term borrowings                                            | 15,575.48        | -                     | -               | 15,575.48        |
| Trade payables                                                   | 11,281.27        | -                     | -               | 11,281.27        |
| Other current financial liabilities                              | 3,721.12         | -                     | -               | 3,721.12         |
| <b>Derivative</b>                                                |                  |                       |                 |                  |
| Interest rate swap, foreign currency option and forward contract | 143.73           | 90.19                 | 78.80           | 312.72           |
| <b>Total</b>                                                     | <b>32,731.43</b> | <b>3,693.13</b>       | <b>4,765.39</b> | <b>41,189.95</b> |

(₹ in lakhs)

| As at 31 March 2018                                              | Within 1 year    | Between 1 and 2 years | Beyond 2 years  | Total            |
|------------------------------------------------------------------|------------------|-----------------------|-----------------|------------------|
| <b>Non-derivative</b>                                            |                  |                       |                 |                  |
| Non-current borrowings (including current maturities)            | 4,250.63         | 1,864.91              | 5,021.09        | 11,136.63        |
| Short term borrowings                                            | 9,228.03         | -                     | -               | 9,228.03         |
| Trade payables                                                   | 10,412.97        | -                     | -               | 10,412.97        |
| Other current financial liabilities                              | 4,707.13         | -                     | -               | 4,707.13         |
| <b>Derivative</b>                                                |                  |                       |                 |                  |
| Interest rate swap, foreign currency option and forward contract | 143.73           | 90.19                 | 78.80           | 312.72           |
| <b>Total</b>                                                     | <b>28,742.49</b> | <b>1,955.10</b>       | <b>5,099.89</b> | <b>35,797.48</b> |

## Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2019

### C Market risk

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

#### (i) Foreign currency risk

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

#### Foreign currency risk management

In respect of the foreign currency transactions, the company hedges substantial exposure via forward contracts and foreign currency options, remaining exposures are unhedged since the management believes that the same is insignificant in nature and also it will be offset by the corresponding receivables and payables which will be in the nature of natural hedge. The company's exposure to foreign currency risk at the end of reporting period are as under:

(₹ in lakhs)

| Particulars                                                                 | 31 March 2019   |                 |                 |                |                   |
|-----------------------------------------------------------------------------|-----------------|-----------------|-----------------|----------------|-------------------|
|                                                                             | USD             | EURO            | THB             | CHF            | JPY               |
| <b>Financial liabilities</b>                                                |                 |                 |                 |                |                   |
| Trade payables                                                              | 340.38          | 710.84          | -               | 11.73          | 894.61            |
| Capital creditors                                                           | -               | 1,127.20        | -               | -              | 320.02            |
| Loans payable                                                               | 4,260.71        | 3,571.39        | -               | -              | -                 |
| Forward contract payable                                                    | (129.45)        | (138.83)        | -               | -              | (107.08)          |
| Foreign currency option contracts                                           | (2,962.39)      | -               | -               | -              | -                 |
| <b>Financial assets</b>                                                     |                 |                 |                 |                |                   |
| Trade receivables                                                           | 7,997.76        | 8,534.44        | -               | -              | -                 |
| Inter corporate deposits to related parties (including interest receivable) | -               | -               | 1,764.22        | -              | -                 |
| Balance with government authorities                                         | -               | 470.53          | -               | -              | -                 |
| Bank balance in EEFC account                                                | 52.47           | 331.78          | -               | -              | -                 |
| Forward contract receivable                                                 | (673.63)        | (222.80)        | -               | -              | -                 |
| <b>Net exposure to foreign currency assets / (liabilities)</b>              | <b>5,867.35</b> | <b>3,843.34</b> | <b>1,764.22</b> | <b>(11.73)</b> | <b>(1,107.55)</b> |

(₹ in lakhs)

| Particulars                                                                 | 31 March 2018   |                 |                 |                |                   |
|-----------------------------------------------------------------------------|-----------------|-----------------|-----------------|----------------|-------------------|
|                                                                             | USD             | EURO            | THB             | CHF            | JPY               |
| <b>Financial liabilities</b>                                                |                 |                 |                 |                |                   |
| Trade payables                                                              | 131.60          | 571.52          | -               | 12.16          | 629.98            |
| Capital creditors                                                           | -               | 38.48           | -               | -              | 648.16            |
| Loans payable                                                               | 4,843.17        | 1,028.03        | -               | -              | -                 |
| Foreign currency option contracts                                           | (3,364.68)      | -               | -               | -              | -                 |
| <b>Financial assets</b>                                                     |                 |                 |                 |                |                   |
| Trade receivables                                                           | 8,083.10        | 8,593.99        | -               | -              | -                 |
| Inter corporate deposits to related parties (including interest receivable) | 932.70          | -               | 1,664.62        | -              | -                 |
| Balance with government authorities                                         | -               | 1,309.33        | -               | -              | -                 |
| Bank balance in EEFC account                                                | 129.17          | 40.35           | -               | -              | -                 |
| Forward contract receivable                                                 | (2,476.64)      | (1,018.74)      | -               | -              | -                 |
| <b>Net exposure to foreign currency assets / (liabilities)</b>              | <b>5,058.25</b> | <b>7,286.90</b> | <b>1,664.62</b> | <b>(12.16)</b> | <b>(1,278.14)</b> |

## Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2019

### Sensitivity to foreign currency risk

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

(₹ in lakhs)

| Currencies | 31 March 2019  |                | 31 March 2018  |                |
|------------|----------------|----------------|----------------|----------------|
|            | Increase by 2% | Decrease by 2% | Increase by 2% | Decrease by 2% |
| USD        | 117.35         | (117.35)       | 101.16         | (101.16)       |
| EUR        | 76.87          | (76.87)        | 145.74         | (145.74)       |
| THB        | 35.28          | (35.28)        | 33.29          | (33.29)        |
| CHF        | (0.23)         | 0.23           | (0.24)         | 0.24           |
| JPY        | (22.15)        | 22.15          | (25.56)        | 25.56          |

Sensitivity analysis to foreign currency risk includes an exposure to foreign exchange fluctuations on long term foreign currency loans of \$34.15 lakhs equivalent to ₹ 2,359.18 lakhs (31 March 2018 - \$37 lakhs equivalent to ₹ 2,404.72 lakhs) that have been capitalised into the cost of the related assets and are expected to impact profit or loss over a period of 7 to 11 years in the form of adjustment to the depreciation charge.

### (ii) Cash flow and fair value interest rate risk

The company's interest rate risk is mainly due to the long term borrowing acquired at floating interest rate. The Company's policy is to maintain most of its borrowing at fixed rate using interest rate swaps to hedge the exposure. During the year ended 31 March 2019 and 31 March 2018, the Company's borrowing at variable rate were mainly denominated in INR and USD.

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

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

(₹ in lakhs)

| Particulars              | As at 31 March 2019 | As at 31 March 2018 |
|--------------------------|---------------------|---------------------|
| Variable rate borrowings | 7,832.10            | 5,871.20            |
| Fixed rate borrowings    | 17,307.34           | 13,543.52           |
| Interest free borrowing  | 735.42              | 949.94              |
| <b>Total</b>             | <b>25,874.86</b>    | <b>20,364.65</b>    |

As at the end of the reporting period, the Company had the following variable rate borrowings and interest rate swap contracts outstanding:

(₹ in lakhs)

| Particulars                                        | 31 March 2019   |                  | 31 March 2018   |                  |
|----------------------------------------------------|-----------------|------------------|-----------------|------------------|
|                                                    | Balance         | % of total loans | Balance         | % of total loans |
| Variable rate loan                                 | 7,832.10        | 30.27%           | 5,871.20        | 28.83%           |
| Interest rate swaps                                | (4,260.71)      | (16.47%)         | (4,843.17)      | (23.78%)         |
| <b>Net exposure to cashflow interest rate risk</b> | <b>3,571.39</b> | <b>13.80%</b>    | <b>1,028.03</b> | <b>5.05%</b>     |

## Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2019

### Sensitivity analysis - Variable rate borrowing (₹ in lakhs)

| Interest rate               | Impact on profit before tax |               |
|-----------------------------|-----------------------------|---------------|
|                             | 31 March 2019               | 31 March 2018 |
| Increase by 50 basis points | (0.94)                      | (0.76)        |
| Decrease by 50 basis points | 0.94                        | 0.76          |

### Sensitivity analysis - Interest rate swap (₹ in lakhs)

| Interest rate               | Impact on profit before tax |               |
|-----------------------------|-----------------------------|---------------|
|                             | 31 March 2019               | 31 March 2018 |
| Increase by 50 basis points | 1.26                        | 0.97          |
| Decrease by 50 basis points | (1.26)                      | (0.97)        |

### (iii) Price Risk

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

(₹ in lakhs)

| Sensitivity                                                              | 31 March 2019 | 31 March 2018 |
|--------------------------------------------------------------------------|---------------|---------------|
| Impact on profit after tax for 5% increase in price of underlying shares | 22.98         | 28.42         |
| Impact on profit after tax for 5% decrease in price of underlying shares | (22.98)       | (28.42)       |

## 38 Capital Management

### A Risk management

The Company's objectives when managing capital are to

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

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

### B The capital composition is as follows:

(₹ in lakhs)

| Particulars                     | As at<br>31 March 2019 | As at<br>31 March 2018 |
|---------------------------------|------------------------|------------------------|
| Gross debt                      | 25,874.86              | 20,364.66              |
| Less: Cash and cash equivalents | (2,155.65)             | (1,182.38)             |
| <b>Net debt (A)</b>             | <b>23,719.21</b>       | <b>19,182.27</b>       |
| Equity (B)                      | 47,400.84              | 39,034.81              |
| <b>Gearing ratio (A / B) %</b>  | <b>50.04%</b>          | <b>49.14%</b>          |



## Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2019

### C Loan covenants

In case of the variable rate borrowing facility availed by the Company there are various financial covenants i.e. the externally imposed capital requirements, which are standard in nature; mainly relating to leverage, debt service coverage ratio and asset coverage ratio specified in the loan agreements. These covenants are monitored by the Company on a regular basis. There has been no default on the financial covenants or on the loans taken by the Company, outstanding as at 31 March 2019.

### D Dividends

(₹ in lakhs)

| Particulars                                                                                                                                                                                                                                                                                                               | As at<br>31 March 2019 | As at<br>31 March 2018 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|------------------------|
| <b>i) Equity Shares</b>                                                                                                                                                                                                                                                                                                   |                        |                        |
| Final dividend - ₹ 1.4 per share for each fully paid up share for 31 March 2018 (31 March 2018- ₹ 1.4 per share for each fully paid share)                                                                                                                                                                                | <b>1,163.07</b>        | 1,356.92               |
| Dividend distribution tax                                                                                                                                                                                                                                                                                                 | <b>211.81</b>          | 276.24                 |
| <b>Dividends not recognised at the end of the reporting period</b>                                                                                                                                                                                                                                                        |                        |                        |
| In addition to the above dividends, since the year end, the directors have recommended the payment of a final dividend of ₹ 1.2 per fully paid equity share (31 March 2018 – ₹ 1.2 per fully paid equity share). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting. | 1,163.07               | 1,163.07               |

### E Net debt reconciliation

(₹ in lakhs)

| Particulars                                       | As at<br>31 March 2019 | As at<br>31 March 2018 |
|---------------------------------------------------|------------------------|------------------------|
| Short term borrowings                             | 15,575.49              | 9,228.04               |
| Non Current borrowing (incl. current maturities ) | 10,299.38              | 11,136.63              |
| Cash and cash equivalents                         | 2,155.65               | 1,182.38               |
| <b>Net debt</b>                                   | <b>23,719.22</b>       | <b>19,182.29</b>       |

| Particulars                         | Short term<br>borrowings<br>(A) | Non Current<br>borrowing<br>incl. current<br>maturities (B) | Cash<br>and cash<br>equivalents<br>(C) | Total            |
|-------------------------------------|---------------------------------|-------------------------------------------------------------|----------------------------------------|------------------|
| <b>Net debt as at 01 April 2017</b> | 14,589.94                       | 11,795.61                                                   | 2,034.76                               | 24,350.79        |
| Cash flows                          | (5,977.72)                      | (664.91)                                                    | (852.38)                               | (5,790.25)       |
| Finance cost                        | 604.46                          | 822.40                                                      | -                                      | 1,426.86         |
| Interest cost paid                  | (604.46)                        | (822.40)                                                    | -                                      | (1,426.86)       |
| Exchange gain/loss                  | 615.81                          | 5.93                                                        | -                                      | 621.74           |
| <b>Net debt as at 31 March 2018</b> | <b>9,228.03</b>                 | <b>11,136.63</b>                                            | <b>1,182.38</b>                        | <b>19,182.28</b> |
| Cash flows                          | 6,395.81                        | (837.25)                                                    | 973.27                                 | 4,585.29         |
| Finance cost                        | 673.96                          | 739.81                                                      | -                                      | 1,413.77         |
| Interest cost paid                  | (673.96)                        | (739.81)                                                    | -                                      | (1,413.77)       |
| Exchange gain/loss                  | (48.36)                         | -                                                           | -                                      | (48.36)          |
| <b>Net debt as at 31 March 2019</b> | <b>15,575.48</b>                | <b>10,299.38</b>                                            | <b>2,155.65</b>                        | <b>23,719.21</b> |

## Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2019

### 39 Investments in subsidiaries

(₹ in lakhs)

| Sr. No | Name of the Subsidiaries        | Principal place of business and country of incorporation | Proportion of ownership interest 31 March 2019 | Proportion of ownership interest 31 March 2018 | Method of accounting |
|--------|---------------------------------|----------------------------------------------------------|------------------------------------------------|------------------------------------------------|----------------------|
| 1      | SNL Bearings Limited            | India                                                    | 73.45%                                         | 73.45%                                         | Cost                 |
| 2      | NRB Bearings Europe GmbH        | Europe                                                   | 100.00%                                        | 100.00%                                        | Cost                 |
| 3      | NRB Bearings (Thailand) Limited | Thailand                                                 | 100.00%                                        | 100.00%                                        | Cost                 |

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

### 40 Related Party Disclosure:

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

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

|                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                    |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Subsidiaries                                                                                                                                                                                      | SNL Bearings Limited<br>NRB Bearings (Thailand) Limited<br>NRB Bearings Europe GmbH                                                                                                                                                                                                                                                                                                                                |
| Individual having substantial interest in the voting power and the power to direct by agreement, the financial and operating policies of the Company.                                             | Late Mr. T. S. Sahney, Chairman (upto 16 October 2018)                                                                                                                                                                                                                                                                                                                                                             |
| Key Management Personnel (KMP)                                                                                                                                                                    | Ms. Harshbeena Zaveri, Vice Chairman and Managing Director<br>Mr. S. C. Rangani, Executive Director and Company Secretary<br>Late Mr. T. S. Sahney, Chairman (Deceased on 16 October 2018)<br>Mr. D. S. Sahney<br>Mr. Tashwinder Singh<br>Ms. A. A. Gowariker (upto 30 October 2018)<br>Mr. Ashank D. Desai<br>Ms. Vishakha Maheshwari, (Additional Director with effect from 2 November 2018)<br>Mr. Rustom Desai |
| A firm where Chairman is a partner                                                                                                                                                                | New Indo Trading Company (upto 16 October 2018)                                                                                                                                                                                                                                                                                                                                                                    |
| Trust in which KMP has significant influence                                                                                                                                                      | (Late) Trilochan Singh Sahney Trust 1                                                                                                                                                                                                                                                                                                                                                                              |
| A Company wherein Late Mr. T. S. Sahney, Chairman (upto 16 October 2018) and Ms. Harshbeena Zaveri, Vice Chairman and Managing Director are directors and shareholders having Management Control. | NRB Industrial Bearings Limited                                                                                                                                                                                                                                                                                                                                                                                    |

## Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2019

### II Transactions with related parties during the year:

(₹ in lakhs)

| Name of Related Party           | Nature of Transaction                                                                                    | Amount        |               | Receivable as at |               | Payable as at |               |
|---------------------------------|----------------------------------------------------------------------------------------------------------|---------------|---------------|------------------|---------------|---------------|---------------|
|                                 |                                                                                                          | 31 March 2019 | 31 March 2018 | 31 March 2019    | 31 March 2018 | 31 March 2019 | 31 March 2018 |
| SNL Bearings Limited            | Sale of finished goods                                                                                   | 52.00         | 40.62         | -                | -             | -             | -             |
|                                 | Purchase of raw materials                                                                                | 1,617.77      | 1,883.28      | -                | -             | 260.28        | 401.57        |
|                                 | Purchase of property plant and equipment                                                                 | 36.56         | 36.57         | -                | -             | -             | -             |
|                                 | Dividend received on equity shares                                                                       | 132.64        | -             | -                | -             | -             | -             |
|                                 | Reimbursement of expense by the Company                                                                  | -             | 6.72          | -                | -             | -             | -             |
| NRB Bearings (Thailand) Limited | Sale of finished goods                                                                                   | 1,038.50      | 642.97        | 1,214.19         | 858.76        | -             | -             |
|                                 | Purchase of raw materials                                                                                | 3,978.37      | 2,565.61      | -                | 128.87        | 211.64        | -             |
|                                 | Purchase of property, plant and equipment                                                                | 220.35        | 83.06         | -                | -             | -             | -             |
|                                 | Inter Corporate deposit given                                                                            | -             | 1,536.00      | -                | -             | -             | -             |
|                                 | Inter Corporate deposit repayment received (Including interest received and foreign exchange adjustment) | 1,102.13      | 899.24        | -                | -             | -             | -             |
|                                 | Interest income on Inter Corporate deposit                                                               | 144.06        | 181.92        | -                | -             | -             | -             |
|                                 | Reimbursement of expenses to the Company                                                                 | 23.65         | 27.02         | 23.65            | -             | -             | -             |
|                                 | Additional guarantee given (adjusted for foreign exchange fluctuation)                                   | -             | 1,127.44      | -                | -             | -             | -             |
|                                 | Guarantee receivable                                                                                     | -             | -             | -                | 2,277.44      | -             | -             |
|                                 | Investment in shares                                                                                     | 772.57        | -             | -                | -             | -             | -             |
|                                 | Advances receivable                                                                                      | -             | -             | -                | 131.98        | -             | -             |
|                                 | Inter Corporate deposit receivable (including interest)                                                  | -             | -             | 1,764.22         | 2,597.32      | -             | -             |

## Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2019

Transactions with related parties during the year (Contd):

(₹ in lakhs)

| Name of Related Party                                                                   | Nature of Transaction                                   | Amount        |               | Receivable as at |               | Payable as at |               |
|-----------------------------------------------------------------------------------------|---------------------------------------------------------|---------------|---------------|------------------|---------------|---------------|---------------|
|                                                                                         |                                                         | 31 March 2019 | 31 March 2018 | 31 March 2019    | 31 March 2018 | 31 March 2019 | 31 March 2018 |
| NRB Bearings (Thailand) Limited                                                         | Sale of raw materials                                   | 117.31        | 99.41         | 41.40            | 48.35         | -             | -             |
|                                                                                         | Purchase of raw materials                               | 2.83          | 4.50          | -                | -             | -             | -             |
|                                                                                         | Guarantee revoked                                       | -             | 277.73        | -                | -             | -             | -             |
|                                                                                         | Guarantee given by NRB Bearings Limited                 | -             | -             | -                | 139.27        | -             | -             |
| NRB Bearings Europe GmbH                                                                | Sales promotion expenses                                | 265.51        | 166.55        | -                | -             | 81.37         | 68.45         |
|                                                                                         | Reimbursement of expenses to the Company                | 6.22          | 5.93          | -                | -             | -             | -             |
| (Late) Trilochan Singh Sahney Trust 1 (shares held by a trustee in his individual name) | Dividend paid                                           | -             | 487.61        | -                | -             | -             | 487.61        |
| Late Mr. T.S Sahney                                                                     | Sitting fees and commission (as Non-executive Chairman) | 44.49         | 62.40         | -                | -             | 43.49         | 59.40         |
| Ms. Harshbeena Zaveri                                                                   | Remuneration and commission                             | 550.82        | 380.05        | -                | -             | 98.77         | 81.90         |
|                                                                                         | Sale of flat                                            | 1,740.00      | -             | -                | -             | -             | -             |
| Mr. S. C. Rangani                                                                       | Remuneration                                            | 136.73        | 80.42         | -                | -             | -             | -             |
| Mr. D. S. Sahney                                                                        | Sitting fees and commission                             | 4.20          | 6.17          | -                | -             | 3.00          | 4.17          |
| Others                                                                                  | Sitting fees and commission to non-executive directors  | 32.00         | 38.33         | -                | -             | 15.00         | 18.33         |
|                                                                                         | Dividend paid                                           | -             | 169.96        | -                | -             | -             | 169.96        |

### III Additional disclosure pursuant to Circular CRD/GEN/2003/1 dated February 6, 2003 of The Stock Exchange, Mumbai

(₹ in lakhs)

| Name                                                                                              | Balance as at |               | Maximum amount outstanding during the year ended |               |
|---------------------------------------------------------------------------------------------------|---------------|---------------|--------------------------------------------------|---------------|
|                                                                                                   | 31 March 2019 | 31 March 2018 | 31 March 2019                                    | 31 March 2018 |
| Loans and advances (including interest receivable) in the nature of loans to subsidiary company - |               |               |                                                  |               |
| NRB Bearings (Thailand) Limited                                                                   | 1,764.22      | 2,597.32      | 2,597.32                                         | 3,109.00      |

No shares are held by the subsidiary in the Company.

#### Footnote:

- No amounts pertaining to related parties have been provided for as doubtful debts. Further, no amounts have either been written off or written back during the year.
- The loan given to the subsidiary company was for the purpose of making payment of suppliers and meeting operating expenses of the subsidiary company.
- The guarantee given towards the borrowings availed by the subsidiary company was for the purpose of local sourcing of capital goods.

## Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2019

### IV Key managerial personnel compensation (₹ in lakhs)

| Particulars                  | 31 March 2019 | 31 March 2018 |
|------------------------------|---------------|---------------|
| Short term employee benefits | 659.47        | 441.79        |
| Post-employment benefits     | 28.08         | 18.68         |
| <b>Total compensation*</b>   | <b>687.55</b> | <b>460.47</b> |

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

### 41 Collateral / Security pledged

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

| Particulars                   | 31 March 2019    | 31 March 2018    |
|-------------------------------|------------------|------------------|
| Property, plant and equipment | 6,150.51         | 6,150.51         |
| Current assets                | 53,887.49        | 47,691.07        |
| <b>Total assets pledged</b>   | <b>60,038.00</b> | <b>53,841.58</b> |

### 42 Contingent liabilities, Capital and other commitments (₹ in lakhs)

|          | Particulars                                                                                                   | 31 March 2019                  | 31 March 2018 |
|----------|---------------------------------------------------------------------------------------------------------------|--------------------------------|---------------|
| <b>a</b> | <b>Contingent liabilities not provided for</b>                                                                |                                |               |
|          | Income Tax                                                                                                    | 1,208.62                       | 753.63        |
|          | Sales Tax and Value Added Tax                                                                                 | 602.21                         | 323.24        |
|          | Stand by letter of credit given to bank on behalf of a subsidiary company                                     | 2,375.60                       | 2,277.44      |
|          | Corporate guarantees issued on behalf of a company                                                            | -                              | 139.27        |
|          | The Company is in further appeal in respect of matters stated in income tax and sales tax matters             |                                |               |
|          | Provident Fund (Refer footnote below)                                                                         | <b>Amount not determinable</b> | -             |
| <b>b</b> | <b>Commitments</b>                                                                                            |                                |               |
|          | Estimated value of contracts remaining to be executed on capital account & not provided for (net of advances) | 5,955.39                       | 3,389.04      |

#### Footnote:

The Honourable Supreme Court, has passed a decision on 28 February 2019 in relation to inclusion of certain allowances within the scope of "Basic wages" for the purpose of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. The Company, has been advised to wait for further clarifications in this matter in order to reasonably assess the impact on its financial statements, if any. Accordingly, the applicability of the judgement to the Company, with respect to the period and the nature of allowances to be covered, and resultant impact on the past provident fund liability, cannot be reasonably ascertained, at present.

## Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2019

### 43 Employee benefits

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

- (A) **Defined Contribution Plan: Amount of ₹ 627.13 lakhs (31 March 2018: ₹ 578.53 lakhs) is recognized as expense and included in "Note No. 31 - Employee Benefits Expenses"**

(₹ in lakhs)

|                                                     | 31 March 2019 | 31 March 2018 |
|-----------------------------------------------------|---------------|---------------|
| i) Employer's Contribution to Provident Fund        | 367.09        | 355.94        |
| ii) Employer's Contribution to Family Pension Fund  | 126.24        | 122.55        |
| iii) Employer's Contribution to Superannuation Fund | 133.80        | 100.04        |
|                                                     | <b>627.13</b> | <b>578.53</b> |

### (B) Defined Benefit Plan :

#### (1) Contribution to Gratuity fund (funded scheme)

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

#### i Actuarial assumptions

(₹ in lakhs)

| Particulars                      | 31 March 2019                            | 31 March 2018                            |
|----------------------------------|------------------------------------------|------------------------------------------|
| Expected return on plan assets   | 7.68% - 7.78%                            | 7.68% - 7.78%                            |
| Discount rate (per annum)        | 7.68% - 7.78%                            | 7.68% - 7.78%                            |
| Rate of salary increase          | 6% - 10%                                 | 6% - 10%                                 |
| Rate of Employee Turnover        | 2% - 11%                                 | 2% - 11%                                 |
| Mortality rate during employment | Indian Assured Lives Mortality (2006-08) | Indian Assured Lives Mortality (2006-08) |
| Mortality Rate After Employment  | N.A.                                     | N.A.                                     |

#### ii Changes in the present value of defined benefit obligation

(₹ in lakhs)

| Particulars                                              | 31 March 2019   | 31 March 2018   |
|----------------------------------------------------------|-----------------|-----------------|
| Present value of obligation at the beginning of the year | 2,957.94        | 2,917.27        |
| Interest cost                                            | 228.91          | 209.34          |
| Current service cost                                     | 147.65          | 155.61          |
| Actuarial (gain) /loss                                   | 49.85           | (106.82)        |
| Benefits paid                                            | (339.45)        | (217.46)        |
| Present Value of obligation at the end of the year       | <b>3,044.90</b> | <b>2,957.94</b> |

#### iii Changes in the Fair value of Plan Assets

(₹ in lakhs)

| Particulars                                                                | 31 March 2019   | 31 March 2018   |
|----------------------------------------------------------------------------|-----------------|-----------------|
| Fair value of plan assets at beginning of the year                         | 2,885.38        | 2,890.66        |
| Interest income                                                            | 223.37          | 207.43          |
| Contributions                                                              | 72.56           | 26.61           |
| Benefits paid                                                              | (339.45)        | (217.46)        |
| Return on plan assets, excluding amount recognised in net interest expense | 10.18           | (21.86)         |
| Actuarial (gain) /loss                                                     | -               | -               |
| Fair Value of Plan Assets at the end of the year                           | <b>2,852.04</b> | <b>2,885.38</b> |

## Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2019

### iv Assets and liabilities recognised in the balance sheet (₹ in lakhs)

| Particulars                                                                          | 31 March 2019 | 31 March 2018 |
|--------------------------------------------------------------------------------------|---------------|---------------|
| Present value of the defined benefit obligation at the end of the year               | 3,044.90      | 2,957.94      |
| Less: Fair value of plan assets at the end of the year                               | (2,852.04)    | (2,885.38)    |
| Net liability recognised                                                             | 192.86        | 72.56         |
| <b>Recognised under provisions</b>                                                   |               |               |
| Non Current provision                                                                | -             | -             |
| Current provisions                                                                   | 192.86        | 72.56         |
| (Excludes ₹ 1.00 lakh (31 March 2018: ₹ 1.00 lakh) provided on fixed / actual basis) |               |               |

### v Net interest cost for current period (₹ in lakhs)

| Particulars                                                        | 31 March 2019 | 31 March 2018 |
|--------------------------------------------------------------------|---------------|---------------|
| Present Value of Benefit Obligation at the Beginning of the Period | 2,957.94      | 2,917.27      |
| Less: Fair Value of Plan Assets at the Beginning of the Period     | (2,885.38)    | (2,890.66)    |
| <b>Net Liability/(Asset) at the Beginning</b>                      | <b>72.56</b>  | <b>26.60</b>  |
| Interest Cost                                                      | 228.91        | 209.34        |
| Interest Income                                                    | (223.37)      | (207.43)      |
| <b>Net Interest Cost for Current Period</b>                        | <b>5.54</b>   | <b>1.91</b>   |

### vi Expenses recognised in the Statement of Profit and Loss (₹ in lakhs)

| Particulars                                             | 31 March 2019 | 31 March 2018 |
|---------------------------------------------------------|---------------|---------------|
| Current Service Cost                                    | 147.65        | 155.61        |
| Past Service Cost                                       | -             | -             |
| Net interest (income)/ expense                          | 5.54          | 1.91          |
| <b>Net gratuity cost recognised in the current year</b> | <b>153.19</b> | <b>157.52</b> |
| Included in note 31 'Employee benefits expense'         | 153.19        | 157.52        |

### vii Expenses recognised in the Statement of Other comprehensive income (OCI) (₹ in lakhs)

| Particulars                                                  | 31 March 2019 | 31 March 2018  |
|--------------------------------------------------------------|---------------|----------------|
| Actuarial (gains) / losses                                   | 49.85         | (106.82)       |
| Return on Plan Assets, Excluding Interest Income             | (10.18)       | 21.86          |
| <b>Net (Income)/Expense For the Period Recognized in OCI</b> | <b>39.67</b>  | <b>(84.96)</b> |

### viii Reconciliation of Net asset / (liability) recognised: (₹ in lakhs)

| Particulars                                                        | 31 March 2019   | 31 March 2018  |
|--------------------------------------------------------------------|-----------------|----------------|
| Net asset / (liability) recognised at the beginning of the period  | (72.55)         | (26.61)        |
| Company contributions                                              | 72.56           | 26.61          |
| Benefits paid directly by company                                  | -               | -              |
| Amount recognised in other comprehensive income                    | (39.67)         | 84.96          |
| Expenses recognised at the end of period                           | (153.19)        | (157.52)       |
| Mortality charges and taxes                                        | -               | -              |
| <b>Net asset / (liability) recognised at the end of the period</b> | <b>(192.86)</b> | <b>(72.56)</b> |

### ix Categories of Assets (₹ in lakhs)

| Particulars    | 31 March 2019   | 31 March 2018   |
|----------------|-----------------|-----------------|
| Insurance fund | 2,852.04        | 2,885.38        |
| <b>Total</b>   | <b>2,852.04</b> | <b>2,885.38</b> |

## Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2019

### x Sensitivity Analysis:

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

(₹ in lakhs)

| Particulars                                             | 31 March 2019   | 31 March 2018 |
|---------------------------------------------------------|-----------------|---------------|
| Projected Benefit Obligation on Current Assumptions     | <b>3,044.88</b> | 2,957.94      |
| Delta Effect of +1% Change in Rate of Discounting       | <b>(156.52)</b> | (156.45)      |
| Delta Effect of -1% Change in Rate of Discounting       | <b>176.46</b>   | 176.33        |
| Delta Effect of +1% Change in Rate of Salary Increase   | <b>175.37</b>   | 175.55        |
| Delta Effect of -1% Change in Rate of Salary Increase   | <b>(158.34)</b> | (158.52)      |
| Delta Effect of +1% Change in Rate of Employee Turnover | <b>6.09</b>     | 8.04          |
| Delta Effect of -1% Change in Rate of Employee Turnover | <b>(7.01)</b>   | (9.20)        |

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

(₹ in lakhs)

| Projected Benefits Payable in Future Years From the Date of Reporting: | 31 March 2019   | 31 March 2018 |
|------------------------------------------------------------------------|-----------------|---------------|
| 1st Following Year                                                     | <b>539.15</b>   | 285.92        |
| 2nd Following Year                                                     | <b>280.67</b>   | 426.73        |
| 3rd Following Year                                                     | <b>291.57</b>   | 272.09        |
| 4th Following Year                                                     | <b>352.70</b>   | 332.11        |
| 5th Following Year                                                     | <b>327.20</b>   | 1,389.88      |
| Sum of Years 6 To 10                                                   | <b>1,369.10</b> | 2,152.37      |

### xii General descriptions of Significant Defined plans:

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

### xiii Other Long Term Benefits:

Compensated absences recognized in the Statement of profit and loss for the current year, under the employee cost in Note 31, is ₹ 219.61 lakhs (31 March 2018 ₹ 175.65 lakhs).

## 44 Segment reporting

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

## 45 Research & Development Expenses:

(₹ in lakhs)

| Particulars                                       | 31 March 2019   | 31 March 2018 |
|---------------------------------------------------|-----------------|---------------|
| (i) Charged to the statement of profit & loss     | <b>1,297.95</b> | 1,159.54      |
| (ii) Capitalized to Property Plant and Equipments | <b>317.25</b>   | 86.39         |



## Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2019

### 46 Lease rentals

The Company has taken certain vehicles, laptops and office premises on operating lease. Lease rental charged to the Statement of profit and loss for the year ended 31 March 2019 ₹ 412.74 lakhs (31 March 2018 - ₹ 315.85 lakhs). The minimum lease payments to be made in future as at the year end, in respect of non-cancellable lease are follows:

(₹ in lakhs)

| Particulars                                                    | 31 March 2019 | 31 March 2018 |
|----------------------------------------------------------------|---------------|---------------|
| For a period not later than one year                           | 29.52         | 46.48         |
| For a period later than one year and not later than five years | 6.95          | 44.65         |
| For a period later than five years                             | -             | -             |

### 47 Earnings per share

(₹ in lakhs)

| Particulars                                                          | 31 March 2019   | 31 March 2018   |
|----------------------------------------------------------------------|-----------------|-----------------|
| Net Profit after tax for the year                                    | 9,876.92        | 8,191.34        |
| <b>Profit attributable to equity share holders</b>                   | <b>9,876.92</b> | <b>8,191.34</b> |
| Weighted Average Number of equity shares outstanding during the year | 96,922,600      | 96,922,600      |
| Basic and Diluted Earnings Per Share (₹)                             | 10.19           | 8.45            |
| Face Value per Share (₹)                                             | 2.00            | 2.00            |

#### Note:

The Company does not have any outstanding dilutive potential equity shares as at 31 March 2019 and 31 March 2018. Consequently, basic and diluted earnings per share of the Company remains the same.

Notes 1 to 47 form an integral part of the Standalone financial statements

This is the summary of significant accounting policies and other explanatory information referred to in our report of even date.

#### For Walker Chandiok & Co LLP

Chartered Accountants

Firm Registration No. 001076N / N500013

#### Adi P. Sethna

Partner

Membership No.: 108840

Place : Mumbai

Date : 29 May 2019

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

#### Harshbeena Zaveri

Vice Chairman and  
Managing Director  
DIN : 00003948

#### Tashwinder Singh

Director  
DIN : 06572282

#### Tanushree Bagrodia

Chief Financial Officer

Place: Mumbai

Date: 29 May 2019

#### S. C. Rangani

Executive Director  
DIN : 00209069

#### Vishaka Maheshwari

Director  
DIN: 07108012

#### Shruti Joshi

Company Secretary

#### Ashank Desai

Director  
DIN : 00017767

#### Rustom Desai

Director  
DIN: 02448175

## **INDEPENDENT AUDITOR'S REPORT**

### **To the Members of NRB Bearings Limited**

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

##### **Opinion**

1. We have audited the accompanying consolidated financial statements of **NRB Bearings Limited** ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), which comprise the Consolidated Balance Sheet as at 31 March 2019, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the consolidated state of affairs (consolidated financial position) of the Group as at 31 March 2019, and their consolidated profit (consolidated financial performance including other comprehensive income), its consolidated cash flows and the consolidated changes in equity for the year ended on that date.
3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 15 of the Other Matter(s) paragraph below, is sufficient and appropriate to provide a basis for our opinion.

##### **Key Audit Matter**

4. Key audit matter are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.
5. We have determined that there are no key audit matters to communicate in our report.

##### **Information other than the Consolidated Financial Statements and Auditor's Report thereon**

6. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

##### **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

7. The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated state of affairs (consolidated financial position), consolidated profit or loss (consolidated financial performance including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. The

respective Board of Directors/management of the Company included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

8. In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
9. Those Board of Directors are also responsible for overseeing the Group's financial reporting process

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

10. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.
11. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

**Other Matter**

15. We did not audit the financial statements of two subsidiaries, whose financial statements reflect total assets of ₹ 6,230 lakhs and net assets of ₹ 384 lakhs as at 31 March 2019, total revenues of ₹ 5,474 lakhs and net cash inflows amounting to ₹ 779 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose report 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 subsidiary, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditors.

Further, both these subsidiaries are located outside India whose financial statements have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion on the above consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

**Report on Other Legal and Regulatory Requirements**

16. As required by section 197(16) of the Act, based on our audit and on the consideration of the report of the other auditor, referred to in paragraph 15, on separate financial statements of the subsidiary, we report that the Holding Company has paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act. Further, we report that the provisions of section 197 read with Schedule V to the Act are not applicable to the two foreign subsidiary companies since these companies are not incorporated under the Act.
17. As required by Section 143 (3) of the Act, based on our audit and on the consideration of the report of the other auditor on separate financial statements and other financial information of the subsidiary, we report, to the extent applicable, that:
- a) a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
  - c) the consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
  - d) in our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act;
  - e) on the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and the report of the other statutory auditor of its subsidiary companies, none of the directors of the Group companies, covered under the Act, are disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act;
  - f) with respect to the adequacy of the internal financial controls over financial reporting of the Holding Company, and its subsidiary companies covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure A';

- g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries:
- i. the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group;
  - ii. the Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary Company during the year ended 31 March 2019;
  - iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these consolidated financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

**Adi P. Sethna**

Partner

Membership No.: 108840

Place: Mumbai

Date: 29 May 2019

**Annexure A to the Independent Auditor's Report of even date to the Members of NRB Bearings Limited on the consolidated financial statements for the year ended 31 March 2019****Annexure A**

**Annexure A**

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

1. In conjunction with our audit of the consolidated financial statements of NRB Bearings Limited ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), as at and for the year ended 31 March 2019, we have audited the internal financial controls over financial reporting (IFCoFR) of the Holding Company and one of its subsidiary company, which are companies covered under the Act, as of that date.

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

2. The respective Board of Directors of the Holding Company and one of its subsidiary company, which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("the ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the company's business, including adherence to the company's policies, the safeguarding of the company's assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditors' Responsibility**

3. Our responsibility is to express an opinion on the IFCoFR of the Holding Company and its subsidiary companies, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of IFCoFR and

the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR includes obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the IFCoFR of the Holding Company and one of its subsidiary company, as aforesaid.

#### **Meaning of Internal Financial Controls over Financial Reporting**

6. A company's IFCoFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's IFCoFR includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

7. Because of the inherent limitations of IFCoFR, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the IFCoFR to future periods are subject to the risk that the IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

8. In our opinion, the Holding Company and one of its subsidiary company, which are companies covered under the Act, have, in all material respects, adequate internal financial controls over financial reporting and such controls were operating effectively as at 31 March 2019, based on internal control over financial reporting criteria established by the Holding Company and one of its subsidiary company, which are companies covered under the Act, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

per **Adi P. Sethna**

Partner

Membership No.:108840

Place: Mumbai

Date : 29 May, 2019

**Consolidated Balance Sheet as at 31 March 2019**

(₹ in Lakhs)

|           | Particulars                                        | Note No. | As at 31 March 2019 | As at 31 March 2018 |
|-----------|----------------------------------------------------|----------|---------------------|---------------------|
| <b>I</b>  | <b>ASSETS</b>                                      |          |                     |                     |
| <b>1</b>  | <b>Non-current assets</b>                          |          |                     |                     |
|           | Property, plant and equipment                      | 2        | <b>32,104</b>       | 25,838              |
|           | Capital work-in-progress                           |          | <b>1,479</b>        | 1,479               |
|           | Investment Property                                | 3        | -                   | -                   |
|           | Goodwill                                           |          | <b>48</b>           | 48                  |
|           | Other intangible assets                            | 4        | <b>70</b>           | 76                  |
|           | Financial Assets                                   |          |                     |                     |
|           | Investments                                        | 5        | <b>460</b>          | 568                 |
|           | Loans                                              | 6        | <b>458</b>          | 447                 |
|           | Other financial assets                             | 7        | <b>6</b>            | 3                   |
|           | Income tax (Current-tax) assets (net)              | 8        | <b>2,373</b>        | 1,701               |
|           | Other non-current assets                           | 9        | <b>1,641</b>        | 1,186               |
|           | <b>Total non-current assets</b>                    |          | <b>38,639</b>       | <b>31,346</b>       |
| <b>2</b>  | <b>Current assets</b>                              |          |                     |                     |
|           | Inventories                                        | 10       | <b>26,804</b>       | 15,803              |
|           | Financial Assets                                   |          |                     |                     |
|           | Investments                                        | 11       | <b>809</b>          | 872                 |
|           | Trade receivables                                  | 12       | <b>21,505</b>       | 23,344              |
|           | Cash and cash equivalents                          | 13       | <b>3,019</b>        | 1,278               |
|           | Bank balances other than cash and cash equivalents | 14       | <b>110</b>          | 1,599               |
|           | Loans                                              | 15       | -                   | 17                  |
|           | Other financial assets                             | 16       | <b>540</b>          | 383                 |
|           | Other current assets                               | 17       | <b>3,343</b>        | 4,248               |
|           | <b>Total current assets</b>                        |          | <b>56,130</b>       | <b>47,544</b>       |
|           | <b>Total assets</b>                                |          | <b>94,769</b>       | <b>78,890</b>       |
| <b>II</b> | <b>EQUITY AND LIABILITIES</b>                      |          |                     |                     |
| <b>A</b>  | <b>Equity</b>                                      |          |                     |                     |
|           | Equity share capital                               | 18       | <b>1,938</b>        | 1,938               |
|           | Other equity                                       | 19       | <b>45,114</b>       | 35,860              |
|           | <b>Equity attributable to owners of parent</b>     |          | <b>47,052</b>       | <b>37,798</b>       |
|           | Non-controlling interest                           |          | <b>937</b>          | 769                 |
|           | <b>Total equity</b>                                |          | <b>47,989</b>       | <b>38,567</b>       |
| <b>B</b>  | <b>Liabilities</b>                                 |          |                     |                     |
| <b>1</b>  | <b>Non-current liabilities</b>                     |          |                     |                     |
|           | Financial Liabilities                              |          |                     |                     |
|           | Borrowings                                         | 20       | <b>8,290</b>        | 6,885               |
|           | Deferred tax liabilities (net)                     | 21       | <b>1,234</b>        | 578                 |
|           | <b>Total non-current liabilities</b>               |          | <b>9,524</b>        | <b>7,463</b>        |
| <b>2</b>  | <b>Current liabilities</b>                         |          |                     |                     |
|           | Financial Liabilities                              |          |                     |                     |
|           | Borrowings                                         | 22       | <b>17,700</b>       | 10,468              |
|           | Trade payables                                     | 23       | <b>11,788</b>       | 11,117              |
|           | Other financial liabilities                        | 24       | <b>6,173</b>        | 8,978               |
|           | Other current liabilities                          | 25       | <b>459</b>          | 861                 |
|           | Provisions                                         | 26       | <b>1,136</b>        | 945                 |
|           | Current tax liabilities (net)                      | 27       | -                   | 491                 |
|           | <b>Total current liabilities</b>                   |          | <b>37,256</b>       | <b>32,860</b>       |
|           | <b>Total liabilities</b>                           |          | <b>46,780</b>       | <b>40,323</b>       |
|           | <b>Total equity and liabilities</b>                |          | <b>94,769</b>       | <b>78,890</b>       |

Notes 1 to 50 form an integral part of the Consolidated financial statements.

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

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm Registration No. 001076N / N500013

**Adi P. Sethna**

Partner

Membership No.: 108840

**Place : Mumbai**
**Date : 29 May 2019**
**Harshbeena Zaveri**

Vice Chairman and  
Managing Director  
DIN : 00003948

**Vishaka Maheshwari**

Director  
DIN: 07108012

**Place: Mumbai**
**Date: 29 May 2019**

For and on behalf of the Board of Directors

**S. C. Rangani**

Executive Director  
DIN : 00209069

**Rustom Desai**

Director  
DIN: 02448175

**Ashank Desai**

Director  
DIN : 00017767

**Tanushree Bagrodia**

Chief Financial Officer

**Tashwinder Singh**

Director  
DIN : 06572282

**Shruti Joshi**

Company Secretary

**Consolidated Statement of Profit and Loss for the year ended 31 March 2019** (₹ in Lakhs)

|      | Particulars                                                                                        | Note No. | For the year ended 31 March 2019 | For the year ended 31 March 2018 |
|------|----------------------------------------------------------------------------------------------------|----------|----------------------------------|----------------------------------|
| I    | Revenue from operations                                                                            | 28       | 96,485                           | 87,391                           |
| II   | Other income                                                                                       | 29       | 561                              | 1,211                            |
| III  | <b>Total Income (I + II)</b>                                                                       |          | <b>97,046</b>                    | <b>88,602</b>                    |
| IV   | <b>Expenses</b>                                                                                    |          |                                  |                                  |
|      | Cost of materials consumed                                                                         | 30       | 38,798                           | 32,005                           |
|      | Changes in inventories of finished goods and work-in-progress                                      | 31       | (3,643)                          | 864                              |
|      | Excise duty on sale of goods (Refer note 28)                                                       |          | -                                | 1,877                            |
|      | Employee benefits expense                                                                          | 32       | 14,331                           | 12,791                           |
|      | Finance costs                                                                                      | 33       | 1,489                            | 1,415                            |
|      | Depreciation and amortization expense                                                              | 2 to 4   | 3,530                            | 3,099                            |
|      | Other expenses                                                                                     | 34       | 28,485                           | 23,020                           |
|      | <b>Total expenses (IV)</b>                                                                         |          | <b>82,990</b>                    | <b>75,071</b>                    |
| V    | <b>Profit before tax and Exceptional Items (III-IV)</b>                                            |          | <b>14,056</b>                    | <b>13,531</b>                    |
| VI   | <b>Exceptional Items - Gain</b>                                                                    | 34A      | 1,654                            | -                                |
| VII  | <b>Profit before tax (V+VI)</b>                                                                    |          | <b>15,710</b>                    | <b>13,531</b>                    |
| VIII | Income tax expense / (credit):                                                                     | 35       |                                  |                                  |
|      | (i) Current Tax                                                                                    |          | 4,049                            | 4,164                            |
|      | (ii) Deferred Tax                                                                                  |          | 671                              | 77                               |
|      |                                                                                                    |          | <b>4,720</b>                     | <b>4,241</b>                     |
| IX   | <b>Net profit after tax (VII-VIII)</b>                                                             |          | <b>10,990</b>                    | <b>9,290</b>                     |
| X    | <b>Other Comprehensive Income (OCI)</b>                                                            | 36       |                                  |                                  |
|      | Items that will not be reclassified to profit or loss                                              |          |                                  |                                  |
|      | a) Remeasurement gain/(loss) on defined benefit plans and fair value changes on equity instruments |          | (152)                            | 176                              |
|      | Income tax relating to above                                                                       |          | 15                               | (36)                             |
|      | Items that may be reclassified to profit or loss                                                   |          |                                  |                                  |
|      | b) Gains and losses arising from translating the financial statements of foreign operation         |          | (56)                             | (176)                            |
|      | Income tax relating to above                                                                       |          | -                                | -                                |
|      |                                                                                                    |          | <b>(193)</b>                     | <b>(36)</b>                      |
| XI   | <b>Total Comprehensive Income for the year (IX+X)</b>                                              |          | <b>10,797</b>                    | <b>9,254</b>                     |
|      | Profit attributable to:                                                                            |          |                                  |                                  |
|      | -Owners                                                                                            |          | 10,822                           | 9,073                            |
|      | -Non controlling interest                                                                          |          | 168                              | 217                              |
|      | Other comprehensive income attributable to:                                                        |          |                                  |                                  |
|      | -Owners                                                                                            |          | (193)                            | (40)                             |
|      | -Non controlling interest*                                                                         |          | (0)                              | 4                                |
|      | Total comprehensive income attributable to:                                                        |          |                                  |                                  |
|      | -Owners                                                                                            |          | 10,629                           | 9,033                            |
|      | -Non controlling interest                                                                          |          | 168                              | 221                              |
| XII  | <b>Earnings per equity share:</b>                                                                  | 50       |                                  |                                  |
|      | Basic & Diluted (in ₹)                                                                             |          | 11.17                            | 9.36                             |
|      | Face value per share (in ₹)                                                                        |          | 2.00                             | 2.00                             |

\* Amount lower than ₹ 1,000

Notes 1 to 50 form an integral part of the consolidated financial statements

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

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm Registration No. 001076N / N500013

**Adi P. Sethna**

Partner

Membership No.: 108840

For and on behalf of the Board of Directors

**Harshbeena Zaveri**

Vice Chairman and

Managing Director

DIN : 00003948

**Tashwinder Singh**

Director

DIN : 06572282

**Tanushree Bagrodia**

Chief Financial Officer

**S. C. Rangani**

Executive Director

DIN : 00209069

**Vishaka Maheshwari**

Director

DIN: 07108012

**Shruti Joshi**

Company Secretary

**Ashank Desai**

Director

DIN : 00017767

**Rustom Desai**

Director

DIN: 02448175

**Place : Mumbai**

**Date : 29 May 2019**

**Place: Mumbai**

**Date: 29 May 2019**



**Consolidated Cash Flow Statement for the year ended 31 March 2019**

| (₹ in Lakhs) |                                                                          |                             |                             |
|--------------|--------------------------------------------------------------------------|-----------------------------|-----------------------------|
|              | Particulars                                                              | Year ended<br>31 March 2019 | Year ended<br>31 March 2018 |
| <b>A</b>     | <b>Cash Flow From Operating Activities</b>                               |                             |                             |
|              | <b>Net Profit before tax as per Statement of Profit and Loss</b>         | <b>15,710</b>               | 13,531                      |
|              | <b>Adjustments for:</b>                                                  |                             |                             |
|              | Depreciation and amortisation expense                                    | <b>3,530</b>                | 3,099                       |
|              | Foreign exchange loss/(gain)                                             | <b>(503)</b>                | (333)                       |
|              | Fair valuation gain on derivative instrument measured at FVTPL           | <b>(150)</b>                | (46)                        |
|              | Finance costs                                                            | <b>1,489</b>                | 1,415                       |
|              | Interest income                                                          | <b>(35)</b>                 | (10)                        |
|              | Dividend income                                                          | <b>(10)</b>                 | (21)                        |
|              | Profit on sale of property plant and equipments (net)                    | <b>(49)</b>                 | (11)                        |
|              | Fair valuation loss / (gain) on financial assets measured at FVTPL (net) | <b>(14)</b>                 | (8)                         |
|              | Provision for doubtful debts                                             | <b>760</b>                  | 485                         |
|              | Changes in Foreign currency translation reserve                          | <b>(56)</b>                 | (176)                       |
|              | <b>Operating profit before working capital changes</b>                   | <b>20,672</b>               | <b>17,922</b>               |
|              | <b>Adjustment for movements in:</b>                                      |                             |                             |
|              | Changes in working capital:                                              |                             |                             |
|              | Adjustment for (increase)/ decrease in assets                            |                             |                             |
|              | - Trade receivables                                                      | <b>1,416</b>                | (3,800)                     |
|              | - Inventories                                                            | <b>(11,001)</b>             | 1,425                       |
|              | - Bank balances other than cash and cash equivalents                     | <b>145</b>                  | (157)                       |
|              | - Other non-current financial assets                                     | <b>(14)</b>                 | 12                          |
|              | - Other current financial assets                                         | <b>(94)</b>                 | (22)                        |
|              | - Other non-current assets                                               | <b>(109)</b>                | 743                         |
|              | - Other current assets                                                   | <b>904</b>                  | (3,634)                     |
|              | Adjustment in increase/ (decrease) in liabilities                        |                             |                             |
|              | - Other non-current liabilities                                          | <b>-</b>                    | (64)                        |
|              | - Other financial liabilities                                            | <b>(5)</b>                  | 237                         |
|              | - Trade payables                                                         | <b>755</b>                  | 1,984                       |
|              | - Provisions                                                             | <b>154</b>                  | 199                         |
|              | - Other current liabilities                                              | <b>(402)</b>                | 2,042                       |
|              | <b>Operating profit after working capital changes</b>                    | <b>12,421</b>               | <b>16,887</b>               |
|              | Direct taxes paid (net of refunds)                                       | <b>(5,228)</b>              | (3,539)                     |
|              | <b>Net cash generated from operating activities</b>                      | <b>7,193</b>                | <b>13,348</b>               |

## Consolidated Cash Flow Statement for the year ended 31 March 2019

(₹ in Lakhs)

|          | Particulars                                                            | As at<br>31 March 2019 | As at<br>31 March 2018 |
|----------|------------------------------------------------------------------------|------------------------|------------------------|
| <b>B</b> | <b>Cash Flow From Investing Activities</b>                             |                        |                        |
|          | Purchase of property, plant and equipment and intangible assets        | (9,361)                | (3,951)                |
|          | Sale proceeds of property, plant and equipment                         | 180                    | 14                     |
|          | Purchase of mutual funds                                               | 77                     | (752)                  |
|          | Interest income received                                               | 35                     | 10                     |
|          | Dividend income received                                               | 10                     | 21                     |
|          | <b>Net cash used in investing activities</b>                           | <b>(9,059)</b>         | <b>(4,645)</b>         |
| <b>C</b> | <b>Cash Flow From Financing Activities</b>                             |                        |                        |
|          | Proceeds from non-current borrowings                                   | 3,415                  | 403                    |
|          | Proceeds from / (Repayment of) current borrowings (net)                | 7,280                  | (5,879)                |
|          | Repayment of non-current borrowings                                    | (4,250)                | (1,072)                |
|          | Finance costs paid (net)                                               | (1,489)                | (1,415)                |
|          | Interim dividend declared, deposited in separate bank account          | -                      | (1,357)                |
|          | Movement in unclaimed dividend bank balances                           | (7)                    | 4                      |
|          | Dividend paid                                                          | (1,156)                | (4)                    |
|          | Dividend distribution tax paid                                         | (212)                  | (276)                  |
|          | <b>Net cash generated used in financing activities</b>                 | <b>3,581</b>           | <b>(9,596)</b>         |
|          | <b>Net Increase (Decrease) in Cash and Cash Equivalents (A+B+C)</b>    | <b>1,715</b>           | <b>(893)</b>           |
|          | Add: Balance of Cash and Cash Equivalents at the beginning of the year | 1,278                  | 2,158                  |
|          | Add: Effects of exchange rate changes on cash and cash equivalents     | 26                     | 13                     |
|          | <b>Closing balance of Cash and Cash Equivalents (Refer note 13)</b>    | <b>3,019</b>           | <b>1,278</b>           |
|          | <b>Components of Cash and Cash Equivalents:</b>                        |                        |                        |
|          | Cash on Hand                                                           | 4                      | 3                      |
|          | Balances with banks on current accounts                                | 3,015                  | 1,275                  |

### Notes:

- The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows. Effective 1 April 2017, the Group adopted the amendment to Ind AS 7, which requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement (Refer note 40).

Notes 1 to 50 form an integral part of the consolidated financial statements

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

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm Registration No. 001076N / N500013

**Adi P. Sethna**

Partner

Membership No.: 108840

For and on behalf of the Board of Directors

**Harshbeena Zaveri**

Vice Chairman and  
Managing Director  
DIN : 00003948

**Tashwinder Singh**

Director  
DIN : 06572282

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Company Secretary

**Ashank Desai**

Director  
DIN : 00017767

**Rustom Desai**

Director  
DIN: 02448175

Place : Mumbai

Date : 29 May 2019

Place: Mumbai

Date: 29 May 2019

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

### A. Equity share capital

(₹ in lakhs)

| Equity share capital       | Note No. | Number of shares  | Amount       |
|----------------------------|----------|-------------------|--------------|
| <b>As at 01 April 2017</b> | 18       | 96,922,600        | 1,938        |
| Changes during the year    |          | -                 | -            |
| <b>As at 31 March 2018</b> |          | 96,922,600        | 1,938        |
| Changes during the year    |          | -                 | -            |
| <b>As at 31 March 2019</b> |          | <b>96,922,600</b> | <b>1,938</b> |

### B. Other equity (Refer note 19)

(₹ in lakhs)

| Particulars                                                           | Reserves and surplus |                 |                 |                            |                              |                   | Fair Value Gain on Equity Instruments through OCI | Foreign currency translation reserve | Total other equity | Non-controlling interest | Total         |
|-----------------------------------------------------------------------|----------------------|-----------------|-----------------|----------------------------|------------------------------|-------------------|---------------------------------------------------|--------------------------------------|--------------------|--------------------------|---------------|
|                                                                       | Securities premium   | General reserve | Capital reserve | Capital redemption reserve | Debenture Redemption reserve | Retained earnings |                                                   |                                      |                    |                          |               |
| <b>Opening Balance as at 01 April 2017</b>                            | 848                  | 9,475           | 15              | 1,011                      | 2,000                        | 14,636            | 477                                               | (2)                                  | 28,460             | 548                      | 29,008        |
| <b>Transactions during the year</b>                                   |                      |                 |                 |                            |                              |                   |                                                   |                                      |                    |                          |               |
| Net profit / (loss) for the year                                      | -                    | -               | -               | -                          | -                            | 9,073             | -                                                 | -                                    | 9,073              | 217                      | 9,290         |
| Other comprehensive income / (loss) for the year                      | -                    | -               | -               | -                          | -                            | 67                | 69                                                | (176)                                | (40)               | 4                        | (36)          |
| Less: Interim dividend (₹ 1.4 per equity share)                       | -                    | -               | -               | -                          | -                            | (1,357)           | -                                                 | -                                    | (1,357)            | -                        | (1,357)       |
| Less: Dividend distribution tax on Interim dividend                   | -                    | -               | -               | -                          | -                            | (276)             | -                                                 | -                                    | (276)              | -                        | (276)         |
| Less: Transfer from retained earnings to debenture redemption reserve | -                    | -               | -               | -                          | 1,250                        | (1,250)           | -                                                 | -                                    | -                  | -                        | -             |
| <b>Balance as at 31 March 2018</b>                                    | <b>848</b>           | <b>9,475</b>    | <b>15</b>       | <b>1,011</b>               | <b>3,250</b>                 | <b>20,893</b>     | <b>546</b>                                        | <b>(178)</b>                         | <b>35,860</b>      | <b>769</b>               | <b>36,629</b> |
| <b>Transactions during the year</b>                                   |                      |                 |                 |                            |                              |                   |                                                   |                                      |                    |                          |               |
| Net profit / (loss) for the year                                      | -                    | -               | -               | -                          | -                            | 10,822            | -                                                 | -                                    | 10,822             | 168                      | 10,989        |
| Other comprehensive income / (loss) for the year                      | -                    | -               | -               | -                          | -                            | (27)              | (110)                                             | (56)                                 | (193)              | (0)                      | (193)         |
| Less: Final dividend of previous year ₹ 1.2 per equity share          | -                    | -               | -               | -                          | -                            | (1,163)           | -                                                 | -                                    | (1,163)            | -                        | (1,163)       |
| Less: Dividend distribution tax on final dividend                     | -                    | -               | -               | -                          | -                            | (212)             | -                                                 | -                                    | (212)              | -                        | (212)         |
| Less: Transfer from debenture redemption reserve to general reserve   | -                    | 1,000           | -               | -                          | (1,000)                      | -                 | -                                                 | -                                    | -                  | -                        | -             |
| <b>Balance as at 31 March 2019</b>                                    | <b>848</b>           | <b>10,475</b>   | <b>15</b>       | <b>1,011</b>               | <b>2,250</b>                 | <b>30,313</b>     | <b>436</b>                                        | <b>(234)</b>                         | <b>45,114</b>      | <b>937</b>               | <b>46,051</b> |

Notes 1 to 50 form an integral part of the consolidated financial statements

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm Registration No. 001076N / N500013

**Adi P. Sethna**

Partner

Membership No.: 108840

Place : Mumbai

Date : 29 May 2019

For and on behalf of the Board of Directors

**Harshbeena Zaveri**

Vice Chairman and  
Managing Director  
DIN : 00003948

**Tashwinder Singh**

Director  
DIN : 06572282

**Tanushree Bagrodia**

Chief Financial Officer

Place: Mumbai

Date: 29 May 2019

**S. C. Rangani**

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**Ashank Desai**

Director  
DIN : 00017767

**Rustom Desai**

Director  
DIN: 02448175

## **Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2019**

### **Note 1**

#### **1. Company information**

NRB Bearings Limited ('the Company' or the 'Parent Company'), and its subsidiaries (collectively referred to as the 'Group') are mainly engaged in the manufacture and marketing of bearing products. The Company is a listed company domiciled in India. The registered and corporate office of the company is situated at Dhannur, 15, Sir P. M. Road, Fort, Mumbai 400 001, Maharashtra.

The consolidated financial statements (hereinafter referred to as "CFS") for the year ended 31 March 2019 were approved by Board of Directors and authorised for issue on 29 May 2019.

#### **Basis of Preparation**

The Group has prepared its financial statements to comply in all material respects with the provisions of the Companies Act, 2013 (the Act) and rules framed thereunder and the guidelines issued by Securities and Exchange Board of India. In accordance with the notification issued by the Ministry of Corporate Affairs, the Group has adopted Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 under Section 133 of the Act, with effect from 1 April 2017.

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

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

#### **1A Significant accounting policies**

##### **a. Principles of Consolidation of subsidiary**

The CFS incorporates the financial statements of Parent Company and its subsidiaries.

Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that the control ceases.

The group combines the financial statements of the parent and its subsidiaries, line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. The financial statements of the parent company and its subsidiaries have been consolidated using uniform accounting policies. When necessary, adjustments are made to the financial statements of the subsidiaries to bring their accounting policies in line with the Group's accounting policies. The financial statements of the subsidiary companies used in the consolidation are drawn upto the same reporting date as that of the parent i.e. year ended 31 March 2019.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

Refer note 41 for the list of subsidiaries considered in the CFS.

##### **b. Foreign Currency Transactions**

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Indian Rupee (INR), which is parent's functional and presentation currency.

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

**Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2019**

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

Exchange differences on monetary items are recognised in Statement of Profit and Loss in the period in which they arise except for: exchange difference arising on settlement / restatement of long-term foreign currency monetary items originally recognized in the financial statements upto and for the year ended March 31, 2017 prepared under previous GAAP, are capitalized as a part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets. If such monetary items do not relate to acquisition of depreciable fixed assets, the exchange difference is amortised over the maturity period / upto the date of settlement of such monetary item, whichever is earlier and charged to the Statement of Profit and Loss. The un-amortised exchange difference is carried under other equity as "Foreign currency monetary item translation difference account" net of tax effect thereon, where applicable.

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate at the date of that balance sheet
- income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), On consolidation, exchange differences arising from the translation of any net investment in foreign entities are recognised in other comprehensive income and all resulting exchange differences are recognised in other comprehensive income.

**c. Revenue Recognition**

The Group derives revenues from sale of manufactured goods. Effective 01 April 2018, the Group has adopted Indian Accounting Standard 115 (Ind AS 115) - 'Revenue from contracts with customers selecting the cumulative catch-up transition method, applied to contracts that were not completed as on the transition date i.e. 01 April 2018. Accordingly, the comparative amounts of revenue and the corresponding contract assets / liabilities are not required to be adjusted retrospectively. However, the effect on adoption of Ind-AS 115 was insignificant. Revenue from sale of goods is recognized on satisfaction of performance obligation upon transfer of control of promised products to customers for an amount that reflects the consideration the Group expects to receive in exchange for those products. The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, it does not adjust any of the transaction prices for the time value of money. For performance obligations where the above conditions are not met, revenue is recognised at the point in time in which the performance obligations are satisfied.

**d. Other Income**

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

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

**e. Income tax**

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

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

**Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2019**

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

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

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

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

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

**f. Leases****As a lessee**

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

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

**As a lessor**

Lease income from operating leases where the group is a lessor is recognised in income on a straight line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases.

**g. Impairment of non-financial assets**

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

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

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

## **Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2019**

### **h. Cash and cash equivalents**

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

### **i. Trade receivable**

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

### **j. Inventories**

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

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

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

### **k. Investments and financial assets**

#### **Classification**

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

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

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

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

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

#### **Measurement**

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

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

#### **Measurement of debt instruments**

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

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a

## **Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2019**

debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

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

### **Measurement of equity instruments**

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

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

### **Impairment of financial assets**

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

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

### **De-recognition of financial assets**

A financial asset is derecognised only when

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

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

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

### **I. Derivatives**

The group enters into certain derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through profit or loss and mark to market gains and losses are included in other income expenses respectively.

### **m. Offsetting financial instruments**

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



## Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2019

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

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

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

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

Depreciation/ amortisation on fixed assets has been provided on the straight-line method as per the useful life assessed based on technical advice, taking into account the nature of the asset, the estimated use of the asset on the basis of management's best estimation of getting economic benefits from those class of assets. Depreciation is calculated pro-rata from the date of addition upto the date of disposal.

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

| Class of asset                                                          | Revised useful life based on SLM (Range) |
|-------------------------------------------------------------------------|------------------------------------------|
|                                                                         | Parent                                   |
| Leasehold land                                                          | 60 - 90 years                            |
| Buildings and flats / Building on leasehold land / Building Improvement | 15 – 50 years                            |
| Plant and equipment                                                     | 3 – 30 years                             |
| Furniture and fixtures                                                  | 3 – 10 years                             |
| Office equipment / Factory equipment                                    | 3 – 10 years                             |
| Electrical installations                                                | 5 – 20 years                             |
| Vehicles                                                                | 5 - 8 years                              |
| Intangibles                                                             | 3 - 5 years                              |

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

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

### o. Investment Properties

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

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

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

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**Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2019**

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**p. Intangible Assets**

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

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

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

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised. Amortisation is calculated pro-rata from the date of addition upto the date of disposal.

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

**q. Borrowings and other financial liabilities**

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

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

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

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

**r. Borrowing Costs**

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

**s. Provisions, Contingent Liabilities and contingent assets**

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

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

**Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2019****t. Employee Benefits**

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

Other long term employee benefit obligations:

Compensated absences: The group provides for the encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment/availment. The group makes provision for compensated absences based on an actuarial valuation by actuary. Actuarial gains and losses arising on the measurement of defined benefit obligation is charged/ credited to Profit and loss account.

**Post employment obligations:**

The group operates the following post employment schemes:

**Defined benefit plans:**

**i) Gratuity:** The group has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The group has obtained insurance policies with the Life Insurance Corporation of India (LIC) and makes an annual contribution to LIC. The group makes provision for gratuity based on an actuarial valuation done as per projected unit

**ii) Provident fund:** For certain employees, the monthly contribution for Provident Fund is made to a Trust administered by the group. Both the eligible employees and the group make monthly contributions to the provident fund equal to a specified percentage of the covered employee's salary. The group contributes a portion to the Employees' Provident Fund Trust ('The PF trust'). The PF trust invests in specific designated instruments as permitted by Indian Law. The rate at which the annual interest is payable to the beneficiaries by the PF trust is being administrated by the Government. The group has an obligation to make good the shortfall, if any, between the return from the investments of the PF trust and the notified interest rate. The group makes provision for Provident fund based on an actuarial valuation done as per projected unit credit method by an actuary. Actuarial gains and losses on shortfall, if any, arising on the remeasurement of defined benefit obligation is charged/ credited to other comprehensive income.

**Defined contribution plans:**

**i) Provident fund and family pension fund:** Defined contribution plans such as Provident Fund and family pension fund are charged to the Statement of Profit and Loss as incurred. The group's contribution to Provident Fund and family pension fund is determined based on a fixed percentage of the eligible employees' salary and charged to the Statement of Profit and Loss on accrual basis. The group's contributions to Defined Contribution Plan are charged to the statement of profit and loss as incurred. The group does not have any obligation other than the contribution made to the fund administered by the government.

Voluntary Retirement Compensation:

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

**u. Earnings per share**

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

**v. Operating Cycle**

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

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**Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2019**

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**w. Contributed equity**

Equity shares are classified as equity.

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

**x. Critical estimates and judgements**

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

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

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

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

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

**ii) Income Tax:**

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

**iii) Contingencies:**

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

**iv) Impairment of financial assets:**

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

**v) Impairment of non-financial assets:**

The group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Units (CGU) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent to those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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

**Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2019****vi. Defined benefit obligation**

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

**y. Standard issued but not yet effective****Ind AS 116**

On 30th March 2019, the Ministry of Corporate Affairs (MCA) has notified Ind AS 116 Leases, under Companies (Indian Accounting Standards) Amendment Rules, 2019 which is applicable with effect from 1st April, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lease accounting model for lessee and requires the lessee to recognize right of use assets and lease liabilities for all leases with a term of more than twelve months, unless the underlying asset is low value in nature. Currently, operating lease expenses are charged to the statement of profit and loss. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17. As per Ind AS 116, the lessee needs to recognise depreciation on rights of use assets and finance costs on lease liabilities in the statement of profit and loss. The lease payments made by the lessee under the lease arrangement will be adjusted against the lease liabilities. Based on management assessment, the adoption of Ind AS 116 will not have any material impact on the financial statements of the Group.

**Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments**

On 30 March 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition –

- i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and
- ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after 1 April 2019. The Group will adopt the standard on 1 April 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. 1 April 2019 without adjusting comparatives.

Effective date for application of these amendments is annual period beginning on or after 1 April 2019.

The Group is evaluating the above requirement of the amendment and the impact on the financial statements.  
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**Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2019**

**2 Property, plant and equipment**

(₹ in Lakhs)

| Particulars                           | Free Hold Land | Leasehold Land | Buildings & Flats | Plant & Equipment | Furniture & Fixtures | Office equipment | Electrical Installation | Vehicles   | Total         |
|---------------------------------------|----------------|----------------|-------------------|-------------------|----------------------|------------------|-------------------------|------------|---------------|
| <b>Gross carrying value</b>           |                |                |                   |                   |                      |                  |                         |            |               |
| As at 01 April 2017                   | 258            | 179            | 9,244             | 48,224            | 964                  | 749              | 1,140                   | 527        | 61,285        |
| Additions                             | -              | -              | 347               | 3,239             | 45                   | 99               | 128                     | 172        | 4,030         |
| Foreign currency translation reserve  | 21             | 1              | 70                | 299               | 32                   | 2                | 20                      | -          | 445           |
| Disposals                             | -              | -              | -                 | -                 | -                    | 1                | -                       | 185        | 186           |
| <b>As at 31 March 2018</b>            | <b>279</b>     | <b>180</b>     | <b>9,661</b>      | <b>51,762</b>     | <b>1,041</b>         | <b>849</b>       | <b>1,288</b>            | <b>514</b> | <b>65,574</b> |
| Additions                             | -              | -              | 3,080             | 6,446             | 59                   | 19               | 150                     | 25         | 9,779         |
| Foreign currency translation reserve* | 9              | -              | 31                | 135               | 14                   | 1                | 9                       | -          | 199           |
| Disposals                             | -              | -              | 120               | 112               | -                    | -                | -                       | 7          | 239           |
| <b>As at 31 March 2019</b>            | <b>288</b>     | <b>180</b>     | <b>12,652</b>     | <b>58,231</b>     | <b>1,114</b>         | <b>869</b>       | <b>1,447</b>            | <b>532</b> | <b>75,313</b> |
| <b>Accumulated Depreciation</b>       |                |                |                   |                   |                      |                  |                         |            |               |
| As at 01 April 2017                   | -              | 26             | 2,163             | 31,967            | 743                  | 456              | 935                     | 397        | 36,687        |
| Charge for the year                   | -              | 4              | 194               | 2,629             | 21                   | 83               | 60                      | 66         | 3,057         |
| Foreign currency translation reserve  | -              | 1              | 25                | 109               | 27                   | 2                | 13                      | -          | 177           |
| Disposals                             | -              | -              | -                 | -                 | -                    | -                | -                       | 185        | 185           |
| <b>As at 31 March 2018</b>            | <b>-</b>       | <b>31</b>      | <b>2,382</b>      | <b>34,705</b>     | <b>791</b>           | <b>541</b>       | <b>1,008</b>            | <b>278</b> | <b>39,736</b> |
| Charge for the year                   | -              | 2              | 253               | 2,890             | 100                  | 100              | 72                      | 82         | 3,499         |
| Foreign currency translation reserve  | -              | -              | 11                | 52                | 12                   | 1                | 6                       | -          | 83            |
| Disposals                             | -              | -              | 50                | 52                | -                    | -                | -                       | 26         | 108           |
| <b>As at 31 March 2019</b>            | <b>-</b>       | <b>33</b>      | <b>2,596</b>      | <b>37,595</b>     | <b>903</b>           | <b>642</b>       | <b>1,086</b>            | <b>354</b> | <b>43,209</b> |
| <b>Net Carrying value</b>             |                |                |                   |                   |                      |                  |                         |            |               |
| <b>As at 31 March 2018</b>            | <b>279</b>     | <b>150</b>     | <b>7,279</b>      | <b>17,057</b>     | <b>250</b>           | <b>308</b>       | <b>280</b>              | <b>236</b> | <b>25,838</b> |
| <b>As at 31 March 2019</b>            | <b>288</b>     | <b>147</b>     | <b>10,056</b>     | <b>20,636</b>     | <b>213</b>           | <b>227</b>       | <b>361</b>              | <b>178</b> | <b>32,104</b> |

\* Amount lower than ₹ 1 Lakh

**Footnotes:**

**1. Buildings and flats include:**

- Shares in respect of residential premises of a cost of ₹ 2 lakhs (31 March 2018 ₹ 2 lakhs) in a co-operative society which is in the process of being transferred in the name of the Company.
  - Cost of shares of an aggregate face value of ₹ 750 (31 March 2018 ₹ 750) in co-operative housing societies viz. 5 shares of ₹ 50 each in Vile Parle Vatika Cooperative Housing Society Limited, 5 shares of ₹ 50 each in The Ganesh Villa Co-operative Housing Society Limited and 5 shares of ₹ 50 each in Vinayak Bhavan Cooperative Housing Society Limited.
- The title deeds/ leasehold right of Land and Buildings, having gross carrying amount aggregating ₹ 61 lakhs (31 March 2018 - ₹ 61 lakhs) and net carrying amount aggregating ₹ 60 lakhs (31 March 2018 - ₹ 60 lakhs), have been transferred to and vested in the Company, pursuant to the Schemes of Amalgamation/Arrangement and the procedural formalities for changing the name of the Company is in process.
  - The above amounts includes adjustment of foreign exchange loss aggregating to ₹ 319 lakhs (31 March 2018- ₹ 6 lakhs) against the carrying value of plant and machinery. The balance amount, based on aforesaid adjustments, of plant and machinery to be amortised, as at the year-end, aggregates ₹ 1,358 lakhs (31 March 2018 : ₹ 1,258 lakhs).

## Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2019

### 3 Investment Properties

(₹ in Lakhs)

| Particulars                      | Buildings and flats | Total |
|----------------------------------|---------------------|-------|
| <b>Gross carrying value*</b>     |                     |       |
| As at 01 April 2017              |                     |       |
| As at 31 March 2018              | 41                  | 41    |
| As at 31 March 2019              | 41                  | 41    |
| <b>Accumulated Depreciation*</b> |                     |       |
| As at 31 March 2018              | 41                  | 41    |
| As at 31 March 2019              | 41                  | 41    |
| <b>Net carrying value</b>        |                     |       |
| <b>As at 31 March 2018</b>       | -                   | -     |
| <b>As at 31 March 2019</b>       | -                   | -     |

\* There is no addition and disposal to the gross block and depreciation charge for the year ended 31 March 2019 and 31 March 2018.

#### 3.1 Fair value of Investment Property

(₹ in Lakhs)

| Particulars         | As at<br>31 March 2019 | As at<br>31 March 2018 |
|---------------------|------------------------|------------------------|
| Buildings and flats | 1,729                  | 1,729                  |
| <b>Total</b>        | <b>1,729</b>           | <b>1,729</b>           |

#### 3.2 Income from Investment property generating Rental Income

(₹ in Lakhs)

| Particulars                                                                                                     | As at<br>31 March 2019 | As at<br>31 March 2018 |
|-----------------------------------------------------------------------------------------------------------------|------------------------|------------------------|
| Rental Income derived from investment properties                                                                | 119                    | 118                    |
| Direct Operating expenses from property (including repairs and maintenance) that generated rental income        | 1                      | 1                      |
| Direct Operating expenses from property (including repairs and maintenance) that did not generate rental income | -                      | -                      |
| Income arising from investment properties before depreciation                                                   | 118                    | 117                    |
| Depreciation                                                                                                    | -                      | -                      |
| <b>Income from Investment properties (Net)</b>                                                                  | <b>118</b>             | <b>117</b>             |

#### 3.3 Estimation of fair value of investment properties:

The fair valuation is based on current prices in the active market for similar properties. The main inputs used are quantum, area, location, demand, age of building and trend of fair market rent, ready reckoner rate etc.

This fair value is based on valuations performed by an accredited independent valuer. The fair value measurement is categorised in level 2 fair value hierarchy.

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

**Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2019**

**4 Intangible assets**

(₹ in Lakhs)

| Particulars                           | Software   | Total      |
|---------------------------------------|------------|------------|
| <b>Gross carrying value</b>           |            |            |
| As at 01 April 2017                   | 661        | 661        |
| Additions                             | 71         | 71         |
| Foreign currency translation reserve* | (2)        | (2)        |
| Disposals                             | -          | -          |
| <b>As at 31 March 2018</b>            | <b>730</b> | <b>730</b> |
| Additions                             | 25         | 25         |
| Foreign currency translation reserve* | 1          | 1          |
| Disposals                             | -          | -          |
| <b>As at 31 March 2019</b>            | <b>756</b> | <b>756</b> |
| <b>Accumulated Amortisation</b>       |            |            |
| As at 01 April 2017                   | 612        | 612        |
| Additions                             | 41         | 41         |
| Foreign currency translation reserve* | 1          | 1          |
| Disposals                             | -          | -          |
| <b>As at 31 March 2018</b>            | <b>654</b> | <b>654</b> |
| Charge for the year                   | 31         | 31         |
| Foreign currency translation reserve* | 1          | 1          |
| Disposals                             | -          | -          |
| <b>As at 31 March 2019</b>            | <b>686</b> | <b>686</b> |
| <b>Net carrying value</b>             |            |            |
| <b>As at 31 March 2018</b>            | <b>76</b>  | <b>76</b>  |
| <b>As at 31 March 2019</b>            | <b>70</b>  | <b>70</b>  |

\* Amount lower than ₹ 1 Lakhs



**Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2019**

**Non-Current**

**5 Investments**

(₹ in Lakhs)

| Particulars                                                                                      | As at 31 March 2019 |            | As at 31 March 2018 |            |
|--------------------------------------------------------------------------------------------------|---------------------|------------|---------------------|------------|
|                                                                                                  | Quantity (Nos.)     | Amount     | Quantity (Nos.)     | Amount     |
| <b>(i) Investment in Equity shares (fully paid-up)</b>                                           |                     |            |                     |            |
| <b>Equity investment measured at fair value through other comprehensive income</b>               |                     |            |                     |            |
| <b><u>a. Quoted</u></b>                                                                          |                     |            |                     |            |
| Indusind Bank Limited (₹ 10 each)                                                                | <b>8,541</b>        | <b>152</b> | 8,541               | 154        |
| Eicher Motors Limited (₹ 10 each)                                                                | <b>600</b>          | <b>123</b> | 600                 | 170        |
| Hero Motocorp Limited (₹ 2 each)                                                                 | <b>6,250</b>        | <b>160</b> | 6,250               | 221        |
| <b><u>b. Unquoted</u></b>                                                                        |                     |            |                     |            |
| 21st Century Battery Limited (₹ 10 each)                                                         | <b>10,000</b>       | <b>1</b>   | 10,000              | 1          |
| Less: Provision for impairment in value                                                          |                     | <b>(1)</b> |                     | (1)        |
| <b>Total investment in equity shares</b>                                                         |                     | <b>435</b> |                     | <b>545</b> |
| <b>(ii) Investment in mutual funds measured at fair value through profit and loss (Unquoted)</b> |                     |            |                     |            |
| DSP Black Rock Equity Fund                                                                       | <b>50,000</b>       | <b>25</b>  | 50,000              | 23         |
| <b>Total non-current investments</b>                                                             |                     | <b>460</b> |                     | <b>568</b> |

**Notes:**

**Aggregate amount of quoted investments and market value thereof**

**435**

**545**

**Aggregate amount of unquoted investments (gross)**

**26**

**24**

**Aggregate amount of impairment in the value of investments**

**(1)**

**(1)**

**Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2019**

|           |                                                                                                    | (₹ in Lakhs)           |                        |
|-----------|----------------------------------------------------------------------------------------------------|------------------------|------------------------|
|           |                                                                                                    | As at<br>31 March 2019 | As at<br>31 March 2018 |
| <b>6</b>  | <b><u>Non Current</u><br/>Loans</b>                                                                |                        |                        |
|           | <b>Unsecured, considered good</b>                                                                  |                        |                        |
|           | Security Deposits                                                                                  | 458                    | 447                    |
|           | <b>Total</b>                                                                                       | <b>458</b>             | <b>447</b>             |
|           | <b>Break up of security details</b>                                                                |                        |                        |
|           | Loans receivables considered good - secured                                                        | -                      | -                      |
|           | Loans receivables considered good - unsecured                                                      | 458                    | 447                    |
|           | Loans receivables which have significant increase in credit risk                                   | -                      | -                      |
|           | Loans receivables - credit impaired                                                                | -                      | -                      |
|           | <b>Total</b>                                                                                       | <b>458</b>             | <b>447</b>             |
|           | Loss allowance                                                                                     | -                      | -                      |
|           | <b>Total loans</b>                                                                                 | <b>458</b>             | <b>447</b>             |
| <b>7</b>  | <b>Other financial assets</b>                                                                      |                        |                        |
|           | Margin money deposits with the maturity of more than 12 months                                     | 6                      | 3                      |
|           | <b>Total</b>                                                                                       | <b>6</b>               | <b>3</b>               |
| <b>8</b>  | <b>Income tax (current-tax) assets (net)</b>                                                       |                        |                        |
|           | Advance taxes paid (net of provision for tax ₹ 26,262 lakhs;<br>31 March 2018: ₹ 18,692 lakhs)     | 2,373                  | 1,701                  |
|           | <b>Total</b>                                                                                       | <b>2,373</b>           | <b>1,701</b>           |
| <b>9</b>  | <b>Other non-current assets</b>                                                                    |                        |                        |
|           | Capital advances                                                                                   | 1,001                  | 655                    |
|           | Prepayments                                                                                        | 15                     | 18                     |
|           | Balance with government authorities                                                                | 608                    | 513                    |
|           | Others                                                                                             | 17                     | -                      |
|           | <b>Total</b>                                                                                       | <b>1,641</b>           | <b>1,186</b>           |
|           | <b><u>Current</u></b>                                                                              |                        |                        |
| <b>10</b> | <b>Inventories</b>                                                                                 |                        |                        |
|           | Raw materials and components (Including Goods-in-transit ₹ 91 lakhs;<br>31 March 2018 ₹ 129 lakhs) | 10,306                 | 4,478                  |
|           | Work-in-progress                                                                                   | 6,072                  | 4,421                  |
|           | Finished goods                                                                                     | 5,569                  | 3,577                  |
|           | Stores and Spares                                                                                  | 4,857                  | 3,327                  |
|           | <b>Total</b>                                                                                       | <b>26,804</b>          | <b>15,803</b>          |

## Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2019

| <b>11 Investments (Current)</b>                                                                  |  | <b>(₹ in Lakhs)</b>            |                                |
|--------------------------------------------------------------------------------------------------|--|--------------------------------|--------------------------------|
|                                                                                                  |  | <b>As at<br/>31 March 2019</b> | <b>As at<br/>31 March 2018</b> |
|                                                                                                  |  | <b>Quantity<br/>(Nos.)</b>     | <b>Amount<br/>(Nos.)</b>       |
| <b>A . Investment in Mutual Funds Measured at fair value through profit and loss (unquoted):</b> |  |                                |                                |
| HDFC ultra Short term                                                                            |  | 2,794,655                      | 293                            |
| Kotak Low Duration Fund Standard weekly dividend (Regular plan)                                  |  | -                              | -                              |
| Reliance liquid fund - treasury plan - daily dividend option dividend reinvestment               |  | -                              | -                              |
| Aditya Birla Sun Life Floating Rate Fund - Growth                                                |  | 7,867                          | 20                             |
| Aditya Birla Sun Life Short Term Fund                                                            |  | -                              | -                              |
| HDFC Treasury Advantage Plan fund                                                                |  | -                              | -                              |
| <b>B. Investment in Commercial Paper Measured at amortised cost:-</b>                            |  |                                |                                |
| IIFL Wealth Finance Limited                                                                      |  | 100                            | 496                            |
| <b>Total ( A + B )</b>                                                                           |  | <b>809</b>                     | <b>872</b>                     |
|                                                                                                  |  | <b>(₹ in Lakhs)</b>            |                                |
|                                                                                                  |  | <b>As at<br/>31 March 2019</b> | <b>As at<br/>31 March 2018</b> |
| <b>Current</b>                                                                                   |  |                                |                                |
| <b>12 Trade receivables</b>                                                                      |  |                                |                                |
| Receivable from:                                                                                 |  |                                |                                |
| - Related parties (Refer note 43)                                                                |  | 41                             | 48                             |
| - Others                                                                                         |  | 24,950                         | 26,282                         |
| Less: Loss allowance                                                                             |  | (3,486)                        | (2,987)                        |
| <b>Total receivables</b>                                                                         |  | <b>21,505</b>                  | <b>23,344</b>                  |
| Current portion                                                                                  |  | 21,505                         | 23,344                         |
| Non-current portion                                                                              |  | -                              | -                              |
| <b>Break up of security details</b>                                                              |  |                                |                                |
| Trade receivables considered good - secured                                                      |  | 52                             | 68                             |
| Trade receivables considered good - unsecured                                                    |  | 21,453                         | 23,276                         |
| Trade receivables which have significant increase in credit risk                                 |  | -                              | -                              |
| Trade receivables - credit impaired                                                              |  | 3,486                          | 2,987                          |
| <b>Total</b>                                                                                     |  | <b>24,991</b>                  | <b>26,331</b>                  |
| Loss allowance                                                                                   |  | (3,486)                        | (2,987)                        |
| <b>Total trade receivables</b>                                                                   |  | <b>21,505</b>                  | <b>23,344</b>                  |

Footnote:

No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person

## Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2019

### 13 Cash and cash equivalents (₹ in Lakhs)

|                                                               | As at<br>31 March 2019 | As at<br>31 March 2018 |
|---------------------------------------------------------------|------------------------|------------------------|
| Balances with banks                                           |                        |                        |
| - Current Accounts                                            | 2,591                  | 1,105                  |
| - EEFC Account                                                | 384                    | 170                    |
| Deposits with the original maturity of less than three months | 40                     | -                      |
| <b>Cash on hand</b>                                           | <b>4</b>               | <b>3</b>               |
| <b>Total</b>                                                  | <b>3,019</b>           | <b>1,278</b>           |

### 14 Bank balances other than cash and cash equivalents

|                                                                      |            |              |
|----------------------------------------------------------------------|------------|--------------|
| Margin money deposits (fixed deposit pledge with banks)              | 73         | 116          |
| Deposits with maturity of more than 3 months but less than 12 months | -          | 102          |
| Unpaid dividend (Refer footnote below)                               | 27         | 1,377        |
| Others                                                               | 10         | 4            |
| <b>Total</b>                                                         | <b>110</b> | <b>1,599</b> |

#### Footnote:

Includes interim dividend declared on 20 March 2018, deposited in separate bank account ₹ 1,357 lakhs.

### 15 Loans

#### Unsecured, considered good

|                          |          |           |
|--------------------------|----------|-----------|
| Other loans and advances | -        | 17        |
| Less: Loss allowance     | -        | -         |
| <b>Total</b>             | <b>-</b> | <b>17</b> |

#### Break up of security details

|                                                      |          |           |
|------------------------------------------------------|----------|-----------|
| Loans considered good - secured                      | -        | -         |
| Loans considered good - unsecured                    | -        | 17        |
| Loans which have significant increase in credit risk | -        | -         |
| Loans - credit impaired                              | -        | -         |
| <b>Total</b>                                         | <b>-</b> | <b>17</b> |
| Loss allowance                                       | -        | -         |
| <b>Total loans</b>                                   | <b>-</b> | <b>17</b> |

#### Footnote:

No loans or other receivable are due from directors or other officers of the Company either severally or jointly with any other person

### 16 Other financial assets

|                                    |            |            |
|------------------------------------|------------|------------|
| Interest accrued on fixed deposits | -          | 3          |
| Derivative assets                  | 530        | 380        |
| Others                             | 10         | -          |
| <b>Total</b>                       | <b>540</b> | <b>383</b> |

## Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2019

(₹ in Lakhs)

|                                                       | As at<br>31 March 2019 | As at<br>31 March 2018 |
|-------------------------------------------------------|------------------------|------------------------|
| <b>17 Other current assets</b>                        |                        |                        |
| Advances recoverable in kind for value to be received | -                      | 6                      |
| Advances for Expenses                                 | 138                    | 85                     |
| Export incentive and duty drawback receivable         | -                      | 925                    |
| Advance to suppliers                                  | 1,170                  | 698                    |
| Balance with government authorities                   | 1,475                  | 2,096                  |
| Prepayments                                           | 551                    | 416                    |
| Gratuity (Refer note 46)                              | 9                      | 22                     |
| <b>Total</b>                                          | <b>3,343</b>           | <b>4,248</b>           |

## 18 Equity share capital

### Authorised:

100,000,000 (31 March 2018: 100,000,000) Equity Shares of ₹ 2 each

**Total** 2,000 2,000

### Issued, Subscribed and Paid-Up:

96,922,600 (31 March 2018: 96,922,600) Equity Shares of ₹ 2 each fully paid up

**Total** 1,938 1,938

## (i) Reconciliation of number of Equity Shares outstanding at the beginning and at the end of the year:

| Particulars                                      | 2018-19           |              | 2017-18           |              |
|--------------------------------------------------|-------------------|--------------|-------------------|--------------|
|                                                  | (In Nos.)         | (₹ in lakhs) | (In Nos.)         | (₹ in lakhs) |
| Shares outstanding at the beginning of the year  | 96,922,600        | 1,938        | 96,922,600        | 1,938        |
| <b>Shares outstanding at the end of the year</b> | <b>96,922,600</b> | <b>1,938</b> | <b>96,922,600</b> | <b>1,938</b> |

## (ii) Rights attached to equity shares:

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

## Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2019

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

| Name of Shareholder                                                       | As at 31 March 2019   |              | As at 31 March 2018   |              |
|---------------------------------------------------------------------------|-----------------------|--------------|-----------------------|--------------|
|                                                                           | Number of shares held | % of Holding | Number of shares held | % of Holding |
| Trilochan Singh Sahney Trust 1 (held by a trustee in his individual name) | 33,809,300            | 34.88%       | 34,829,642            | 35.94%       |
| Harshbeena Zaveri                                                         | 8,568,704             | 8.84%        | 8,500,167             | 8.77%        |
| Nalanda India Equity Fund Limited                                         | 9,682,667             | 9.99%        | 9,682,667             | 9.99%        |
| HDFC Small Cap Fund                                                       | 8,425,182             | 8.69%        | 635,000               | 0.66%        |

### (iv) Details of allotment of shares for consideration other than cash, allotments of bonus shares and shares bought back during past five years:

- (i) Aggregate number and class of shares allotted as fully paid up pursuant to contracts without payment being received in cash - Nil
- (ii) Aggregate number and class of shares allotted as fully paid up by way of bonus shares - Nil
- (iii) Aggregate number and class of shares bought back - Nil

## 19 Other equity

(₹ in Lakhs)

### Reserves and surplus

|                                                   | As at<br>31 March 2019 | As at<br>31 March 2018 |
|---------------------------------------------------|------------------------|------------------------|
| Securities Premium                                | 848                    | 848                    |
| General Reserve                                   | 10,475                 | 9,475                  |
| Capital Reserve                                   | 15                     | 15                     |
| Capital Redemption Reserve                        | 1,011                  | 1,011                  |
| Debenture Redemption Reserve                      | 2,250                  | 3,250                  |
| Retained Earnings                                 | 30,313                 | 20,893                 |
| Fair Value Gain on Equity Instruments through OCI | 436                    | 546                    |
| Foreign currency translation reserve              | (234)                  | (178)                  |
| <b>Total</b>                                      | <b>45,114</b>          | <b>35,860</b>          |

### i) Securities Premium Reserve

|                             |            |            |
|-----------------------------|------------|------------|
| Opening balance             | 848        | 848        |
| Transaction during the year | -          | -          |
| <b>Closing balance</b>      | <b>848</b> | <b>848</b> |

### ii) General Reserve

|                                            |               |              |
|--------------------------------------------|---------------|--------------|
| Opening balance                            | 9,475         | 9,475        |
| Transfer from debenture Redemption Reserve | 1,000         | -            |
| <b>Closing balance</b>                     | <b>10,475</b> | <b>9,475</b> |

**Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2019**

|                                                                                                                                                 | (₹ in Lakhs)           |                        |
|-------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|------------------------|
|                                                                                                                                                 | As at<br>31 March 2019 | As at<br>31 March 2018 |
| <b>iii) Capital Reserve</b>                                                                                                                     |                        |                        |
| Opening balance                                                                                                                                 | 15                     | 15                     |
| Transaction during the year                                                                                                                     | -                      | -                      |
| <b>Closing balance</b>                                                                                                                          | <b>15</b>              | <b>15</b>              |
| <b>iv) Capital Redemption Reserve</b>                                                                                                           |                        |                        |
| Opening Balance                                                                                                                                 | 1,011                  | 1,011                  |
| Add: Transfer from retained earnings                                                                                                            | -                      | -                      |
| <b>Closing balance</b>                                                                                                                          | <b>1,011</b>           | <b>1,011</b>           |
| <b>v) Debenture Redemption Reserve</b>                                                                                                          |                        |                        |
| Opening balance                                                                                                                                 | 3,250                  | 2,000                  |
| Add: Transfer from retained earnings                                                                                                            | -                      | 1,250                  |
| Add: Transfer to general Reserve                                                                                                                | (1,000)                | -                      |
| <b>Closing balance</b>                                                                                                                          | <b>2,250</b>           | <b>3,250</b>           |
| <b>vi) Retained Earnings</b>                                                                                                                    |                        |                        |
| Opening Balance                                                                                                                                 | 20,893                 | 14,636                 |
| Add: Profit for the year                                                                                                                        | 10,822                 | 9,073                  |
| Add: Other comprehensive income/ (loss) for the year (Refer note 36)                                                                            | (27)                   | 67                     |
| Less: Final dividend for the year ₹ 1.2 fully paid up share<br>for 31 March 2018 (31 March 2018- ₹ Nil per fully paid share)                    | (1,163)                | -                      |
| Less: Interim dividend for the year ended ₹ Nil per fully paid up shares for<br>31 March 2019 (31 March 2018- ₹ 1.4 per fully final paid share) | -                      | (1,357)                |
| Less: Dividend distribution tax on final/ interim dividend                                                                                      | (212)                  | (276)                  |
| Less: Transfer to debenture redemption reserve                                                                                                  | -                      | (1,250)                |
| <b>Closing balance</b>                                                                                                                          | <b>30,313</b>          | <b>20,893</b>          |
| <b>vii) Fair Value Gain on Equity Instruments through OCI</b>                                                                                   |                        |                        |
| Opening balance                                                                                                                                 | 546                    | 477                    |
| Change in Fair value of FVOCI equity instrument (Refer note 36)                                                                                 | (110)                  | 69                     |
| <b>Closing balance</b>                                                                                                                          | <b>436</b>             | <b>546</b>             |
| <b>viii) Other comprehensive income (items which will be reclassified to profit and loss):</b>                                                  |                        |                        |
| <b>Foreign currency translation reserve</b>                                                                                                     |                        |                        |
| Opening balance                                                                                                                                 | (178)                  | (2)                    |
| Add: Addition during the year                                                                                                                   | (56)                   | (176)                  |
| <b>Closing balance</b>                                                                                                                          | <b>(234)</b>           | <b>(178)</b>           |

## Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2019

### Nature and purpose of reserves

#### i) Securities Premium Reserve

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

#### ii) General Reserve

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

#### iii) Capital Redemption Reserve

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

#### iv) Debenture Redemption Reserve

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

#### v) Retained Earnings

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

#### vi) Fair Value of Equity Instruments through OCI

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

#### vii) Foreign currency translation reserve

The exchange differences arising on translation of foreign operations are recognised in other comprehensive income and accumulated in a separate reserve within equity. The same will be cumulatively reclassified to profit or loss when the foreign operation is disposed off.

### 20 Borrowings (Non-Current)

(₹ in lakhs)

|                                                                           | As at<br>31 March 2019 | As at<br>31 March 2018 |
|---------------------------------------------------------------------------|------------------------|------------------------|
| Non convertible Debentures - Unsecured (Refer note (a) below)             | 4,974                  | 1,984                  |
| External commercial borrowings from bank - Secured (Refer note (b) below) | 1,573                  | 2,402                  |
| Foreign Currency Term Loan from banks - Secured (Refer note (c) below)    | 1,192                  | 1,764                  |
| Deferred sales tax loan - Unsecured (Refer note (d) below)                | 551                    | 735                    |
| <b>Total</b>                                                              | <b>8,290</b>           | <b>6,885</b>           |



## Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2019

(₹ in Lakhs)

|          | Particulars                                                      | Security                                                                                                                                                                          | Terms of repayment of principal                                                         | No: of install-ment o/s | Rate of interest | As at 31 March 2019 | As at 31 March 2018 |
|----------|------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|-------------------------|------------------|---------------------|---------------------|
| <b>a</b> | <b>Non-convertible Debentures</b>                                |                                                                                                                                                                                   |                                                                                         |                         |                  |                     |                     |
|          | 300 Non convertible debentures of face value of ₹ 1,000,000 each | Unsecured                                                                                                                                                                         | Redeemable at par, on 3 August 2018                                                     | -                       | 9.93%            | -                   | 3,187               |
|          | 200 Non convertible debentures of face value of ₹ 1,000,000 each | Unsecured                                                                                                                                                                         | Redeemable at par, on 14 June 2020                                                      | 1                       | 9.49%            | 2,155               | 2,157               |
|          | 300 Non convertible debentures of face value of ₹ 1,000,000 each | Unsecured                                                                                                                                                                         | Redeemable at par, on 12 September 2023                                                 | 1                       | 9.60%            | 3,149               | -                   |
|          | <b>Comprises of</b>                                              |                                                                                                                                                                                   |                                                                                         |                         | <b>Total</b>     | <b>5,303</b>        | <b>5,344</b>        |
|          | Long Term Borrowings                                             |                                                                                                                                                                                   |                                                                                         |                         |                  | 4,974               | 1,984               |
|          | Current maturities of long term debit *                          |                                                                                                                                                                                   |                                                                                         |                         |                  | 330                 | 3,360               |
|          |                                                                  |                                                                                                                                                                                   |                                                                                         |                         |                  | <b>5,303</b>        | <b>5,344</b>        |
| <b>b</b> | <b>External commercial borrowings from bank</b>                  |                                                                                                                                                                                   |                                                                                         |                         |                  |                     |                     |
|          | External commercial borrowings                                   | Secured by hypothecation of charge on specified moveable assets as and by way of first exclusive charge with borrower to have a minimum Fixed Asset Coverage Ratio (FACR) of 1.1X | Quarterly installments starting from 4 February 2019 to be completed in 4 February 2022 | 12                      | 6.40%            | 2,381               | 1,791               |
|          | <b>Comprises of</b>                                              |                                                                                                                                                                                   |                                                                                         |                         | <b>Total</b>     | <b>2,381</b>        | <b>1,791</b>        |
|          | Long Term Borrowings                                             |                                                                                                                                                                                   |                                                                                         |                         |                  | 1,573               | 2,402               |
|          | Current maturities of long term debit *                          |                                                                                                                                                                                   |                                                                                         |                         |                  | 808                 | 27                  |
|          |                                                                  |                                                                                                                                                                                   |                                                                                         |                         |                  | <b>2,381</b>        | <b>2,429</b>        |
| <b>c</b> | <b>Foreign Currency Term Loan from banks</b>                     |                                                                                                                                                                                   |                                                                                         |                         |                  |                     |                     |
|          | Term Loan                                                        | Secured by hypothecation of charge on specified plant and machinery of the company                                                                                                | Quarterly installments starting from 14 June 2018 to be completed in 14 December 2021   | 11                      | 5.95% to 6.00%   | 1,881               | 3,051               |
|          | <b>Comprises of</b>                                              |                                                                                                                                                                                   |                                                                                         |                         | <b>Total</b>     | <b>1,881</b>        | <b>3,051</b>        |
|          | Long Term Borrowings                                             |                                                                                                                                                                                   |                                                                                         |                         |                  | 1,192               | 1,764               |
|          | Current maturities of long term debit *                          |                                                                                                                                                                                   |                                                                                         |                         |                  | 688                 | 648                 |
|          |                                                                  |                                                                                                                                                                                   |                                                                                         |                         |                  | <b>1,881</b>        | <b>2,412</b>        |
| <b>d</b> | <b>Deferred sales tax loan</b>                                   |                                                                                                                                                                                   |                                                                                         |                         |                  |                     |                     |
|          | Deferred sales tax loan                                          | Unsecured                                                                                                                                                                         | Annual installments to be completed by May 2025                                         | 7                       | -                | 735                 | 950                 |
|          | <b>Comprises of</b>                                              |                                                                                                                                                                                   |                                                                                         |                         | <b>Total</b>     | <b>735</b>          | <b>950</b>          |
|          | Long Term Borrowings                                             |                                                                                                                                                                                   |                                                                                         |                         |                  | 551                 | 735                 |
|          | Current maturities of long term debit *                          |                                                                                                                                                                                   |                                                                                         |                         |                  | 184                 | 215                 |
|          |                                                                  |                                                                                                                                                                                   |                                                                                         |                         |                  | <b>735</b>          | <b>950</b>          |

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

**Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2019**
**21 Deferred tax liabilities (net)**
**(₹ in Lakhs)**

| Particulars                                     | As at<br>31 March 2019 | As at<br>31 March 2018 |
|-------------------------------------------------|------------------------|------------------------|
| <b>Deferred tax liability on account of :</b>   |                        |                        |
| Depreciation and amortisation expense           | <b>(2,740)</b>         | (1,900)                |
| Outside basis tax                               | <b>(182)</b>           | (182)                  |
| Financial Liability at amortised cost           | <b>(28)</b>            | (5)                    |
|                                                 | <b>(2,951)</b>         | <b>(2,087)</b>         |
| <b>Deferred tax assets on account of :</b>      |                        |                        |
| Provision for Gratuity                          | <b>76</b>              | 27                     |
| Amortisation of borrowing                       | -                      | 1                      |
| Provision for doubtful debts                    | <b>1,220</b>           | 1,036                  |
| Voluntary retirement compensation               | <b>14</b>              | 29                     |
| Provision for compensated absence               | <b>345</b>             | 299                    |
| Fair valuation of derivative contracts          | -                      | 56                     |
| Unrealised profits on intercompany transactions | <b>62</b>              | 62                     |
| Others                                          | -                      | (1)                    |
|                                                 | <b>1,717</b>           | <b>1,509</b>           |
| <b>Total</b>                                    | <b>1,234</b>           | <b>578</b>             |

**22 Short Term Borrowings**
**(₹ in Lakhs)**

| Particulars                                                                                                 | As at<br>31 March 2019 | As at<br>31 March 2018 |
|-------------------------------------------------------------------------------------------------------------|------------------------|------------------------|
| <b>Secured</b>                                                                                              |                        |                        |
| Loans from banks                                                                                            | <b>9,004</b>           | 4,700                  |
| Cash credit                                                                                                 | <b>2,125</b>           | 1,241                  |
| Loans in foreign currency from banks                                                                        | <b>3,571</b>           | 1,027                  |
| <b>Unsecured</b>                                                                                            |                        |                        |
| Commercial papers [Maximum balance outstanding during the year ₹ 3,500 lakhs (31 March 2018 ₹ 8,500 lakhs)] | <b>3,000</b>           | 3,500                  |
| <b>Total</b>                                                                                                | <b>17,700</b>          | <b>10,468</b>          |

## Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2019

### Footnote:

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

(₹ in lakhs)

| Particulars                                 | Security                                                                                                                                        | As at<br>31 March 2019 | As at<br>31 March 2018 |
|---------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|------------------------|
| <b>Loans from banks - Secured</b>           |                                                                                                                                                 |                        |                        |
| Other loans from banks                      | Secured by first pari passu hypothecation charge on all the existing and future current assets of the Company                                   | <b>9,004</b>           | 4,700                  |
|                                             |                                                                                                                                                 | <b>9,004</b>           | <b>4,700</b>           |
| Cash credit - repayable on demand           | Secured by a first pari passu charge on current assets and control by holding company to remain at present level during the tenure of facility. | <b>9</b>               | 19                     |
| Cash credit - repayable on demand           | Secured by Irrevocable Standby Letter of Credit (SBLC) issued by Citibank N.A, India.                                                           | <b>2,116</b>           | 1,222                  |
|                                             |                                                                                                                                                 | <b>2,125</b>           | <b>1,241</b>           |
| <b>Loans in foreign currency from banks</b> |                                                                                                                                                 |                        |                        |
| Packing credit loan                         | Secured by a pari passu charge on current assets of the Company                                                                                 | 3,571                  | 1,027                  |
|                                             |                                                                                                                                                 | <b>3,571</b>           | <b>1,027</b>           |

## 23 Trade Payables

(₹ in Lakhs)

| Particulars                            | As at<br>31 March 2019 | As at<br>31 March 2018 |
|----------------------------------------|------------------------|------------------------|
| Other than Micro and Small Enterprises | <b>11,788</b>          | 11,117                 |
| <b>Total</b>                           | <b>11,788</b>          | <b>11,117</b>          |

## Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2019

### 24 Other financial liabilities

(₹ in Lakhs)

| Particulars                                                | As at<br>31 March 2019 | As at<br>31 March 2018 |
|------------------------------------------------------------|------------------------|------------------------|
| Current Maturities of Long-Term Borrowings (Refer note 20) |                        |                        |
| - Non Convertible debentures                               | 330                    | 3,360                  |
| - External commercial borrowings from bank                 | 808                    | 27                     |
| - Foreign currency term loan from banks                    | 688                    | 648                    |
| - Deferred sales tax loan                                  | 184                    | 215                    |
| Derivative Liability                                       | 313                    | 313                    |
| Security deposits                                          | 865                    | 867                    |
| Unpaid dividends (unclaimed) (Refer footnote i)            | 27                     | 20                     |
| Dividend payable (Refer footnote ii)                       | -                      | 1,357                  |
| Other Payables                                             |                        |                        |
| - Property plant and equipments                            | 1,529                  | 739                    |
| - Employee related liability                               | 1,419                  | 1,428                  |
| - Others                                                   | 10                     | 4                      |
| <b>Total</b>                                               | <b>6,173</b>           | <b>8,978</b>           |

#### Footnotes:

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

### 25 Other current liabilities

(₹ in Lakhs)

| Particulars       | As at<br>31 March 2019 | As at<br>31 March 2018 |
|-------------------|------------------------|------------------------|
| Statutory dues    | 294                    | 555                    |
| Advances received | 165                    | 272                    |
| Others            | -                      | 34                     |
| <b>Total</b>      | <b>459</b>             | <b>861</b>             |

### 26 Provisions

(₹ in Lakhs)

| Particulars                            | As at<br>31 March 2019 | As at<br>31 March 2018 |
|----------------------------------------|------------------------|------------------------|
| Provision for employee benefits        |                        |                        |
| - Compensated Absences (Refer note 46) | 936                    | 863                    |
| - Gratuity (Refer note 46)             | 194                    | 74                     |
| Others                                 | 6                      | 8                      |
| <b>Total</b>                           | <b>1,136</b>           | <b>945</b>             |

### 27 Current tax liability (Net)

(₹ in Lakhs)

| Particulars                                                                       | As at<br>31 March 2019 | As at<br>31 March 2018 |
|-----------------------------------------------------------------------------------|------------------------|------------------------|
| Provision for tax (net of advance tax ₹ 3,249 lakhs; 31 March 2018 ₹ 3,249 lakhs) | -                      | 491                    |
| <b>Total</b>                                                                      | <b>-</b>               | <b>491</b>             |

## Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2019

### 28 Revenue from Operations

(₹ in Lakhs)

| Particulars                                 | Year ended<br>31 March 2019 | Year ended<br>31 March 2018 |
|---------------------------------------------|-----------------------------|-----------------------------|
| <b>Sale of Products</b>                     |                             |                             |
| Finished goods                              | 94,908                      | 86,168                      |
| Sale of Raw Materials                       | 18                          | 13                          |
| Sale of Machine                             | 37                          | 37                          |
| <b>Other operating revenues</b>             |                             |                             |
| Scrap Sales                                 | 1,045                       | 721                         |
| Liabilities no longer required written back | 27                          | -                           |
| Other operating income                      | 26                          | -                           |
| Others                                      | 424                         | 452                         |
| <b>Total</b>                                | <b>96,485</b>               | <b>87,391</b>               |

#### Note:

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

### 29 Other Income

(₹ in Lakhs)

| Particulars                                                    | Year ended<br>31 March 2019 | Year ended<br>31 March 2018 |
|----------------------------------------------------------------|-----------------------------|-----------------------------|
| Dividend Income on financial assets measured at FVOCI          | 7                           | 14                          |
| Dividend Income on financial assets measured at FVTPL          | 3                           | 7                           |
| Interest Income on financial assets measured at amortised cost |                             |                             |
| - From banks on deposits                                       | 35                          | 10                          |
| - On Commercial Paper                                          | 20                          | -                           |
| Fair value changes on financial assets measured at FVTPL       | 14                          | 13                          |
| Fair valuation gain on derivative instrument measured at FVTPL | 150                         | 46                          |
| Profit on sale of property plant and equipments (net)          | 49                          | 11                          |
| Rent                                                           | 127                         | 125                         |
| Net gain on foreign currency transactions and translation      | 67                          | 909                         |
| Others                                                         | 89                          | 76                          |
| <b>Total</b>                                                   | <b>561</b>                  | <b>1,211</b>                |

### 30 Cost of Materials Consumed

(₹ in Lakhs)

| Particulars                         | Year ended<br>31 March 2019 | Year ended<br>31 March 2018 |
|-------------------------------------|-----------------------------|-----------------------------|
| <b>Raw material consumed</b>        |                             |                             |
| Opening stock                       | 4,478                       | 5,406                       |
| Add: Purchases                      | 44,626                      | 31,077                      |
| Less: Closing stock (Refer note 10) | (10,306)                    | (4,478)                     |
| <b>Total</b>                        | <b>38,798</b>               | <b>32,005</b>               |

**Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2019**

**31 Changes in inventories of finished goods and work-in-progress** (₹ in Lakhs)

| Particulars                         | Year ended<br>31 March 2019 | Year ended<br>31 March 2018 |
|-------------------------------------|-----------------------------|-----------------------------|
| <b>At the beginning of the Year</b> |                             |                             |
| Work-in-progress (Refer note 10)    | 4,421                       | 3,817                       |
| Finished goods (Refer note 10)      | 3,577                       | 5,045                       |
|                                     | <b>7,998</b>                | <b>8,862</b>                |
| <b>At the end of the Year</b>       |                             |                             |
| Work-in-progress (Refer note 10)    | 6,072                       | 4,421                       |
| Finished goods (Refer note 10)      | 5,569                       | 3,577                       |
|                                     | <b>11,641</b>               | <b>7,998</b>                |
| <b>Total</b>                        | <b>(3,643)</b>              | <b>864</b>                  |

**32 Employee Benefits Expense** (₹ in Lakhs)

| Particulars                                               | Year ended<br>31 March 2019 | Year ended<br>31 March 2018 |
|-----------------------------------------------------------|-----------------------------|-----------------------------|
| Salaries, allowances and other benefits                   | 12,052                      | 10,553                      |
| Contribution to provident and other funds (Refer note 46) | 1,176                       | 922                         |
| Staff welfare expenses                                    | 1,103                       | 1,316                       |
| <b>Total</b>                                              | <b>14,331</b>               | <b>12,791</b>               |

**33 Finance Costs** (₹ in Lakhs)

| Particulars                                                          | Year ended<br>31 March 2019 | Year ended<br>31 March 2018 |
|----------------------------------------------------------------------|-----------------------------|-----------------------------|
| Interest Expense on financial liabilities measured at amortised cost |                             |                             |
| - Borrowings                                                         | 808                         | 620                         |
| - Others                                                             | 675                         | 605                         |
| Other Borrowing Costs                                                | 6                           | 190                         |
| <b>Total</b>                                                         | <b>1,489</b>                | <b>1,415</b>                |

## Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2019

### 34 Other Expenses

(₹ in Lakhs)

| Particulars                                                          | Year ended<br>31 March 2019 | Year ended<br>31 March 2018 |
|----------------------------------------------------------------------|-----------------------------|-----------------------------|
| Consumption of stores and spare parts                                | 7,594                       | 6,470                       |
| Processing charges                                                   | 2,636                       | 2,179                       |
| Power and fuel                                                       | 3,473                       | 2,698                       |
| Repairs and maintenance -                                            |                             |                             |
| Buildings                                                            | 251                         | 234                         |
| Plant and machinery                                                  | 555                         | 458                         |
| Others                                                               | 117                         | 108                         |
| Insurance                                                            | 210                         | 176                         |
| Rent (Refer note 49)                                                 | 438                         | 233                         |
| Rates and taxes                                                      | 125                         | 76                          |
| Legal and professional fees                                          | 1,174                       | 899                         |
| Directors' fees and commission                                       | 134                         | 153                         |
| Commission on sales                                                  | 1,022                       | 883                         |
| Travelling and conveyance                                            | 980                         | 940                         |
| Postage, telephone and fax                                           | 73                          | 76                          |
| Bank charges                                                         | 82                          | 87                          |
| Advertisement and sales promotion expenses                           | 457                         | 366                         |
| Forwarding charges                                                   | 3,966                       | 3,260                       |
| Receivables written off                                              | 261                         | -                           |
| Provision for doubtful debts                                         | 499                         | 485                         |
| Information Technology expenses                                      | 436                         | 552                         |
| Excise duty on Increase/ (decrease) in inventories of finished goods | -                           | (803)                       |
| Fair valuation loss on financial assets measured at FVTPL            | -                           | 5                           |
| Auditors' remuneration (Refer note 34.1 below)                       | 69                          | 68                          |
| Expenditure on Corporate Social Responsibility                       | 203                         | 159                         |
| Miscellaneous expenses                                               | 3,730                       | 3,258                       |
| <b>Total</b>                                                         | <b>28,485</b>               | <b>23,020</b>               |

#### 34.1 Auditors' remuneration (excluding Goods and service tax)

|                                                    |           |           |
|----------------------------------------------------|-----------|-----------|
| For statutory audit (including limited review) (*) | 56        | 53        |
| For tax audit                                      | 4         | 5         |
| For other services                                 | 7         | 1         |
| For reimbursement of expenses                      | 2         | 2         |
| Fees to erstwhile auditors'                        | -         | 7         |
| <b>Total</b>                                       | <b>69</b> | <b>68</b> |

\* Includes fees for earlier Year ₹ 5.5 Lakhs, Previous year ₹ Nil

34 A Exceptional gain during the year ended 31 March 2019 represents surplus on sale of property.

## Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2019

### 35 Tax expense

(₹ in Lakhs)

| Particulars                                | Year ended<br>31 March 2019 | Year ended<br>31 March 2018 |
|--------------------------------------------|-----------------------------|-----------------------------|
| <b>Current tax expense</b>                 |                             |                             |
| Current tax for the year                   | 4,049                       | 4,161                       |
| Tax adjustment in respect of earlier years | -                           | 3                           |
| <b>Total current tax expense</b>           | <b>4,049</b>                | <b>4,164</b>                |
| <b>Deferred taxes</b>                      |                             |                             |
| Change in deferred tax liabilities         | 656                         | 77                          |
| <b>Net deferred tax expense / (credit)</b> | <b>656</b>                  | <b>77</b>                   |
|                                            | <b>4,705</b>                | <b>4,241</b>                |

#### 35.1 Tax reconciliation (for profit and loss)

(₹ in Lakhs)

|                                                                                                          |               |              |
|----------------------------------------------------------------------------------------------------------|---------------|--------------|
| <b>Profit before income tax expense</b>                                                                  | <b>15,710</b> | 13,531       |
| Tax at the rate of 34.944% (for 31 March 2018 - 34.608%)*                                                | 5,490         | 4,683        |
| <b><u>Tax effect of amounts which are not deductible / not taxable in calculating taxable income</u></b> |               |              |
| Depreciation                                                                                             | -             | (2)          |
| Non deductible expenses for tax purpose                                                                  | 33            | 34           |
| Fair value of current investments                                                                        | (9)           | -            |
| Deduction under 80IC                                                                                     | -             | (121)        |
| Exempt income                                                                                            | (50)          | (6)          |
| Additional allowances for tax purpose                                                                    | (393)         | (245)        |
| Profit on sale of property, plant and equipment                                                          | -             | (4)          |
| Adjustment due to change in tax rates                                                                    | (170)         | (121)        |
| Tax adjustment of prior years                                                                            | (218)         | 3            |
| Others                                                                                                   | 22            | 20           |
| <b>Income tax expense</b>                                                                                | <b>4,705</b>  | <b>4,241</b> |

\* The tax rate used for reconciliation above is the Corporate tax rate of 34.944% (31 March 2018 34.608%) payable by parent entity in India on taxable profits under Indian tax law.



## Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2019

### 35.2 Deferred tax related to the following:

(₹ in Lakhs)

| Deferred tax liability (Net)                    | As at<br>31 March<br>2019 | Recognised in<br>/ reclassified<br>from OCI | Recognised<br>through profit<br>and loss | As at<br>31 March<br>2018 |
|-------------------------------------------------|---------------------------|---------------------------------------------|------------------------------------------|---------------------------|
| <b>Deferred tax liabilities on account of:</b>  |                           |                                             |                                          |                           |
| Depreciation and amortisation expense           | (2,740)                   | -                                           | (840)                                    | (1,900)                   |
| Financial Liability at amortised cost           | (182)                     | -                                           | -                                        | (182)                     |
| Fair valuation of derivative contracts          | (29)                      | -                                           | (24)                                     | (5)                       |
| <b>Total deferred tax liabilities</b>           | <b>(2,951)</b>            | <b>-</b>                                    | <b>(864)</b>                             | <b>(2,087)</b>            |
| <b>Deferred tax assets on account of:</b>       |                           |                                             |                                          |                           |
| Provision for Gratuity                          | 76                        | 15                                          | 34                                       | 27                        |
| Amortisation of borrowing                       | -                         | -                                           | (1)                                      | 1                         |
| Provision for doubtful debts                    | 1,220                     | -                                           | 184                                      | 1,036                     |
| Voluntary retirement compensation               | 14                        | -                                           | (15)                                     | 29                        |
| Provision for compensated absence               | 345                       | -                                           | 46                                       | 299                       |
| Fair valuation of derivative contracts          | -                         | -                                           | (56)                                     | 56                        |
| Unrealised profits on intercompany transactions | 62                        | -                                           | -                                        | 62                        |
| Others                                          | -                         | -                                           | 1                                        | (1)                       |
| <b>Total deferred tax assets</b>                | <b>1,717</b>              | <b>15</b>                                   | <b>193</b>                               | <b>1,509</b>              |
| <b>Total deferred tax liability (Net)</b>       | <b>1,234</b>              | <b>(15)</b>                                 | <b>671</b>                               | <b>578</b>                |

### 36 Other Comprehensive Income (OCI)

(₹ in Lakhs)

|                                                                                     | Year ended<br>31 March 2019 | Year ended<br>31 March 2018 |
|-------------------------------------------------------------------------------------|-----------------------------|-----------------------------|
| <b>Items that will not be reclassified Statement of profit and loss</b>             |                             |                             |
| Actuarial gain/(loss) on remeasurements of the net defined benefit plans            | (42)                        | 107                         |
| Fair value changes on equity instruments through other comprehensive income         | (110)                       | 69                          |
| Tax on above                                                                        | 15                          | (36)                        |
|                                                                                     | <b>(137)</b>                | <b>140</b>                  |
| <b>Items that will be reclassified to Statement of profit and loss</b>              |                             |                             |
| Exchange differences in translating the financial statements of a foreign operation | (56)                        | (176)                       |
| Tax on above                                                                        | -                           | -                           |
|                                                                                     | <b>(56)</b>                 | <b>(176)</b>                |
| <b>Total</b>                                                                        | <b>(193)</b>                | <b>(36)</b>                 |

## Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2019

### 37 Fair value measurements

(₹ in lakhs)

#### Financial instruments by category:

| Particulars                                           | 31 March 2019 |       |                | 31 March 2018 |       |                |
|-------------------------------------------------------|---------------|-------|----------------|---------------|-------|----------------|
|                                                       | FVOCI         | FVTPL | Amortised cost | FVOCI         | FVTPL | Amortised cost |
| <b>Financial Assets - Non-current</b>                 |               |       |                |               |       |                |
| Investments                                           | 435           | 25    | -              | 545           | 23    | -              |
| Non-current Loans                                     | -             | -     | 458            | -             | -     | 447            |
| Other financial assets                                | -             | -     | 6              | -             | -     | 3              |
| <b>Financial Assets - Current</b>                     |               |       |                |               |       |                |
| Trade receivables                                     | -             | -     | 21,505         | -             | -     | 23,344         |
| Cash and cash equivalents                             | -             | -     | 3,019          | -             | -     | 1,278          |
| Bank balances other than cash and cash equivalents    | -             | -     | 110            | -             | -     | 1,599          |
| Investments                                           | -             | 313   | 496            | -             | 872   | -              |
| Loans                                                 | -             | -     | -              | -             | -     | 17             |
| Other financial assets                                | -             | 530   | 10             | -             | 380   | 3              |
| <b>Financial Liabilities - Non-Current</b>            |               |       |                |               |       |                |
| Non-current borrowings (including current maturities) | -             | -     | 10,300         | -             | -     | 11,135         |
| <b>Financial Liabilities - Current</b>                |               |       |                |               |       |                |
| Short term borrowings                                 | -             | -     | 17,700         | -             | -     | 10,468         |
| Trade payables                                        | -             | -     | 11,788         | -             | -     | 11,117         |
| Other current financial liabilities                   | -             | 313   | 3,850          | -             | 313   | 4,415          |

#### I. Fair value hierarchy

The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

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

**Level 2:** The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

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

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

## Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2019

### II. Valuation techniques used to determine fair value

Significant valuation techniques used to value financial instruments include:

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

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

Fair valuation of forward exchange contracts are determined using forward exchange rates at the balance sheet date.

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

### III. Valuation Process

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

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

(₹ in lakhs)

| Particulars                                        | 31 March 2019 |         |         | 31 March 2018 |         |         |
|----------------------------------------------------|---------------|---------|---------|---------------|---------|---------|
|                                                    | Level 1       | Level 2 | Level 3 | Level 1       | Level 2 | Level 3 |
| <b>Financial Assets</b>                            |               |         |         |               |         |         |
| Mutual fund investments measured at FVTPL          | 338           | -       | -       | 895           | -       | -       |
| Investments in equity instrument measured at FVOCI | 435           | -       | -       | 545           | -       | -       |
| Interest rate swap and foreign currency option     | -             | 345     | -       | -             | 221     | -       |
| Forward contract                                   | -             | 185     | -       | -             | 159     | -       |
| <b>Financial Liability</b>                         |               |         |         |               |         |         |
| Interest rate swap and foreign currency option     | -             | 278     | -       | -             | 278     | -       |
| Forward contract                                   | -             | 35      | -       | -             | 35      | -       |

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

(₹ in lakhs)

| Particulars                                           | 31 March 2019   |            | 31 March 2018   |            |
|-------------------------------------------------------|-----------------|------------|-----------------|------------|
|                                                       | Carrying Amount | Fair Value | Carrying Amount | Fair Value |
| <b>Financial Assets</b>                               |                 |            |                 |            |
| Security deposits                                     | 458             | 458        | 447             | 447        |
| Other non current assets                              | 6               | 4          | 3               | 3          |
| <b>Financial Liabilities</b>                          |                 |            |                 |            |
| Non-current borrowings (including current maturities) | 10,300          | 8,964      | 11,135          | 10,501     |

## Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2019

### 38 Financial risk management

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

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

#### A Credit risk

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

##### Credit risk management

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

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

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

##### Age of receivables that are past due:

(₹ in lakhs)

| Particulars                                | As at<br>31 March 2019 | As at<br>31 March 2018 |
|--------------------------------------------|------------------------|------------------------|
| Upto 3 months                              | 17,527                 | 15,249                 |
| 3 - 6 months                               | 1,484                  | 4,124                  |
| 6 - 12 months                              | 1,117                  | 3,611                  |
| More than one year                         | 4,863                  | 3,347                  |
| <b>Total</b>                               | <b>24,991</b>          | <b>26,331</b>          |
| Provision for expected credit loss created | (3,486)                | (2,987)                |

#### B Liquidity risk

Liquidity risk is defined as the risk that the Group will not be able to settle or meet its obligations on time or at a reasonable price. For the Group, liquidity risk arises from obligations on account of financial liabilities – borrowings, trade payables and other financial liabilities.

##### Liquidity risk management

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

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

##### Maturities of financial liabilities

(₹ in lakhs)

| As at 31 March 2019                                              | Within 1 year | Between 1 and<br>2 years | Beyond 2<br>years | Total         |
|------------------------------------------------------------------|---------------|--------------------------|-------------------|---------------|
| <b>Non-derivative</b>                                            |               |                          |                   |               |
| Non-current borrowings (including current maturities)            | 2,010         | 3,603                    | 4,687             | 10,300        |
| Short term borrowings                                            | 17,700        | -                        | -                 | 17,700        |
| Trade payables                                                   | 11,788        | -                        | -                 | 11,788        |
| Other current financial liabilities                              | 3,850         | -                        | -                 | 3,850         |
| <b>Derivative</b>                                                |               |                          |                   |               |
| Interest rate swap, foreign currency option and forward contract | 144           | 90                       | 79                | 313           |
| <b>Total</b>                                                     | <b>35,492</b> | <b>3,693</b>             | <b>4,766</b>      | <b>43,951</b> |

## Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2019

(₹ in lakhs)

| As at 31 March 2018                                              | Within 1 year | Between 1 and 2 years | Beyond 2 years | Total         |
|------------------------------------------------------------------|---------------|-----------------------|----------------|---------------|
| <b>Non-derivative</b>                                            |               |                       |                |               |
| Non-current borrowings (including current maturities)            | 4,250         | 1,865                 | 5,020          | 11,135        |
| Short term borrowings                                            | 10,468        | -                     | -              | 10,468        |
| Trade payables                                                   | 11,117        | -                     | -              | 11,117        |
| Other current financial liabilities                              | 4,415         | -                     | -              | 4,415         |
| <b>Derivative</b>                                                |               |                       |                |               |
| Interest rate swap, foreign currency option and forward contract | 144           | 90                    | 79             | 313           |
| <b>Total</b>                                                     | <b>30,533</b> | <b>1,955</b>          | <b>5,099</b>   | <b>37,587</b> |

### C Market risk

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

#### (i) Foreign currency risk

The Group is exposed to foreign exchange risk on their receivables, payables which are held in USD, EUR, CHF and JPY. The fluctuation in the exchange rate of INR relative to these currencies may have a material impact on the Group's assets and liabilities.

#### Foreign currency risk management

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

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

(₹ in lakhs)

| Particulars                                                    | 31 March 2019 |              |             |                |
|----------------------------------------------------------------|---------------|--------------|-------------|----------------|
|                                                                | USD           | EURO         | CHF         | JPY            |
| <b>Financial liabilities</b>                                   |               |              |             |                |
| Trade payables                                                 | 340           | 711          | 12          | 895            |
| Capital creditors                                              | -             | 1,127        | -           | 320            |
| Loans payable                                                  | 4,261         | 3,571        | -           | -              |
| Forward contract payable                                       | (129)         | (139)        | -           | (107)          |
| Foreign currency option contracts                              | (2,962)       | -            | -           | -              |
| <b>Financial assets</b>                                        |               |              |             |                |
| Trade receivables                                              | 7,998         | 8,534        | -           | -              |
| Balance with government authorities                            | -             | 471          | -           | -              |
| Bank balance in EEFC account                                   | 52            | 332          | -           | -              |
| Forward contract receivable                                    | (674)         | (223)        | -           | -              |
| <b>Net exposure to foreign currency assets / (liabilities)</b> | <b>5,866</b>  | <b>3,844</b> | <b>(12)</b> | <b>(1,108)</b> |

## Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2019

(₹ in lakhs)

| Particulars                                                    | 31 March 2018 |              |             |                |
|----------------------------------------------------------------|---------------|--------------|-------------|----------------|
|                                                                | USD           | EURO         | CHF         | JPY            |
| <b>Financial liabilities</b>                                   |               |              |             |                |
| Trade payables                                                 | 132           | 639          | 12          | 630            |
| Capital creditors                                              | -             | 38           | -           | 648            |
| Loans payable                                                  | 4,843         | 1,028        | -           | -              |
| Forward contract payable                                       | -             | -            | -           | -              |
| Foreign currency option contracts                              | (3,365)       | -            | -           | -              |
| <b>Financial assets</b>                                        |               |              |             |                |
| Trade receivables                                              | 8,083         | 8,594        | -           | -              |
| Balance with government authorities                            | -             | 1,309        | -           | -              |
| Bank balance in EEFC account                                   | 129           | 41           | -           | -              |
| Forward contract receivable                                    | (2,477)       | (1,019)      | -           | -              |
| <b>Net exposure to foreign currency assets / (liabilities)</b> | <b>4,125</b>  | <b>7,220</b> | <b>(12)</b> | <b>(1,278)</b> |

### Sensitivity to foreign currency risk

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

(₹ in lakhs)

| Currencies | 31 March 2019  |                | 31 March 2018  |                |
|------------|----------------|----------------|----------------|----------------|
|            | Increase by 2% | Decrease by 2% | Increase by 2% | Decrease by 2% |
| USD        | 117            | (117)          | 82             | (82)           |
| EUR        | 77             | (77)           | 144            | (144)          |
| CHF        | -              | -              | -              | -              |
| JPY        | (22)           | 22             | (26)           | 26             |

Sensitivity analysis to foreign currency risk includes an exposure to foreign exchange fluctuations on long term foreign currency loans of \$3.4 million equivalent to ₹ 2,359 lakhs (31 March 2018 - \$3.70 million equivalent to ₹ 2,405 lakhs) that have been capitalised into the cost of the related assets and are expected to impact profit or loss over a period of 7 to 11 years in the form of adjustment to the depreciation charge.

### (ii) Cash flow and fair value interest rate risk

The Group's interest rate risk is mainly due to the long term borrowing acquired at floating interest rate. The Group's policy is to maintain most of its borrowing at fixed rate using interest rate swaps to achieve this when necessary. During 31 March 2019 and 31 March 2018, the Group's borrowing at variable rate were mainly denominated in INR and USD.

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

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

(₹ in lakhs)

| Particulars              | As at 31 March 2019 | As at 31 March 2018 |
|--------------------------|---------------------|---------------------|
| Variable rate borrowings | 9,957               | 7,110               |
| Fixed rate borrowings    | 17,308              | 13,544              |
| Interest free borrowing  | 735                 | 949                 |
| <b>Total</b>             | <b>28,000</b>       | <b>21,603</b>       |

## Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2019

As at the end of the reporting period, the group had the following variable rate borrowings and interest rate swap contracts outstanding: (₹ in lakhs)

| Particulars                                        | 31 March 2019 |                  | 31 March 2018 |                  |
|----------------------------------------------------|---------------|------------------|---------------|------------------|
|                                                    | Balance       | % of total loans | Balance       | % of total loans |
| Variable rate loan                                 | 9,957         | 36%              | 7,110         | 33%              |
| Interest rate swaps                                | (4,262)       | (15%)            | (4,841)       | (22%)            |
| <b>Net exposure to cashflow interest rate risk</b> | <b>5,695</b>  | <b>20%</b>       | <b>2,268</b>  | <b>10%</b>       |

### Sensitivity analysis - Variable rate borrowing (₹ in lakhs)

| Interest rate               | Impact on profit before tax |               |
|-----------------------------|-----------------------------|---------------|
|                             | 31 March 2019               | 31 March 2018 |
| Increase by 50 basis points | (0.94)                      | (0.76)        |
| Decrease by 50 basis points | 0.94                        | 0.76          |

### Sensitivity analysis - Interest rate swap (₹ in lakhs)

| Interest rate               | Impact on profit before tax |               |
|-----------------------------|-----------------------------|---------------|
|                             | 31 March 2019               | 31 March 2018 |
| Increase by 50 basis points | 1.26                        | 0.97          |
| Decrease by 50 basis points | (1.26)                      | (0.97)        |

### (iii) Price Risk

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

(₹ in lakhs)

| Sensitivity                                          | 31 March 2019 | 31 March 2018 |
|------------------------------------------------------|---------------|---------------|
| Impact on profit before tax for 5% increase in value | 23            | 28            |
| Impact on profit before tax for 5% decrease in value | (23)          | (28)          |

## 39 Capital Management

### A. Risk management

The Group's objectives when managing capital are to

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

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

### B. The capital composition is as follows:

(₹ in lakhs)

| Particulars                      | As at 31 March 2019 | As at 31 March 2018 |
|----------------------------------|---------------------|---------------------|
| Gross debt                       | 28,000              | 21,603              |
| Less: Cash and cash equivalents  | (3,019)             | (1,278)             |
| <b>Net debt (A)</b>              | <b>24,981</b>       | <b>20,325</b>       |
| Equity (B)                       | 47,989              | 38,567              |
| <b>Gearing ratio (A / B) (%)</b> | <b>52.05%</b>       | <b>52.70%</b>       |

## Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2019

### C. Loan covenants

In case of the variable rate borrowing facility availed by the Group, there are various financial covenants i.e. the externally imposed capital requirements, which are standard in nature; mainly relating to leverage, debt service coverage ratio and asset coverage ratio specified in the loan agreements. These covenants are monitored by the Group on a regular basis. There has been no default on the financial covenants or on the loans taken by the Group, outstanding as at 31 March 2019.

### D. Dividends

(₹ in lakhs)

| Particulars                                                                                                                                                                                                                                                                                                               | As at<br>31 March 2019 | As at<br>31 March 2018 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|------------------------|
| <b>Equity Shares</b>                                                                                                                                                                                                                                                                                                      |                        |                        |
| Final dividend - ₹ 1.4 per share for each fully paid up share for 31 March 2018 (31 March 2018- ₹ 1.4 per share for each fully paid share)                                                                                                                                                                                | <b>1,163</b>           | 1,357                  |
| Dividend distribution tax on interim dividend                                                                                                                                                                                                                                                                             | <b>212</b>             | 276                    |
| <b>Dividends not recognised at the end of the reporting period</b>                                                                                                                                                                                                                                                        |                        |                        |
| In addition to the above dividends, since the year end, the directors have recommended the payment of a final dividend of ₹ 1.2 per fully paid equity share (31 March 2018 – ₹ 1.2 per fully paid equity share). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting. | <b>1,163</b>           | 1,163                  |

### 40 Net debt reconciliation

(₹ in lakhs)

| Particulars                                      | As at<br>31 March 2019 | As at<br>31 March 2018 |
|--------------------------------------------------|------------------------|------------------------|
| Short term borrowings                            | 17,700                 | 10,468                 |
| Non Current borrowing (incl. current maturities) | 10,300                 | 11,135                 |
| Cash and cash equivalents                        | 3,019                  | 1,278                  |
| <b>Net debt</b>                                  | <b>24,981</b>          | <b>20,325</b>          |

| Particulars                         | Short term<br>borrowings<br>(A) | Non Current<br>borrowing<br>including<br>current<br>maturity<br>(B) | Cash<br>and cash<br>equivalents<br>(C) | Net Debt<br>(D) |
|-------------------------------------|---------------------------------|---------------------------------------------------------------------|----------------------------------------|-----------------|
| <b>Net debt as on 1 April 2017</b>  | <b>15,732</b>                   | <b>11,799</b>                                                       | <b>2,158</b>                           | <b>25,374</b>   |
| Cash flows                          | (5,879)                         | (669)                                                               | (893)                                  | (5,655)         |
| Interest paid                       | (605)                           | (810)                                                               | -                                      | (1,415)         |
| Finance cost                        | 605                             | 810                                                                 | -                                      | 1,415           |
| Exchange gain/loss                  | 615                             | 5                                                                   | 13                                     | 607             |
| <b>Net debt as on 31 March 2018</b> | <b>10,468</b>                   | <b>11,135</b>                                                       | <b>1,278</b>                           | <b>20,325</b>   |
| Cash flows                          | 7,280                           | (835)                                                               | 1,715                                  | 4,730           |
| Interest paid                       | (675)                           | (814)                                                               | -                                      | (1,489)         |
| Finance cost                        | 675                             | 814                                                                 | -                                      | 1,489           |
| Exchange gain/loss                  | (48)                            |                                                                     | 26                                     | (74)            |
| <b>Net debt as on 31 March 2019</b> | <b>17,700</b>                   | <b>10,300</b>                                                       | <b>3,019</b>                           | <b>24,981</b>   |



## Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2019

### 41 Interest in other entities

The Consolidated Financial Statements present the Consolidated Accounts of NRB Bearings Limited with its following subsidiaries (₹ in lakhs)

| Sr. No | Name of the Subsidiaries        | Principal place of business and country of incorporation | Activities                                                  | Proportion of ownership interest<br>31 March 2019 | Proportion of ownership interest<br>31 March 2018 |
|--------|---------------------------------|----------------------------------------------------------|-------------------------------------------------------------|---------------------------------------------------|---------------------------------------------------|
| 1      | SNL Bearings Limited            | India                                                    | Manufacture and marketing of bearing products               | 73.45%                                            | 73.45%                                            |
| 2      | NRB Bearings Europe GmbH        | Europe                                                   | Marketing of bearing products and customer support services | 100%                                              | 100%                                              |
| 3      | NRB Bearings (Thailand) Limited | Thailand                                                 | Manufacture and marketing of bearing products               | 100%                                              | 100%                                              |

### 42 Non controlling interests (NCI)

(₹ in lakhs)

Below is the summarised financial information for SNL Bearings Limited as it has non controlling interests that are material to the Group. The amount disclosed is before inter-company elimination:

| Summarised balance sheet      | As at<br>31 March 2019 | As at<br>31 March 2018 |
|-------------------------------|------------------------|------------------------|
| Current assets                | 2,811                  | 2,448                  |
| Current liabilities           | 395                    | 442                    |
| <b>Net current assets</b>     | <b>2,416</b>           | <b>2,006</b>           |
| Non - Current assets          | 1,137                  | 947                    |
| Non - Current liabilities     | 129                    | 125                    |
| <b>Net non-current assets</b> | <b>1,008</b>           | <b>822</b>             |
| <b>Net assets</b>             | <b>3,424</b>           | <b>2,828</b>           |
| <b>Accumulated NCI</b>        | <b>937</b>             | <b>769</b>             |

(₹ in lakhs)

| Summarised statement of profit and loss     | Year ended<br>31 March 2019 | Year ended<br>31 March 2018 |
|---------------------------------------------|-----------------------------|-----------------------------|
| <b>Revenue</b>                              | <b>4,064</b>                | 3,928                       |
| Profit for the year                         | 814                         | 822                         |
| Other comprehensive income                  | (2)                         | 16                          |
| <b>Total comprehensive income</b>           | <b>812</b>                  | <b>838</b>                  |
| Profit allocated to NCI                     | 168                         | 217                         |
| Other comprehensive income allocated to NCI | (0)                         | 4                           |

## Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2019

(₹ in lakhs)

| Summarised cash flows                                         | Year ended<br>31 March 2019 | Year ended<br>31 March 2018 |
|---------------------------------------------------------------|-----------------------------|-----------------------------|
| Cash flow from operating activities                           | 228                         | 973                         |
| Cash flow from investing activities                           | (10)                        | (904)                       |
| Cash flow from financing activities                           | (210)                       | (71)                        |
| <b>Net increase / (decrease) in cash and cash equivalents</b> | <b>8</b>                    | <b>(2)</b>                  |

### 43 Related Party Disclosure:

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

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

|                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Individual having substantial interest in the voting power and the power to direct by agreement, the financial and operating policies of the Company.                                           | Late Mr. T. S. Sahney, Chairman (upto 16 October 2018)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Key Management Personnel                                                                                                                                                                        | <p>Ms. Harshbeena Zaveri, Vice Chairman and Managing Director</p> <p>Mr. S. C. Rangani, Executive Director &amp; Company Secretary</p> <p>Mr. A.S. Kohli Executive director in NRB Bearings (Thailand) Limited</p> <p>Mr. D. S. Sahney</p> <p>Mr. Tashwinder Singh</p> <p>Ms. A. A. Gowariker (upto 30 October 2018)</p> <p>Mr. Ashank D Desai</p> <p>Ms. Vishakha Maheshwari,<br/>(Additional Director with effect from 2 November 2018)</p> <p>Mr. J. D. Diwan</p> <p>Mr. Vivek Sahai (with effect from 8 November 2017)</p> <p>Mr. J. S. Maini (upto 22 January 2018)</p> <p>Mr. Rustom Desai w.e.f. 23 January 2017</p> <p>Mr. Claude D'Gama Rose</p> |
| Trust                                                                                                                                                                                           | SNL Employee Provident Fund Trust                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|                                                                                                                                                                                                 | SNL Officers Provident Fund Trust                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| A firm where Chairman is a partner                                                                                                                                                              | New Indo Trading Company (upto 16 October 2018)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Trust in which KMP has significant influence                                                                                                                                                    | Late Trilochan Singh Sahney Trust 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| A Company wherein Late Mr. T. S. Sahney, Chairman (upto 16 October 2018) and Ms. Harshbeena Zaveri, Vice Chairman & Managing Director are directors and shareholders having Management Control. | NRB Industrial Bearings Limited                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |

## Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2019

### (II) Transactions with related parties during the year:

(₹ in lakhs)

| Name of Related Party                                                                 | Nature of Transaction                                          | Amount        |               | Receivable as at |               | Payable as at |               |
|---------------------------------------------------------------------------------------|----------------------------------------------------------------|---------------|---------------|------------------|---------------|---------------|---------------|
|                                                                                       |                                                                | 31 March 2019 | 31 March 2018 | 31 March 2019    | 31 March 2018 | 31 March 2019 | 31 March 2018 |
| NRB Industrial Bearings Limited                                                       | Sale of raw materials / finished goods                         | 119           | 101           | 41               | 48            | -             | -             |
|                                                                                       | Purchase of raw materials                                      | 3             | 5             | -                | -             | -             | -             |
|                                                                                       | Guarantee revoked                                              | -             | 278           | -                | -             | -             | -             |
|                                                                                       | Guarantee given by NRB Bearings Limited                        | -             | -             | -                | 139           | -             | -             |
| Late Trilochan Singh Sahney Trust 1 (shares held by a trustee in his individual name) | Dividend paid                                                  | -             | 488           | -                | -             | -             | 488           |
| Late Mr. T. S. Sahney                                                                 | Sitting fees and commission (as Non-executive Chairman)        | 44            | 62            | -                | -             | 43            | 59            |
| Ms. Harshbeena Zaveri                                                                 | Dividend paid *                                                | -             | 0             | -                | -             | -             | 0             |
|                                                                                       | Remuneration                                                   | 452           | 302           | -                | -             | -             | -             |
|                                                                                       | Dividend paid                                                  | 2             | 119           | -                | -             | -             | -             |
|                                                                                       | Sale of Flat                                                   | 1,740         | -             | -                | -             | -             | -             |
| Mr. S. C. Rangani                                                                     | Sitting Fees and Commission                                    | 104           | 83            | -                | -             | 99            | 82            |
|                                                                                       | Remuneration                                                   | 137           | 80            | -                | -             | -             | 0             |
|                                                                                       | Sitting Fees and Commission                                    | 4             | 5             | -                | -             | -             | -             |
|                                                                                       | Dividend paid                                                  | -             | 0             | -                | -             | -             | 0             |
| Mr. D. S. Sahney                                                                      | Sitting fees and commission                                    | 4             | 6             | -                | -             | 3             | 4             |
| Mr. A. S. Kohli                                                                       | Dividend paid                                                  | -             | 51            | -                | -             | -             | 51            |
|                                                                                       | Remuneration                                                   | 28            | 26            | -                | -             | -             | -             |
|                                                                                       | Sitting Fees and Commission                                    | 3             | -             | -                | -             | -             | -             |
| Others                                                                                | Sitting fees and commission to non-executive directors         | 49            | 49            | -                | -             | -             | 26            |
| Trust                                                                                 | Contribution to provident fund trust - Employer's Contribution | 5             | 5             | -                | -             | -             | -             |
|                                                                                       | Contribution to provident fund trust - Employee's Contribution | 9             | 10            | -                | -             | -             | -             |

\* Amount lower than ₹ 1 Lakhs

#### Footnote:

- i) No amounts pertaining to related parties have been provided for as doubtful debts. Further, no amounts have either been written off or written back during the year.

### (III) Key managerial personnel compensation

(₹ in lakhs)

| Particulars                   | 31 March 2019 | 31 March 2018 |
|-------------------------------|---------------|---------------|
| Short term employee benefits# | 688           | 468           |
| Post-employment benefits      | 28            | 19            |
| <b>Total compensation*</b>    | <b>716</b>    | <b>487</b>    |

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

## Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2019

### 44 Collateral / Security pledged

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

| Particulars                              | 31 March 2019 | 31 March 2018 |
|------------------------------------------|---------------|---------------|
| Property, plant and equipment            | 6,151         | 6,151         |
| Current Assets Stand by letter of Credit | 49,031        | 40,292        |
| Stand by letter of Credit                | 2,376         | 2,277         |
| <b>Total assets pledged</b>              | <b>57,558</b> | <b>48,720</b> |

### 45 Contingent liabilities, Capital and other commitments (₹ in lakhs)

|          | Particulars                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 31 March 2019                  | 31 March 2018 |
|----------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|---------------|
| <b>a</b> | <b>Contingent liabilities not provided for</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                |               |
|          | Income Tax                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 1,209                          | 754           |
|          | Sales Tax & Value Added Tax                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 618                            | 339           |
|          | Corporate guarantees issued on behalf of group Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | -                              | 139           |
|          | Provident fund (Refer footnote below)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <b>Amount not determinable</b> |               |
|          | The group is in further appeal in respect of matters stated in income tax and sales tax matters                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                |               |
|          | <p>The Indian subsidiary at the company had received an Order dated 6 September 2004 from the Employees Provident Fund Organisation raising a demand of ₹ 161.36 lakhs including interest of ₹ 46.73 lakhs 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 ₹ 162.40 lakhs and ₹ 92.25 lakhs respectively as at 31st March, 2017 as reflected in their audited balance sheets. As per the order, the existence of the said Trusts and the act of switching over from Employees trust to the Officers trust on salary exceeding the statutory limit fixed by the Employees Provident Fund and Miscellaneous Act, 1952, have been considered violative of the Act. The authorities had attached one of the subsidiary company's bank accounts and had recovered an amount of ₹ 2.75 lakhs in an earlier year. The company has contested the above 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 subsidiary company had made the necessary applications to grant exemption to the Trusts which was neither granted nor rejected in spite of several reminders from time to time. In view of the facts of the case, the company does not expect any liability in this regard.</p> |                                |               |
| <b>b</b> | <b>Commitments</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                |               |
|          | Estimated value of contracts remaining to be executed on capital account & not provided for (net of advances)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 7,593                          | 6,422         |

**Footnote:** The Honourable supreme court, has passed a decision on 28th February 2019 in relation to inclusion of certain allowance within the scope of "Basic Wages" for the purpose of determining contribution to provident fund under the Employees Provident Funds & Miscellaneous provisions Act, 1952. The Company, has been advised to wait for further clarifications in this matter in order to reasonably assess the impact on its financial statements, if any. Accordingly the applicability of the judgement of the Company, with respect to the period and the nature of allowances to be covered, and result and impact on the past provident fund liability, cannot be reasonably ascertained, at present.

## Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2019

### 46 Employee benefits

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

#### (A) Defined Contribution Plan:

Amount of ₹ 1,012 lakhs (P.Y. ₹ 605 lakhs) is recognized as expense and included in "Note No. 32 - Employee Benefits Expenses"

(₹ in lakhs)

| Particulars                                                  | 31 March 2019 | 31 March 2018 |
|--------------------------------------------------------------|---------------|---------------|
| i) Employer's Contribution to Provident Fund                 | 381           | 364           |
| ii) Employer's Contribution to Family Pension Fund           | 144           | 141           |
| iii) Employer's Contribution to Superannuation Fund          | 134           | 100           |
| iv) Contribution to Funds pertaining to foreign subsidiaries | 353           | 153           |
|                                                              | <b>1,012</b>  | <b>758</b>    |

#### (B) Defined Benefit Plan :

The group has the following defined benefits plans:

| Particulars         | Remarks              |
|---------------------|----------------------|
| Gratuity            | Funded through LIC   |
| Provident Fund (PF) | Funded through Trust |

#### (1) Contribution to Gratuity fund (funded scheme)

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

#### i Actuarial assumptions

(₹ in lakhs)

| Particulars                     | 31 March 2019                            | 31 March 2018                            |
|---------------------------------|------------------------------------------|------------------------------------------|
| Actuarial assumptions           | 7.68% - 7.78%                            | 7.68% - 7.78%                            |
| Expected return on plan assets  | 7.68% - 7.78%                            | 7.68% - 7.78%                            |
| Discount rate (per annum)       | 6% - 10%                                 | 6% - 10%                                 |
| Rate of salary increase         | 2% - 11%                                 | 2% - 11%                                 |
| Rate of Employee Turnover       | Indian Assured Lives Mortality (2006-08) | Indian Assured Lives Mortality (2006-08) |
| Mortality rate after employment | N.A.                                     | N.A.                                     |

#### ii Changes in the present value of defined benefit obligation

(₹ in lakhs)

| Particulars                                               | 31 March 2019 | 31 March 2018 |
|-----------------------------------------------------------|---------------|---------------|
| Present value of obligation at the beginning of the year  | 3,235         | 3,197         |
| Interest cost                                             | 250           | 229           |
| Current service cost                                      | 160           | 167           |
| Actuarial (gain) /loss                                    | 50            | (129)         |
| Past service cost                                         | -             | 9             |
| Benefits paid                                             | (361)         | (237)         |
| <b>Present Value of obligation at the end of the year</b> | <b>3,334</b>  | <b>3,236</b>  |

## Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2019

### iii Changes in the Fair value of Plan Assets (₹ in lakhs)

| Particulars                                                                | 31 March 2019 | 31 March 2018 |
|----------------------------------------------------------------------------|---------------|---------------|
| Fair value of plan assets at beginning of the year                         | 3,184         | 3,164         |
| Interest income                                                            | 246           | 227           |
| Contributions                                                              | 73            | 52            |
| Mortality charges and taxes                                                | -             | -             |
| Benefits paid                                                              | (361)         | (237)         |
| Return on plan assets, excluding amount recognised in net interest expense | 8             | (22)          |
| Actuarial (gain) /loss                                                     | -             | -             |
| <b>Fair Value of Plan Assets at the end of the year</b>                    | <b>3,150</b>  | <b>3,184</b>  |

### iv Assets and liabilities recognised in the balance sheet (₹ in lakhs)

| Particulars                                                            | 31 March 2019 | 31 March 2018 |
|------------------------------------------------------------------------|---------------|---------------|
| Present value of the defined benefit obligation at the end of the year | 3,334         | 3,236         |
| Less: Fair value of plan assets at the end of the year                 | (3,150)       | (3,184)       |
| <b>Net liability recognised</b>                                        | <b>184</b>    | <b>52</b>     |
| <b>Recognised under provisions</b>                                     |               |               |
| Current assets                                                         | (9)           | (22)          |
| Current provisions                                                     | 194           | 74            |

### v Expenses recognised in the Statement of Profit and Loss (₹ in lakhs)

| Particulars                                             | 31 March 2019 | 31 March 2018 |
|---------------------------------------------------------|---------------|---------------|
| Current Service Cost                                    | 160           | 167           |
| Past Service Cost                                       | -             | 9             |
| Net interest (income)/ expense                          | 4             | 2             |
| <b>Net gratuity cost recognised in the current year</b> | <b>164</b>    | <b>178</b>    |
| Included in note 34 'Employee benefits expense'         | 164           | 178           |

### vi Expenses recognised in the Statement of Other comprehensive income (OCI) (₹ in lakhs)

| Particulars                                                  | 31 March 2019 | 31 March 2018 |
|--------------------------------------------------------------|---------------|---------------|
| Actuarial (gains) / losses                                   | 50            | (129)         |
| Return on Plan Assets, Excluding Interest Income             | (10)          | 22            |
| Remeasurement for the year - plan assets (gain)/ loss        | 2             | -             |
| <b>Net (Income)/Expense For the Period Recognized in OCI</b> | <b>42</b>     | <b>(107)</b>  |

### vii Reconciliation of Net asset / (liability) recognised: (₹ in lakhs)

| Particulars                                                        | 31 March 2019 | 31 March 2018 |
|--------------------------------------------------------------------|---------------|---------------|
| Net asset / (liability) recognised at the beginning of the period  | (60)          | (33)          |
| Company contributions                                              | 73            | 52            |
| Benefits paid directly by company                                  | -             | -             |
| Amount recognised in other comprehensive income                    | (42)          | 107           |
| Expenses recognised at the end of period                           | (164)         | (178)         |
| <b>Net asset / (liability) recognised at the end of the period</b> | <b>(183)</b>  | <b>(52)</b>   |

## Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2019

### viii Categories of Assets (₹ in lakhs)

| Particulars    | 31 March 2019 | 31 March 2018 |
|----------------|---------------|---------------|
| Insurance fund | 100%          | 100%          |
| <b>Total</b>   | <b>100%</b>   | <b>100%</b>   |

### ix Sensitivity Analysis: (₹ in lakhs)

| Particulars                                             | 31 March 2019 | 31 March 2018 |
|---------------------------------------------------------|---------------|---------------|
| Delta Effect of +1% Change in Rate of Discounting       | (459)         | (446)         |
| Delta Effect of -1% Change in Rate of Discounting       | 454           | 441           |
| Delta Effect of +1% Change in Rate of Salary Increase   | 477           | 465           |
| Delta Effect of -1% Change in Rate of Salary Increase   | (436)         | (423)         |
| Delta Effect of +1% Change in Rate of Employee Turnover | 6             | 14            |
| Delta Effect of -1% Change in Rate of Employee Turnover | (7)           | (15)          |

### x Maturity Analysis of the Benefit Payments: From the Fund: (₹ in lakhs)

#### Projected Benefits Payable in Future Years From the Date of Reporting:

|                    | 31 March 2019 | 31 March 2018 |
|--------------------|---------------|---------------|
| 1 year             | 605           | 325           |
| 2 to 5 years       | 1,407         | 2,421         |
| 6 to 10 years      | 1,518         | 2,304         |
| More than 10 years | 51            | 56            |

### xi General descriptions of Significant Defined plans:

The Indian entities in the Group operate separate gratuity plans wherein every employee is entitled to the benefit for each completed year of service as per the respective scheme. The same is payable on retirement or termination whichever is earlier. The benefit vests only after five years of continuous service. The scheme is funded with an insurance company in the form of qualifying insurance policy.

## (2) Provident Fund (PF) :

### i Actuarial assumptions (₹ in lakhs)

| Particulars                         | 31 March 2019                                   | 31 March 2018                            |
|-------------------------------------|-------------------------------------------------|------------------------------------------|
| <b>Actuarial assumptions</b>        |                                                 |                                          |
| Mortality rate                      | <b>Indian Assured Lives Mortality (2006-08)</b> | Indian Assured Lives Mortality (2006-08) |
| Discount rate (per annum)           | 6.94%                                           | 7.70%                                    |
| Interest rate guarantee (per annum) | 8.65%                                           | 8.55%                                    |
| Attrition rate based on ages :      |                                                 |                                          |
| Upto 30 years                       | 3.00%                                           | 3.00%                                    |
| 31 to 40 years                      | 2.00%                                           | 2.00%                                    |
| Above 40 years                      | 1.00%                                           | 1.00%                                    |

## Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2019

### ii Assets and liabilities recognised in the balance sheet (₹ in lakhs)

| Particulars                                                            | 31 March 2019 | 31 March 2018 |
|------------------------------------------------------------------------|---------------|---------------|
| Present value of the defined benefit obligation at the end of the year | 289           | 273           |
| Less: Fair value of plan assets at the end of the year                 | (295)         | (274)         |
| Net liability                                                          | (6)           | (1)           |

### iii Major categories of Plan Assets (as percentage of Total Plan Assets) (₹ in lakhs)

| Particulars                       | 31 March 2019 | 31 March 2018 |
|-----------------------------------|---------------|---------------|
| Government of India securities    | 7%            | 8%            |
| State Government securities       | 21%           | 23%           |
| High quality corporate bonds      | 29%           | 28%           |
| Equity shares of listed companies | 9%            | 9%            |
| Property                          | 0%            | 0%            |
| Special Deposit Scheme            | 24%           | 26%           |
| Funds managed by Insurer          | 2%            | 2%            |
| Bank balance and others           | 8%            | 4%            |
| <b>Total</b>                      | <b>100%</b>   | <b>100%</b>   |

### iv Sensitivity Analysis

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

(₹ in lakhs)

| Particulars                              | 31 March 2019 |          | 31 March 2018 |          |
|------------------------------------------|---------------|----------|---------------|----------|
|                                          | Decrease      | Increase | Decrease      | Increase |
| Change in Discount Rate by - / + 1%      | 290           | 288      | 274           | 272      |
| Change in salary growth rate by - / + 1% | 284           | 294      | 269           | 278      |

### v Maturity Profile of Defined Benefit Obligation:

|                                                            | 31 March 2019 | 31 March 2018 |
|------------------------------------------------------------|---------------|---------------|
| Weighted average duration (based on discounted cash flows) | 7 years       | 7 years       |

### (C) Other Long Term Benefits:

Compensated absences recognized in the Statement of profit and loss for the current year, under the employee cost in Note 32, is ₹ 234 lakhs ( 31 March 2018: ₹ 184 lakhs).



## Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2019

### 47 Segment reporting

#### a) Primary segment: Business segment

The Group is primarily engaged in manufacturing of bearings and other activities having similar economic characteristics, primarily operated out of India and regularly reviewed by the Chief Operating Decision Maker for assessment of Group's performance and resource allocation. For the purpose of disclosure of segment information, the Group considers these operations as a single business segment as all the product Groups are mainly having similar risks and returns.

The information relating to revenue from external customers and location of non-current assets of its single reportable segment has been disclosed as below:

#### b) Secondary segment: Geographical segment

Secondary segments have been identified with reference to geographical areas in which Group operates. Composition of secondary segments is as follows:

- i) within India
- ii) outside India

| Particulars                          | Year ended<br>31 March 2019 | Year ended<br>31 March 2018 |
|--------------------------------------|-----------------------------|-----------------------------|
| 1) Segment revenue                   |                             |                             |
| - Within India                       | <b>76,474</b>               | 69,777                      |
| - Outside India                      | <b>20,011</b>               | 17,614                      |
| 2) Carrying amount of segment assets |                             |                             |
| - Within India                       | <b>64,908</b>               | 49,406                      |
| - Outside India                      | <b>22,084</b>               | 22,629                      |

None of the customers contribute materially to the revenue of the Group.

### 48 Research & Development Expenses:

| Particulars                                       | 31 March 2019 | 31 March 2018 |
|---------------------------------------------------|---------------|---------------|
| (i) Charged to the statement of profit & loss     | <b>1,298</b>  | 1,160         |
| (ii) Capitalized to property plant and equipments | <b>317</b>    | 86            |

### 49 Lease rentals

The Group has taken certain vehicles on operating lease. Lease rental charged to the Statement of profit and loss for the year ended 31 March 2019 ₹ 438 lakhs (31 March 2018 - ₹ 233 lakhs). The minimum lease payments to be made in future as at the year end, in respect of non-cancellable lease are follows:

| Particulars                                                    | Year ended<br>31 March 2019 | Year ended<br>31 March 2018 |
|----------------------------------------------------------------|-----------------------------|-----------------------------|
| For a period not later than one year                           | <b>30</b>                   | 46                          |
| For a period later than one year and not later than five years | <b>7</b>                    | 45                          |
| For a period later than five years                             | -                           | -                           |

## Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2019

### 50 Earnings per share

(₹ in lakhs)

| Particulars                                                          | For the year ended<br>31 March 2019 | For the year ended<br>31 March 2018 |
|----------------------------------------------------------------------|-------------------------------------|-------------------------------------|
| Net Profit after tax for the year                                    | 10,822                              | 9,073                               |
| <b>Profit / loss attributable to equity share holders</b>            | <b>10,822</b>                       | <b>9,073</b>                        |
| Weighted Average Number of equity shares outstanding during the year | 96,922,600                          | 96,922,600                          |
| Basic and Diluted Earnings Per Share (₹)                             | 11.17                               | 9.36                                |
| Face Value per Share (₹)                                             | 2.00                                | 2.00                                |

#### Note:

The Group does not have any outstanding dilutive potential equity shares as at 31 March 2019 and 31 March 2018. Consequently, basic and diluted earnings per share of the Company remains the same.

Notes 1 to 50 form an integral part of the consolidated financial statements

This is the summary of significant accounting policies and other explanatory information referred to in our report of even date

#### For Walker Chandiok & Co LLP

Chartered Accountants

Firm Registration No. 001076N / N500013

#### Adi P. Sethna

Partner

Membership No.: 108840

Place : Mumbai

Date : 29 May 2019

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

#### Harshbeena Zaveri

Vice Chairman and

Managing Director

DIN : 00003948

#### Tashwinder Singh

Director

DIN : 06572282

#### Tanushree Bagrodia

Chief Financial Officer

Place: Mumbai

Date: 29 May 2019

#### S. C. Rangani

Executive Director

DIN : 00209069

#### Vishaka Maheshwari

Director

DIN: 07108012

#### Shruti Joshi

Company Secretary

#### Ashank Desai

Director

DIN : 00017767

#### Rustom Desai

Director

DIN: 02448175

## NOTE

[illegible]

## FINANCIAL HIGHLIGHTS

Rs. in lakhs

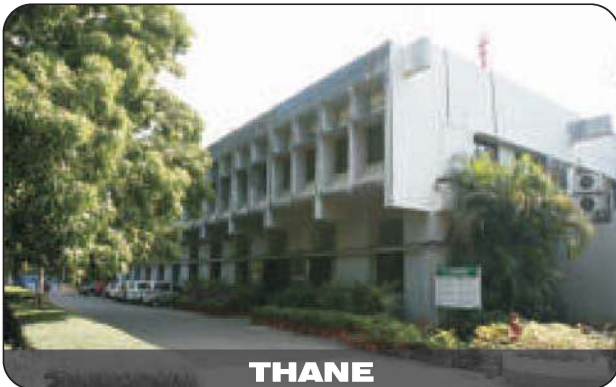
| Year Ended                       | 31.03.15        | 31.03.16        | 31.03.17        | 31.03.18        | 31.03.19        |
|----------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| <b>Sales (Net)</b>               |                 |                 |                 |                 |                 |
| Domestic                         | 48773.04        | 51666.62        | 57377.00        | 64990.00        | 72701.08        |
| Exports                          | 15484.17        | 13484.28        | 13292.00        | 16957.00        | 19889.08        |
| <b>Sales Total</b>               | <b>64257.21</b> | <b>65150.90</b> | <b>70669.00</b> | <b>81947.00</b> | <b>92590.16</b> |
| Operating Profit                 | 11836.95        | 10743.47        | 10193.00        | 15096.00        | 16522.56        |
| Profit Before Tax                | 7418.94         | 6382.00         | 6757.66         | 12030.96        | 14268.11        |
| Tax (Net)                        | 2212.48         | 1784.00         | 1824.76         | 3839.62         | 4391.19         |
| Profit After Tax                 | 5206.46         | 4598.00         | 5122.45         | 8315.40         | 9740.91         |
| Retained Earnings                | 3503.59         | 2964.84         | 3515.87         | 6682.24         | 8366.03         |
| Dividend                         | 1453.84         | 1356.92         | 1356.92         | 1356.92         | 1163.07         |
| Tax on dividend                  | 249.03          | 276.24          | 249.66          | 276.24          | 211.81          |
| Earnings per share (FV Rs.2)     | 5.37            | 4.74            | 5.09            | 8.45            | 10.19           |
| Dividend %                       | 75              | 70              | 70              | 70              | 130             |
| Shareholders' Funds              | 27170.26        | 30135.40        | 32352.56        | 39034.80        | 47400.84        |
| Funds Employed                   | 39515.96        | 42481.10        | 40750.70        | 59399.43        | 73275.70        |
| Fixed Assets (Gross)             | 51256.86        | 54528.26        | 55845.21        | 60177.52        | 69382.86        |
| Fixed Assets (Net)               | 22256.66        | 22736.57        | 21849.35        | 23602.13        | 29699.75        |
| Fixed Asset Turnover (times)     | 2.89            | 2.87            | 3.23            | 3.47            | 3.12            |
| Net Current Assets               | 12206.46        | 10863.67        | 14042.54        | 17228.57        | 19488.69        |
| Working Capital Turnover (times) | 5.26            | 6.00            | 5.03            | 4.76            | 4.75            |
| Shareholder Nos                  | 10330           | 9706            | 11273           | 22141           | 25264           |
| Employee Nos                     | 1571            | 1670            | 1613            | 1557            | 1515            |

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

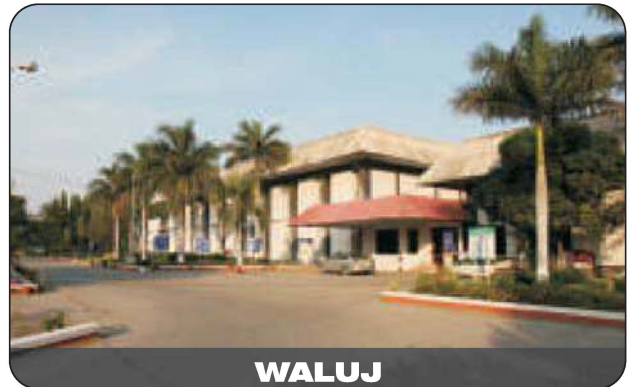
Working capital Turnover - Net sales/Net current assets as at year end

Final Dividend not provided as per INDAS, resulting in Retained Earnings, Dividend amount & %, Tax on dividend not being comparable.

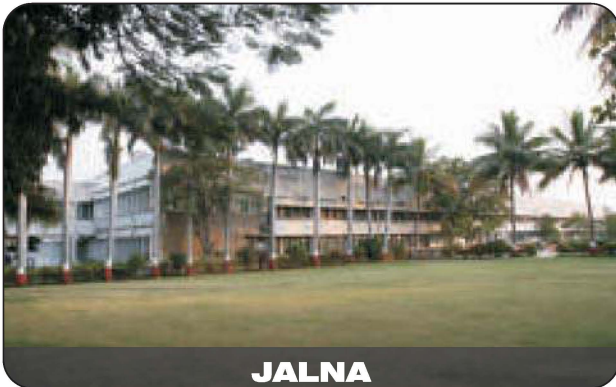
# NRB PLANTS



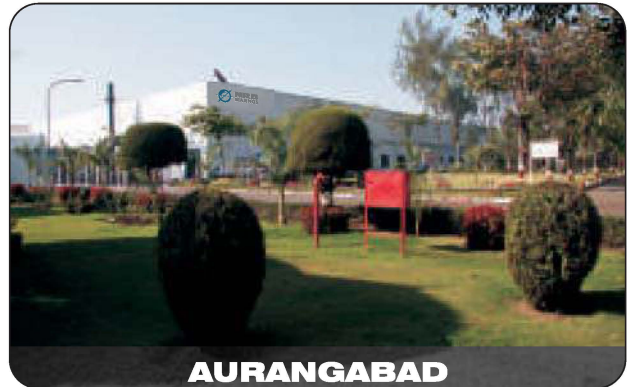
**THANE**



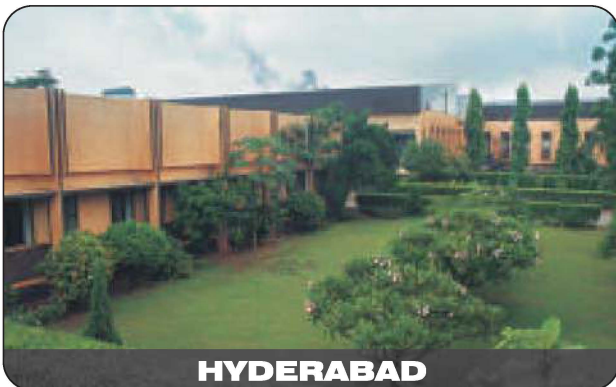
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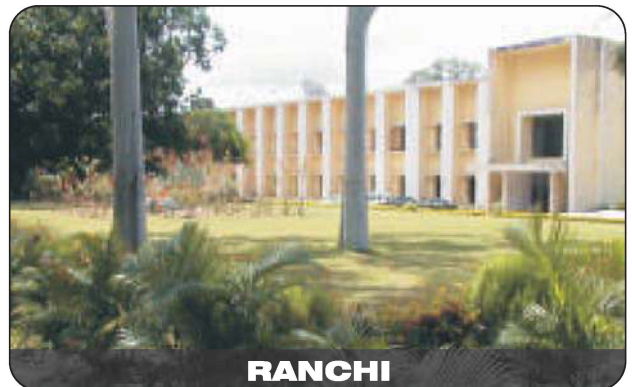
**JALNA**



**AURANGABAD**



**HYDERABAD**



**RANCHI**



**THAILAND**



**PANTNAGAR**



## **NRB BEARINGS LIMITED**

**CIN: L29130MH1965PLC013251**

**Registered Office:** Dhannur, 15 Sir P.M.Road, Fort, Mumbai 400 001

**Tel:** 022 22664160 **Fax:** 022 22660412

**Website:** www.nrbbearings.com **Email:** investorcare@nrbbearings.co.in

### **ATTENDANCE SLIP**

**(To be presented at the entrance of the meeting hall)**

1. Name and Registered Address :  
of the Sole / First named Shareholder
  
2. Name(s) of Joint-Holder(s), if any :
  
3. Registered Folio No. :  
/DP ID No.\* /Client ID No.\*  
(\*Applicable to Members holding  
shares in dematerialized form)
  
4. No. of Equity Shares held :
  
5. Name of the Proxy/ Authorised :  
Representative

I hereby record my presence at the **54<sup>th</sup> ANNUAL GENERAL MEETING** of the Company held on Friday, August 9, 2019 at 3:30 p.m. at M C Ghia Hall, Dubash Marg, Mumbai 400 001. We request you to take note of my/our following details for sending in future, any documents/intimations by electronic mode:

Email address .....Contact nos:.....

---

Signature of Shareholder/Proxy

**Note:** Please fill up this attendance slip and hand it over at the entrance of the meeting hall. Members are requested to bring their copies of Annual Report to the meeting.





## NRB BEARINGS LIMITED

CIN: L29130MH1965PLC013251

Registered Office: Dhannur, 15 Sir P.M.Road, Fort, Mumbai 400 001

Tel: 022 22664160 Fax: 022 22660412 | Website: www.nrbbearings.com Email: investorcare@nrbbearings.co.in

### Form No. MGT-11

### PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration Rules, 2014)]

|                                       |  |
|---------------------------------------|--|
| Name of the Member(s):                |  |
| Registered Address:                   |  |
| Email Id:                             |  |
| Registered Folio No./DP ID/Client ID: |  |

I/We being the members of the above named Company hereby appoint:

- 1) Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
Email Id: \_\_\_\_\_ Signature \_\_\_\_\_, or failing him
- 2) Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
Email Id: \_\_\_\_\_ Signature \_\_\_\_\_, or failing him
- 3) Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
Email Id: \_\_\_\_\_ Signature \_\_\_\_\_, or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **54<sup>th</sup> ANNUAL GENERAL MEETING** of the Company, to be held on Friday, August 9, 2019 at 3:30 p.m. at the M. C. Ghia Hall, Dubash Marg, Mumbai 400 001 and at any adjournment thereof in respect of such resolutions as are indicated below:

| Sr. No | Description                                                                                                                                                                       | For | Against |
|--------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|---------|
| 1      | Adoption of Financial Statements (Stand-alone and consolidated) together with the Reports of Board of Directors and Auditors thereon for the financial year ended March 31, 2019. |     |         |
| 2      | Declaration of dividend on equity shares for the financial year ended March 31, 2019.                                                                                             |     |         |
| 3      | Appoint a Director in place of Mr. D.S. Sahney (DIN 00003956) who retires by rotation and being eligible has offered himself for re-appointment.                                  |     |         |
| 4      | Ratification of the Remuneration of M/s. Nanabhoy and Co., Cost Accountants for the financial year ending March 31, 2020.                                                         |     |         |
| 5      | Appointment of Mr. Satish Rangani (DIN: 00209069) as a Director of the Company, liable to retire by rotation.                                                                     |     |         |
| 6      | Appointment of Mr. Tashwinder Singh (DIN: 006572282) as Independent Director of the Company for a second term.                                                                    |     |         |
| 7      | Appointment of Ms. Vishakha R.M. (DIN: 07108012) as an Independent Director of the Company for a term of five (5) consecutive years.                                              |     |         |
| 8      | Approval of annual remuneration exceeding Rs. 5.00 crores or 2.5% of the net profits, whichever is higher to Ms. Harshbeena Zaveri, Vice Chairman & Managing Director.            |     |         |

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2019

Signature of Shareholder \_\_\_\_\_ Signature of Proxy \_\_\_\_\_

Affix  
revenue  
stamp

#### 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.
- Please put a 'X' in the Box in the appropriate column against the respective resolutions. 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.