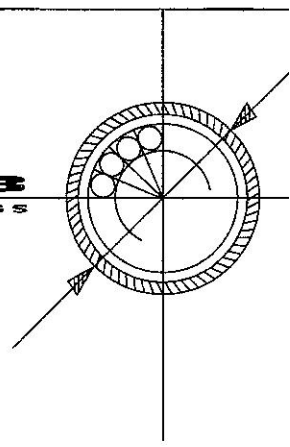


**NRB**  
BEARINGS



September 6, 2016

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

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

**Code No. 530367**

Dear Sirs,

**Sub: Submission of Annual Report**

In accordance with the requirement of the Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 we are submitting the soft copy of the approved and adopted Annual Report in the 51<sup>st</sup> Annual General Meeting of the Members of NRB Bearings Ltd. held on 23<sup>rd</sup> August, 2016.

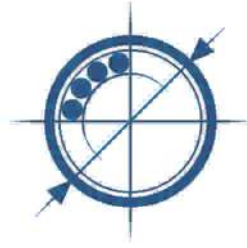
Kindly take the same on record.

Thanking you,

Yours truly,  
**For NRB BEARINGS LTD**

  
**S C RANGANI**  
**EXECUTIVE DIRECTOR & COMPANY SECRETARY**

Encl: as above



**NRB**  
**BEARINGS**

**DESIGN TO  
DELIVERY  
2015-16**

5 1 s t   A N N U A L   R E P O R T



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

---

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

---

**CERTIFICATIONS:**

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

OHSAS 18001:2007  
REACH COMPLIANT  
ELV COMPLIANT

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**CIN : L29130MH1965PLC013251**

- Directors** : Trilochan Singh Sahney - Executive Chairman  
Harshbeena S Zaveri - Vice Chairman & Managing Director  
Tashwinder Singh  
Uday Khanna  
Aslesha A Gowariker  
Devesh S Sahney  
Ashank D Desai – (w.e.f. 30.3.2016)  
Satish C Rangani - Executive Director & Company Secretary
- Bankers** : BNP Paribas  
Citibank N.A.  
DBS Bank
- Auditors** : Deloitte Haskins & Sells
- Solicitors** : Wadia Ghandy & Co.  
AZB Partners & Co.
- Registered Office** : Dhannur, 15 Sir. P M Road, Fort  
Mumbai 400 001
- Works** : Pokhran Road No.2, Majiwade  
Thane 400 606
- E-40, M.I.D.C. Industrial Area, Chikalthana  
Aurangabad 431 010
- C-6, Additional M.I.D.C. Industrial Area  
Jalna 431 203
- E-72, (I) & (II) M.I.D.C., Waluj  
Aurangabad 431 133
- A-5, Uppal Industrial Estate  
Hyderabad 500 039
- Plot No.33, Sector –II,  
SIDCUL IIE Pantnagar  
Udhamsingh Nagar, Uttarakhand 263153
- Registrar & Share Transfer Agent** : Universal Capital Securities Pvt.td.  
(Formerly known as M/s.Mondkar Computers Pvt.Ltd.)  
21, Shakil Niwas, Mahakali Caves Road  
Andheri (East), Mumbai 400 093  
Tel: 2836 66 20, 28207203-05  
Fax: 2836 9704, 28207207

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## AGM NOTICE

The Members,  
NRB BEARINGS LIMITED

NOTICE IS HEREBY GIVEN that the 51st Annual General Meeting of the members of the Company will be held at M C Ghia Hall, K Dubash Marg, Mumbai 400 001 on Tuesday 23rd August, 2016 at 11.00 a.m. to transact the following business:

### ORDINARY BUSINESS

1. To consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2016 and the reports of the Board of Directors and the auditors thereon.
2. To confirm the payment of interim dividend as final dividend on equity shares for the financial year 2015-16.
3. To appoint a Director in place of Mr. D S Sahney (DIN 00003956) who retires by rotation and is eligible for re-appointment.
4. To consider and if thought fit, to pass with or without modifications, the following resolution:  
"RESOLVED THAT the appointment of M/s. Deloitte Haskins & Sells, Chartered Accountants, (Registration no. ICAI 117365W) as Auditors of the Company be and is hereby ratified to hold office until the conclusion of the Annual General Meeting to be held for the financial year ending 31st March, 2017, on such remuneration plus out-of-pocket expenses, as may be mutually agreed upon between the Board of Directors and the Auditors."

### SPECIAL BUSINESS

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

#### **Appointment of Mr. Ashank Dutta Desai as an Independent Director**

"RESOLVED THAT pursuant to the provisions of section 149, 152 read with schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (appointment and qualifications of Directors) Rules 2014 and SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015, Mr. Ashank Dutta Desai, DIN.00017767 who was appointed as an Additional Director pursuant to the provisions of section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office upto the date of this Annual General Meeting, be and is hereby appointed as Independent Director of the Company, to hold office for five consecutive years for a term up to the conclusion of the 56th Annual General Meeting of the Company in the calendar year 2021, on such remuneration by way of sitting fees, other permissible fees plus out-of-pocket expenses, as approved by the Board of Directors."

By Order of the Board

**S C Rangani**

Executive Director & Company Secretary

24th May, 2016

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 17th August, 2016 to 23rd August, 2016 (both days inclusive).
4. E-voting facility to all members has been provided through the e-voting platform of CDSL and the Company has appointed Mr. Upendra Shukla, practicing Company Secretary, as Scrutiniser for the e-voting process. Instructions and manner of the process have been detailed in the para 8 below. The Scrutiniser will make a report to the Chairman of the Company, of the votes cast in favour and against and the results on the resolutions alongwith the scrutiniser's report will be available on the website of the Company within two working days of the same being passed.
5. The Board has not declared any final dividend and the interim dividend declared on 10th March, 2016 has been considered as final dividend. The shareholders whose names appear in the Register of Members after giving effect to all valid share transfers in physical form lodged with the Company on or before 16th August, 2016 shall be entitled to participate in evoting/ballot at the AGM.

Members and all others concerned are requested to lodge transfer deeds, change of address communication, mandates (if any) with the Company's Share Transfer Agents Universal Capital Securities Pvt. Ltd. (Formerly known as M/s. Mondkar Computers Pvt. Ltd.) 21, Shakil Niwas, Mahakali Caves Road, Andheri (East), Mumbai 400 093 before 16th August, 2016.

6. The Securities and Exchange Board of India has made it mandatory for all companies to use the bank account details furnished by the depositories for depositing dividend through National Electronic Clearing Service (NECS) to investors wherever NECS and bank details are available. In the absence of NECS facilities, the Company will print the bank account details if available, on the payment instrument for distribution of dividend. SEBI has also mandated the submission of PAN by every participant in the securities market. Members holding shares in electronic form are requested to submit their PAN to the DPs with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the Company.
7. The Company has transferred on due dates, the unpaid/unclaimed dividends (interim and final) for the financial year ended 31st March, 2008 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 24th July, 2015 (date of last AGM) on the website of the Company.

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

The voting period begins on Saturday, 20th August, 2016 at (9:00 am IST) and ends on Monday 22nd August, 2016 at 5:00 pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 13th August, 2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

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:

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

#### **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.
- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting.
- Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June, 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- 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. (xviii) 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  
**S C Rangani**  
Executive Director & Company Secretary

24th May, 2016



**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013****Item No:5****Appointment of Mr.Ashank D Desai as an Independent Director**

Ashank is the Founder and Former Chairman of Mastek Ltd. Mastek and the sister company Majesco together are \$ 200 -million, publicly-held IT players with global operations providing Enterprise Solutions to Government, Health, Retail, Banking and Software Products for Life and Non-life Insurance organizations in North America, Europe, UK, Canada, the Middle East and the Asia Pacific region. He also guides Mastek Foundation, whose mission is to enable "Informed Giving and Responsible Receiving".

He is an alumnus of the Indian Institute of Technology (IIT), Bombay and the Indian Institute of Management (IIM), Ahmedabad.

He is actively involved with many social initiatives and institutions such as NASSCOM, Society for Innovation and Entrepreneurship (SINE), Bombay First, an NGO working on the mission to make Mumbai a World Class city, Rashtriya Uchchar Shiksha Abhiyan (RUSA) for Goa Government, Goa Institute of Management (GIM), SOM School of Management IIT, Bombay, Maharashtra State Security Council

He also advises government organizations both in India and abroad. For last many years, he has been involved with the Confederation of Indian Industry (CII) and Federation of Indian Chambers of Commerce and Industry (FICCI) Executive Committees at National or Regional level

**Major Awards & Recognitions:**

Recently he has been felicitated by the Prime Minister Shri Narendra Modi for his contribution to NASSCOM & IT Industry for the last 25 years.

The Computer Society of India (CSI) recently conferred upon Ashank the honor of "Fellow of the Society" in recognition of his services to the Indian IT Industry as an entrepreneur and for his contribution to the growth of education.

He is also a recipient of the "Distinguished Alumnus Award" & "Distinguished Service Award" from IIT, Bombay.

He was conferred with the much coveted Outstanding Entrepreneur Award at the Asia Pacific Entrepreneurship Awards (APEA) 2010 India.

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

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

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.Ashank D Desai
DIN	00003956	00017767
Date of Birth	17.11.1968	16.05.1951
Nationality	Indian	Indian
Date of appointment on Board	25.05.2001	30.3.2016
Qualification	BA (Bus. Adm & Econ) UK MBA Asian Inst. of Mgnt (Phillipines)	BE (Mechanical) M-Tech (IIT) PGDBM from IIM
Shareholding in Company	1663981	-
List of Directorships held in other companies (excluding foreign, private and section 8 companies)	NRB Industrial Bearings Ltd	Mastek Ltd
Memberships/Chairmanships of Audit and Stakeholders Relationship Committees across public companies	Audit Committee	Audit Committee Stakeholder Relationship Committee

By Order of the Board

**S C Rangani**

Executive Director & Company Secretary

24th May, 2016

## BOARD'S REPORT

To  
The Members  
NRB BEARINGS LIMITED  
Mumbai

Your Directors have pleasure in presenting their Fifty First Annual Report together with Audited Accounts for the year ended 31st March, 2016.

### 1. Financial Results

Year ended	Consolidated		Standalone	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
	Rs.lacs	Rs.lacs	Rs.lacs	Rs.lacs
Revenue from operations (Net)	67493.69	67030.87	65919.68	65559.03
Profit before tax	6389.29	7802.80	6381.53	7418.94
Provision for taxation				
Current (net)	2124.65	2446.10	1849.16	2239.34
In respect of earlier years	(25.26)	17.11	(25.26)	17.11
Deferred tax	(28.06)	(30.55)	(40.67)	(43.97)
Profit after taxation	4199.78	5323.09	4598.30	5206.46
Add: Balance brought forward	12303.39	8880.38	14826.90	11323.31
	<u>16503.17</u>	<u>14203.47</u>	<u>19425.20</u>	<u>16529.77</u>
Appropriation:				
Dividend	1429.15	1453.84	1356.92	1453.84
Tax on distributed profits	290.94	249.03	276.24	249.03
Tax on preference dividend	17.94	47.21		
General Reserve	--	--	--	--
Debenture Redemption Reserve	750.00	--	750.00	--
Capital Redemption Reserve	25.00	150.00	--	--
Profit & Loss Account	13990.14	12303.39	17042.04	14826.90
	<u>16503.17</u>	<u>14203.47</u>	<u>19425.20</u>	<u>16529.77</u>

### 2. Appropriation

Dividend

On 10th March, 2016, Directors have declared interim dividend of Rs. 1.40/- per equity share of Rs. 2/- (Rs. 1.50 per share for previous year) payable to members/beneficial owners as per the Register of Members as applicable aggregating Rs. 1356.92 lacs. The Directors have not recommended any final dividend and decided that the interim dividend be treated as final.

### 3. Operations/Outlook

Global growth in 2015 has fallen short of expectations – this is reflected in growth deceleration in emerging and developing economies, lows in commodity prices and subdued global trade which has hurt Indian exports.

Indian economic performance has been impacted by a weak monsoon, slowdown in exports, delayed reform initiatives which has resulted in the investment cycle not gaining strength and a banking system weighed down by poor recovery of loans and low business confidence. Economic growth remains subdued with industrial production remaining lackluster. The overall volatility has had a negative influence on consumer sentiment and demand. While there has been growth in the high value 4-wheeler segments of passenger cars, driven by new model launches and of medium/

heavy commercial vehicles mainly on account of replacement of aging fleets and pick up in infrastructure demand, there has been minimal growth in 2/3 wheelers with low farm output impacting rural demand and de-growth in the farm equipment/off highway segment owing to the weak monsoon and floods in some parts of the country. Your Company aggressively pushed sales in the domestic market and successfully increased overall sales, in spite of the decline in export sales to achieve its highest ever sales turnover of Rs. 65920 lacs (previous year Rs. 65559 lacs) – domestic sales up by 5% to Rs. 52435 Lacs (previous year Rs. 49748 lacs) and exports of Rs. 13484 lacs (previous year Rs. 15811 lacs). Profit after tax has declined to Rs. 4598 lacs (previous year Rs. 5206 lacs) with higher material consumption, employee costs and higher charge on depreciation.

The Government and the Indian Automotive industry need to work together to address all the key issues to take India to its rightful position in the global auto industry's sweepstakes. India is now counted as a major auto manufacturing hub and has emerged as one of the most preferred locations in the world for manufacturing high quality automotive components and vehicles of all kinds. Over the next decade, the automotive industry at global levels is likely to see significant transformation – shift of growth in demand from developed nations to developing nations (mainly BRICS), dramatic increase in the share of electronics in automobiles making them “computer on wheels”, relentless pursuit of economies of scale and in scope of design and engineering of automobiles and components, while also pursuing low cost manufacturing destinations.

There is still optimism that economic activity will accelerate – inflation downtrend, narrowing fiscal and current deficits, falling interest rates, GDP growth pick up to 6.5%, forex reserves improving with strong FII/FDI flows, food and fuel inflation down. Slowdown in China adds to India's comparative charm and value proposition. Domestic consumption remains a key growth engine for the Indian economy and with significant additions to the working age population, rising disposable incomes particularly in rural areas and the government revived spending on infrastructure and in the social sector to foster inclusive growth, will help India realize its long term development potential in a sustainable way. Your Company, with a clear and dedicated customer focus, is investing in and building its R&D capabilities, developing product lines with better profit margins and streamlining its production processes to eliminate waste from operations.

#### **4. Finance**

The company 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 non convertible debentures aggregating Rs. 30 crores, as a first tranche, were issued on private placement basis in August 2015. The funds raised have been utilized for converting short term loans into long term.

##### **c. Particulars loans, guarantees or investments**

During the year under review, the company has not advanced any fresh loans or given guarantees or made investments other than NRB Thailand Ltd's trade receivables and advances aggregating Rs. 1806 lacs converted into inter corporate deposit.

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

#### **5. Directors**

The Board of Directors has, on the recommendation of the Nomination & Remuneration Committee appointed Mr. Ashank D Desai as Additional Director of the Company in the category of independent Directors w.e.f. 30th March, 2016 to fill the vacancy caused by the resignation of Mr. S B (Ravi) Pandit on account of work pressures. In the case of Mr. Ashank D Desai, the notice for the forthcoming Annual General Meeting (AGM) includes his appointment as independent Director under the Companies Act, 2013 for a period of five years w.e.f. 30th March, 2016.

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

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

The Board decided that considering the age of Mr. T S Sahney (Executive Chairman), on the expiry of his term on 30th September, 2016, Mr. T S Sahney will give up his Executive position and operational role in favour of the present Managing Director and President Ms. H S Zaveri, who will be re-designated as Vice Chairman & Managing Director with immediate effect. The Board felt this would send positive signal to all stakeholders, employees and the market participants about the succession planning in the company. The Board, considering his stature and recognizing Mr. Sahney's wide experience and knowledge which is of immense benefit to the company, confirmed he will continue as Chairman of the Board in Non Executive capacity w.e.f. 1st October, 2016.

#### **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.

#### **Board evaluation**

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

The independent Directors have also met separately in March 2016.

#### **Remuneration policy**

The Board has on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, senior management and their remuneration. The remuneration policy is posted on the company 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 5 Board meetings and 6 Audit committee meetings were convened and held (details in Corporate Governance Report). The intervening gap between the meetings was less than four months. The date for the next meeting is fixed in advance at the previous meeting both for board and committee meetings.

### **6. Subsidiaries**

As of 31st March, 2016, the Company has three subsidiaries viz. SNL Bearings Ltd, NRB Bearings (Thailand) Ltd and NRB Bearings Europe GmbH. The consolidated results include the working of these subsidiaries.

SNL Bearings Ltd (SNL), in which your Company holds 73.45% equity, has reported PAT of Rs. 567.76 lacs (previous year Rs. 454.96 lacs). Though manufacturing and industrial activity remained sluggish and demand subdued across most sectors, SNL achieved sales growth of 13.5% from increased sales volumes from existing and new OEM customers. Profit before tax (PBT) has increased by 26.3% from Rs. 673.47 lakhs (Previous year) to Rs. 850.83 lakhs on account of improved cost competitiveness arising from the global decline in prices of crude and steel inputs. SNL expects to further capitalize on growth opportunities during the current year and enhance profitability with emphasis on improving quality and productivity.

NRB Bearings (Thailand) Ltd (NRBT), a wholly owned subsidiary, has increased its sales by 20% to THB 136.52 million (Rs. 25.53 crores) (previous year THB 113.57 mill – Rs. 21.8 crores). The share of manufacturing revenues out of total revenues has increased to 70% at THB 95.56 million (Rs. 17.8 crores) (previous year 51% at THB 58.3 million) and trading revenues are 30% at THB 40.96 million (Rs. 7.65 crores) (previous year 49% at THB 55.3 million). Consequently, the Company's EBITDA has grown from THB 1.45 million to THB 13.39 million (Rs. 2.5 crores). The loss for the year has been higher at THB 21.35 million (Rs. 3.99 crores), mainly due to interest of THB 9.35 million payable to NRB India for its loan (NRBT receivables converted to term loan with respective Central Bank approvals). New business is being finalized with global European and Japanese customers and manufacture of new products as well as enhanced production of needle rollers, planned during FY 2016-17 will help in improving the financial results during the coming years.

NRB Bearings Europe GmbH, a wholly owned subsidiary was set up to support increasing exports to Europe. The Company provides marketing and customer support services. The income during the year is EURO 4,30,000 (Rs. 3.25 crores) and the resultant profit after tax is EURO 12,280 (Rs. 9 lacs).

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

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

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

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

During the year the Company maintained cordial relations with the workmen's unions at all plants. Wage agreements relating to Chikalhana and Hyderabad plants have expired on 31.5.15 and 30.9.15 respectively. Settlement was signed with the union at Hyderabad plant in conciliation with joint Commissioner of Labour on 27.4.16. The wage increase has been linked with productivity improvements (18.5%), with a penalty for non achievement of quality and productivity as agreed. The new agreement is effective for three years w.e.f. 01.04.16 and the total financial impact for FY 2016-17 is estimated at Rs. 1.2 crores.

At Chikalhana, workers have demanded a high increase and discussions are ongoing for an early settlement, again linked with productivity improvements.

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

The Company has a Vigil Mechanism and Whistle Blower Policy. Details of the same, given in Annexure 3 forming part of this report, are posted on the website of the Company.

## 9. Safety, Health and Environment

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

Company has been accredited with internationally acclaimed certification viz. ISO14001:2004 to identify and control environmental impact and constantly improve the environmental performance; OHSAS: 18001:2007 occupational health and safety management systems; and ISO/TS: 16949:2009 for Quality Management Systems.

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

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

1. Awareness on environment preservation and protection through regular monitoring of environment parameters and employees engagement activities like tree plantation and drawing competitions.
2. "Safety first and always first" is the highest priority of the Company. The Safety policy inter alia ensures safety of public, employees, plant, equipment and business associates, ensuring compliance with all statutory rules and regulations as an on-going process.

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

3. Setting up of Solar Lights and LED lights to replace existing CFLs in factory premises and air ventilators on factory roof to save electricity, improve air quality and protect usage of natural resources.
4. Significant reductions have been achieved across all locations in minimizing the requirement of electricity, use of less petrochemicals, grease, turpentine, etc. Turpentine has been replaced with stansol to prevent vapour spreading for improved health of employees.
5. Water conservation through re-use of waste water and rain water harvesting at plants – capacity to harvest upto 50 lac ltrs rain water every year to increase ground water levels.
6. Vermiculture for making Vermicompost as nutrient-rich organic fertilizer and soil conditioner
7. Strict policy for non-consumption of tobacco and intoxicating materials to protect the mental and physical health of employees. Regular awareness programs like "Vyasana Mukti" & "Yoga Classes" conducted to educate employees to get rid of evils of intoxication and stressful work life; and embrace good health and work-life balance.

## 10. Corporate social responsibility

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

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

- 1 IIT Bombay Racing team launched "Car EVO -4" with technical support from NRB on 16.5.2015 and participated in global racing competition held at Silverstone, UK. NRB is the title sponsor for the official website of the IIT, Bombay racing team. An amount of Rs. 18 lacs has been committed for this project of which Rs. 6 lacs was paid during the year and the balance will be paid during the current financial year.
- 2 On a regular basis we conduct Blood Donation camps across locations to help the society to donate blood in case of any emergency.
- 3 NRB Hyderabad & Chikalhana plants have taken a special step by starting a "Summer Water Camp" to help the needy and poor people to provide water in the scorching heat.
- 4 NRB believes in "Go Green" policy. NRB takes initiatives in planting trees and plants in and around the NRB factories.

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

Promotion of education

Promoting gender equality and empowering woman

Employment enhancing vocational skills

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 also has an appropriate provision for smaller NGOs and natural disasters and calamities (during the year the company contributed towards flood relief in Chennai through NGO "Teach to Lead") and supports social causes and impactful projects.

Company has supported a Pune based NGO – Gyan Prakash Foundation (GPF). GPF which is focused on improving learning outcomes in Maharashtra and transforming the quality of education by substantially improving last mile connectivity to village schools and reducing school drop out rates. During FY 2015-18 GPF will focus on curriculum development, finalising content for interventions and developing effective training modules in the Pune district.

The Company has contributed to the Ashoka University which is devoted to transforming Indian higher education based on the principles of multidisciplinary education delivered by exceptional faculty members and 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 supported Aseema, an NGO, who partners with Mumbai Municipal Corporation to improve the quality of education in municipal schools in Mumbai by making the curriculum taught in a way that makes it meaningful and fun and encourages expression and creativity in the children. At Igatpuri, Aseema's centre provides holistic learning to tribal children between 2 yrs and 17 yrs of age and also provides vocational training to help them join mainstream society.

The company supported social causes like Indian Cancer Society and the Rotary Club of Mumbai to support their project in partnership with International Woman's Association (IWA) to provide free maternal and child care at its clinic in South Mumbai, which provides primary care and medicines at highly subsidised rates to the poorest of citizens.

The average of the last 3 years profits works out to Rs. 6131.68 lacs and @ 2% the amount to be spent by the Company on CSR activities works out to Rs. 122.6 lacs during FY 2015-16. The Company has actually spent Rs. 123 lacs during FY 2015-16 on the identified activities. The requisite format for such expenditure has been enclosed as **Annexure 4** to the Directors' Report.

## 11. Corporate governance

Pursuant to clause 27 of the Listing Regulations with the stock exchanges, a Management Discussion and Analysis, Corporate Governance Report and Auditors' Certificate regarding compliance of conditions of Corporate Governance are made part of the Annual Report. Details of Board meetings held during the year under review and the composition of the various committees are included therein.

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

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

Members desirous of receiving the full Report and Accounts of the subsidiaries will be provided the same on receipt of a written request from them or on submission of their e-mail IDs for forwarding documents through electronic mode. This will help save considerable cost in connection with printing and mailing of the Report and Accounts. This measure would be in line with the MCAs Green initiative for paperless communications. The same shall also be kept for inspection by any Members at the registered office of the Company and of the respective subsidiary Company concerned and shall also be posted on the web site of the Company viz. [www.nrbbearings.com](http://www.nrbbearings.com).

## **12. Directors' responsibility statement**

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

- i. in the preparation of annual accounts, all applicable accounting standards have been followed and no material departures have been made from the same;
- ii. accounting policies selected were consistently applied. Reasonable and prudent judgements and estimates have been made so as to give a true and fair view of the state of affairs of the Company as on 31st March, 2016 and of the profit of the Company for the accounting year ended on that day;
- iii. proper and sufficient care for maintenance of adequate accounting records has been taken in accordance with the provisions of the Act so as to safeguard the assets of the Company and to prevent and detect fraud and other irregularities;
- iv. the Annual Accounts have been prepared on a going concern basis.
- v. the internal financial controls to be followed by the Company have been laid down and are adequate and were operating effectively.
- vi. proper systems have been devised to ensure compliance with the provisions of all applicable laws and all such systems were adequate and operating effectively.

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

All RPT that were entered into during the financial year were on an arms length basis and were in the ordinary course of business. There are no materially significant RPT by the Company with promoters, Directors, key managerial personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

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

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

## **14. Auditors**

### **Statutory Auditors**

M/s Deloitte Haskins & Sells, Chartered Accountants retire at the ensuing Annual General Meeting and offer themselves for re-appointment. In terms of Clause 41(1)(h) of the Listing Agreement, the statutory auditors are subjected to the Peer Review process of the ICAI and hold a valid certificate issued by the Peer review Board of ICAI.

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

### **Cost Auditors**

Pursuant to the Rules issued by MCA under Companies (Cost records and Audit) Amendment Rules 2014, your company is subject to cost audit during the year FY 2015-16 and M/s.R Nanabhoy & Co, Cost Accountants was appointed to undertake the same. Since the cost audit for the year ended 31st March, 2015 was not applicable to your company it was not required to file the cost audit report with MCA during the year.

**Secretarial Audit**

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

**Explanation or Comments on disqualifications, reservations, adverse remarks or disclaimers in the Auditors' Reports.**

There have been on disqualifications, reservations, adverse remarks or disclaimers in the Auditors' Reports other than the comment in the Independent Auditor's certificate on corporate governance and in the Secretarial Audit Report:

- i. about the strength of the independent directors falling below the requisite strength during the period July 24, 2015 to March 29, 2016, which the company has remedied on March 30, 2016 and
- ii. non publication of notice of Board Meeting for approval of Financial Results for the quarters ended 31st December, 2015 and 31st March, 2016. The company has been intimating the stock exchanges well in advance about the board meetings so that information has been disseminated to all stakeholders.

**16. Extract of Annual Return**

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

**17. 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.

**18. Acknowledgement**

The Directors wish to convey their appreciation for the tremendous support of our workforce- both unionized and management and the confidence and loyalty shown by our customers. The Directors also wish to thank the shareholders, suppliers, bankers and all other business associates for the continuous support given by them to the Company and their confidence in its management.

On behalf of the Board

**(Ms) H S Zaveri**

Vice Chairman & Managing Director

**S C Rangani**

Executive Director & Co.Secretary

Mumbai: 24th May, 2016



**ANNEXURE 1****Form AOC-1**

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

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

**Part "A": Subsidiaries**

Name of the subsidiary	NRB Bearings (Thailand) Ltd	NRB Bearings Europe GmbH	SNL Bearings Ltd. (Rs. in lacs)
1. Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A.	N.A.	N.A.
2. Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	THB USD - 35.4074 THB	EURO EURO - 75.08	INR
3. Share capital (Rs.)	THB 110 million	EURO 25000	386.15
4. Reserves & surplus	(THB 165.48 million)	EURO 17536	1102.08
5. Total assets	THB 226.49 million	EURO 131413	2265.49
6. Total Liabilities	THB 280.97 million	EURO 88877	777.26
7. Investments	--	--	--
8. Turnover	THB 136.52 million	EURO 429789	3006.67
9. Profit before taxation	(THB 21.36 million)	EURO 19266	850.83
10. Provision for taxation	--	EURO 6943	283.07
11. Profit after taxation	(THB 21.36 million)	EURO 12280	567.76
12. Proposed Dividend	--	--	162.14
13. % of shareholding	100	100	73.45

The following information shall be furnished:-

1. Names of subsidiaries which are yet to commence operations – N.A.
2. 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/Joint Ventures	NRB Industrial Bearings Ltd.
1. NRB Industrial Bearings Ltd.	31.3.2016
2. Shares of Associate/Joint Ventures held by the company on the year end	NIL
Amount of Investment in Associates/Joint Venture	NIL
Extend of Holding %	NIL
3. Description of how there is significant influence	NIL
4. Reason why the associate/joint venture is not consolidated	More than 25% of shareholding and voting power is held by common shareholders
5. Networth attributable to Shareholding as per latest audited Balance Sheet	Separate listed entity with no investment in equity capital by the company
6. Profit / Loss for the year	NIL
i. Considered in Consolidation	NIL
ii. Not Considered in Consolidation	Rs. (1900 lacs)

The following information shall be furnished:-

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

**For NRB Bearings Limited**

**Ms. H S Zaveri**

Vice Chairman & Managing Director

Date: 24th May, 2016

**Mr.S C Rangani**

Executive Director & Co. Secretary

**ANNEXURE 2**

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

**A. Measures taken for Conservation of Energy**

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

- At all plants the power factor is continually monitored and maintained in the range of 0.98 to 1.00 resulting in substantial savings in energy bills by way of rebates from the State Electricity Boards.
- At Jalna, replaced high capacity motors and pumps with energy efficient motors/pumps and/or variable frequency drives, eliminated outlet conveyor by gravitational unloading arrangement and old ACs and fluorescent tube lights with LED lights. Total savings Rs. 9.33 lacs p.a.
- At Waluj, installed energy efficient pumps for cooling tower, introduced timers for certain machines, water cool condensers converted to air cool condensers for certain machines. Installed tube light 24 W fittings instead of 250 W fitting, digital thyristor used for blackening and high temp furnace for power savings. Total saving of Rs. 18.45 lacs p.a
- At Hyderabad installed LED lamps and 40 nos. CFL in place of 100 W incandescent bulbs for machines in cage department and tool room. Installed Thyristor Controls for blackening furnace to control the temperature setting, provided turbo ventilation with transparent sheets on shop floor for better illumination and minimizing usage of electrical lighting during the day time and replaced DBs with MCB boards to avoid heating up of cables and for controlling the maximum demand. Total savings of Rs. 3.19 lacs. p.a.

- At Thane, reduced power consumption by 70% on the blackening furnace. Total savings of Rs. 5.8 lacs p.a.
- At Aurangabad, total lighting load has been shifted to LED, installed individual hammering barrel dust collecting blowers of 2HP each separately for 5 barrels with inter locking for running during use only, to replace 20HP common blower which was running continuously, delivery pumps at drain tanks replaced by gravity flow, overhead fans modified to timer base, tempering process cycle time reduced by re-designing of basket. Total savings of Rs. 19.42 p.a.

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

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

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

Specific areas in which R&D is carried out by the Company	<p><b>Prime focus throughout the year was on :</b></p> <ul style="list-style-type: none"> <li>• Pressure velocity studies through application specific tests for gyroscopic and centrifugal effect.</li> <li>• Bearing life enhancement - customized product for particular applications has now been upgraded to product optimization over wide range of applications. As a result bearing misalignments are handled to a greater degree thus broadening the scope of usage in multiple applications with similar load and performance levels.</li> <li>• Friction reduction and reliability improvement in engine bearings by introduction of "design for performance" (DFP) which enables robust QA checks to produce kinematics in the application in running conditions.</li> <li>• Developing benchmark standards and acceptance criteria for specific post tests visual patterns of engine bearings to enhance reliable engine operations.</li> <li>• For low stiffness application housing, the sensitivity of drawn cup CRB being continually reduced to minimize deshaping/deformation of supporting housing.</li> <li>• Strategic alliance with customers through application and analytical engineering support for environmental friendly solutions.</li> <li>• Development of new material, lubrication and surface coating.</li> </ul>
Benefits derived as a result of the above R&D	<ul style="list-style-type: none"> <li>• Cost reduction</li> <li>• Life enhancement and reliability improvement</li> <li>• Product standardization for platform creation</li> <li>• Compressing time for product development.</li> <li>• Customized product, process specifications based on application requirement.</li> </ul>
Future plan of action	<ul style="list-style-type: none"> <li>• Launching new series of Unitized bearing, detent pin &amp; thrust CRB without rolling element</li> <li>• Lubrication and rust prevention development</li> <li>• Special CRBs</li> <li>• Precision transmission &amp; engine components</li> <li>• REACH compliance</li> <li>• Optimizing product design for longer life and less torque.</li> </ul>
Expenditure on R&D	During the year an amount of Rs.809.85 lacs has been incurred on revenue and capital account for R & D expenses.

**C. Foreign exchange earnings and outgo**

Foreign exchange earnings	Rs. 12927.46 lacs
Foreign exchange outgo	Rs. 9048.33 lacs

On behalf of the Board

Mumbai : 24th May, 2016

**(Ms) H S Zaveri**  
Vice Chairman & Managing Director

**S C Rangani**  
Executive Director & Co.Secretary

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

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

**2. Applicability of the policy**

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

**3. Policy and Procedure for disclosure, enquiry and disciplinary action****3.1 Concerns which may be raised -illustrative list**

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

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

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

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

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

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

**3.3 Procedure for investigation**

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

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

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

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

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

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

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

**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	Remark
1	A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	Promotion of education, Promoting gender equality and empowering woman, Employment enhancing vocational skills, Promoting social business projects. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, conservation of natural resources.
2	The Composition of the CSR Committee.	1) Ms. H S Zaveri – Chairman, (E/MD) 2) Mr. Uday Khanna – Member (NE/ID) 3) Mr. S C Rangani – Member (E/WTD)
3	Average net profit of the company for last three financial years	Rs. 6131.68 lacs
4	Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)	Rs. 122.6 lacs
5	Details of CSR spent during the financial year. (a) Total amount to be spent for the financial year; (b) Amount unspent, if any; (c) Manner in which the amount spent during the financial year is detailed below.	Rs. 122.60 lacs Rs. 18.00 lacs (committed to IIT, Mumbai for Racing car project)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1)Local Area or other (2)Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub –heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto to the reporting period	Amount spent: Direct or through implementing agency*
1	Gyan Prakash Foundation (GPF).	Promotion of education	Pune, Maha-rashtra	Rs. 7.00 lacs	Rs. 7.00 lacs	Rs. 7.00 lacs	Through GPF
2	Ashoka University	Promotion of education	NCR, Haryana	Rs. 65.00 lacs	Rs. 65.00 lacs	Rs. 65.00 lacs	Direct
3	Teach to Lead	Natural disaster	Chennai Flood relief	Rs. 10.00 lacs	Rs. 10.00 lacs	Rs. 10.00 lacs	Direct
4	Aseema Charitable Trust	Promoting education & employment enhancing vocational skills of under privileged children	Mumbai, Igatpuri (Maharashtra)	Rs. 15.00 lacs	Rs. 15.00 lacs	Rs. 15.00 lacs	Direct
5	Rotary Club of India	Providing primary care (maternal and child care) and medicines at highly subsidised rates to the poorest of citizens at their clinic in South Mumbai	Mumbai	Rs. 5.00 lacs	Rs. 5.00 lacs	Rs. 5.00 lacs	Direct
6	Indian Cancer Society	Fighting cancer across India for underprivileged cancer patients	All India	Rs. 3.00 lacs	Rs. 3.00 lacs	Rs. 3.00 lacs	Direct
7	IIT,Mumbai	Technical and financial support for building racing “Car EVO -4” for participation in global racing competition at Silverstone, UK	Mumbai	Rs. 18.00 lacs	-	-	Direct
	Total			Rs.123.00 lacs	Rs.105.00 lacs	Rs.105.00 lacs	

\* 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 to be disbursed in instalments during FY 16-17.

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

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

**ANNEXURE 5**  
**Form No. AOC-2**

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

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

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

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

**2. Details of material contracts or arrangement or transactions at arm's length basis****(a) Name(s) of the related party and nature of relationship:**

- |                                     |   |   |
|-------------------------------------|---|---|
| i) NRB Bearings (Thailand) Limited  | - | Subsidiary Company  |
| ii) NRB Bearings Europe GmbH        | - | Subsidiary Company  |
| iii) SNL Bearings Limited           | - | Subsidiary Company  |
| iv) NRB Industrial Bearings Limited | - | A company wherein Chairman and Managing Director are directors and shareholders having management control |

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

- |                                     |   |  |
|-------------------------------------|---|--|
| i) NRB Bearings (Thailand) Limited  | - | Sale of Raw Materials / Fixed Assets etc.<br>Purchase of Raw Materials<br>Trade receivables and advances converted into ICD<br>ICD repayment and interest<br>Interest on ICD payment |
| ii) NRB Bearings Europe GmbH        | - | Sales Promotion expenses   |
| iii) SNL Bearings Limited           | - | Purchase of Raw Materials / Fixed Assets<br>Sale of Raw Materials<br><br>Proceeds from Redemption of Preference Shares<br>Dividend   |
| iv) NRB Industrial Bearings Limited | - | Sale of Raw Materials<br>ICD Repayment and interest thereon  |
| v) New Indo Trading                 | - | Service Charges  |

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

Ongoing Related Party Transactions.

**(d) Salient terms of the contracts or arrangements or transactions including the value, if any:**
**1) Salient terms of Contract/ arrangements/ transaction: As mentioned below:**

Sr. No.	Name of the Related Parties	Nature of Contract/ arrangements/ transactions	Salient Terms of Contract/ arrangements/ transactions
1.	NRB Bearings (Thailand) Limited	Sale/ Purchase of Goods	As per Purchase Orders placed for their requirements of Raw Materials, Components, Finished Products and Fixed Assets etc.
2.	NRB Bearings (Thailand) Limited	Trade receivables and advances converted into ICD ICD repayment and interest on ICD	As per agreement between two companies.
3.	NRB Bearings Europe GmbH Limited	Sales promotion expenses	As per terms and conditions of inter company agreement
4.	SNL Bearings Limited	Dividend on Preference Shares	As per terms and conditions of issue of Preference Shares
5.	SNL Bearings Limited	Redemption of Preference Shares	As per terms and conditions of issue of Preference Shares
6.	SNL Bearings Limited	Purchase of Raw materials/Fixed assets Sale of Raw Materials	As per terms of Purchase Orders
7.	NRB Industrial Bearings Limited	Sale of Goods	As per Purchase Orders placed for their requirements of Components and Finished Products
8.	NRB Industrial Bearings Limited	ICD Repayment and interest thereon	As per terms of ICD and as amended from time to time.
9.	New Indo Trading	Services rendered	As per the terms and conditions of the Board sanction.

**2) Value of the transactions with the related parties: As mentioned below:**
**(Rupees in lacs)**

i)	NRB Bearings (Thailand) Limited –	Sale of Goods	690.99
		Purchase of Goods	1673.14
ii)	NRB Bearings Europe GmbH	Sales Promotion expenses	270.22
iii)	SNL Bearings Limited	Purchase of Raw materials/Fixed assets	1832.08
		Sale of Raw materials	29.29
		Redemption of Preference Shares	25.00
		Dividend (Proposed) on preference Shares	89.91
iv)	NRB Industrial Bearings Limited	Sale of Finished Goods	98.23
v)	New Indo Trading	Service charges	5.00

- (e) Date(s) of approval by the Board, if any:**
- i) 18th May, 2015
  - ii) 23rd July, 2015
  - iii) 4th November, 2015
  - iv) 5th February, 2016

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

Nil

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

**H S Zaveri**

Vice Chairman &amp; Managing Director

**S C Rangani**

Executive Director &amp; Co. Secretary

Mumbai

Date: 24th May, 2016



**ANNEXURE 6**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31st March, 2016**  
**[Pursuant to section 204(1) of the Companies Act, 2013 and rule no.9 of the Companies**  
**(Appointment and Remuneration Personnel) Rules, 2014]**

To,  
The Members,  
NRB Bearings Limited,

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has during the audit period covering the financial year ended on 31st March, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board process and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the NRB Bearings Limited for the financial year ended on 31st March, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowing;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (upto 14th May, 2015) and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (effect from 15th May, 2015);
  - c) The Securities and Exchange Board of India (Issue and Listing of Debts Securities) Regulations, 2008; and

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

- a) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
  - b) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998; and
  - 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 (effective from 1st July, 2015); and
- b) Listing Agreement entered into by the Company with the Stock Exchanges in India and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (w.e.f. 1st December, 2015) *(except publication of notice of Board Meeting held for approval of unaudited results for the quarter ended 31/12/2015 and 31/03/2016)*.

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 subject to following observation:

"The Company has complied with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the exception of appointment of Independent Directors to the extent of 50% of the total strength of the Board. It is clarified by the Company that casual vacancy caused by the resignation of an Independent Director on 24th July, 2015 could be filled only on 30th March, 2016, and the delay was informed to Stock Exchange also."

I further report that –

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors as on 31st March, 2016 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 based on the information provided by the Company, its officers and authorised representatives during the conduct of the audit and also on the review of quarterly compliance reports by respective department heads/Executive Director & Company Secretary and Managing Director, taken on record by the Board of Directors of the Company, in my opinion adequate systems and processes and control mechanism exists commensurate with the size and operation of the Company to monitor and ensure compliance with applicable general 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, except issue of debentures having aggregate value of Rs.3000 lacs and listing thereof on the stock exchanges, there was no other specific event/action in pursuance of the above referred laws, rules, regulations, 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 20, 2016

**ANNEXURE 7**  
**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
**as on 31/03/2016**

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

**I. REGISTRATION AND OTHER DETAILS:**

- i) CIN : L29130MH1965PLC013251
- ii) Registration Date : 30/06/1965
- iii) Name of the Company : NRB BEARINGS LIMITED
- iv) Category / Sub-Category of the Company : Company Limited by Shares
- v) Address of the Registered office and contact details:  
Dhannur, 15, Sir P. M. Road, Fort, Mumbai 400 001, Maharashtra  
Email id. : sc.rangani@nrbbearings.co.in  
Web address : www.nrbbearings.com  
Telephone No. : 022 22664160  
Fax No. : 022 22660412
- vi) Whether listed Company Yes / No: Yes
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any  
Mr. Sunil Khade,  
M/s. Universal Capital Securities Pvt. Ltd.,  
21 Shakil Niwas, Opp. Satya Saibaba Temple, Mahakali Caves,  
Andheri (East), Mumbai 400 093, Maharashtra

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

Sr. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the Company
1.	Needle roller bushes & cages	2913	42.00
2.	Ball & roller bearings	2913	37.70
3.	Automobile components	2913	16.00

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:**

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	SNL BEARINGS LTD Dhannur, 15 Sir P.M.Road, Fort, Mumbai 400 001	L99999MH1979PLC134191	Subsidiary	73.45	2(46)
2.	NRB Bearings (Thailand) Ltd. 300/69, MOO1, T:Tasit, A:Pluak Daeng, Province, Rayong, Thailand 21140	Foreign Company (Incorporated outside India) Registration No.0215550000626	Subsidiary	100	2 (46)
3.	NRB Bearings Europe GmbH,Office # 521, Regus Business Center Konigstrasse 10C Stuttgart Baden Wurttemberg 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>									
(1) Indian									
a) Individual/HUF	18648517	--	18648517	19.24	16263728	--	16263728	16.78	(2.46)
b) Central Govt	--	--	--	--	--	--	--	--	--
c) State Govt	--	--	--	--	--	--	--	--	--
d) Bodies Corp.	--	--	--	--	--	--	--	--	--
e) Banks/ FI	--	--	--	--	--	--	--	--	--
f) Any other (Trust)	37755640	--	37755640	38.95	36486909	--	36486909	37.65	(1.30)
<b>Sub-total (A) (1)</b>	<b>56404157</b>	<b>--</b>	<b>56404157</b>	<b>58.20</b>	<b>52750637</b>	<b>--</b>	<b>52750637</b>	<b>54.43</b>	<b>(3.76)</b>
(2) Foreign									
a) NRIs – Individuals	--	--	--	--	657254	--	657254	0.67	0.67
b) Other – Individuals	--	--	--	--	--	--	--	--	--
c) Bodies Corp.	--	--	--	--	--	--	--	--	--
d) Banks/ FI	--	--	--	--	--	--	--	--	--
e) Any Other ...	--	--	--	--	--	--	--	--	--
<b>Sub-total (A) (2)</b>	<b>56405157</b>	<b>--</b>	<b>56404157</b>	<b>58.20</b>	<b>657254</b>	<b>--</b>	<b>657254</b>	<b>0.67</b>	<b>0.67</b>
Total Shareholding of Promoters (A) = (A) (1)+(A)(2)	56404157	--	56404157	58.20	53407891	--	53407891	55.10	(3.09)
<b>B. Public Shareholding</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	13746311	7000	13753311	14.19	14389414	7000	14396414	14.85	0.66
b) Banks/ FI	28533	--	28533	0.03	14190	--	14190	0.01	(0.02)
c) Central Govt.	--	--	--	--	--	--	--	--	--
d) State Govt	--	--	--	--	--	--	--	--	--
e) Venture Capital Funds	--	--	--	--	--	--	--	--	--
f) Insurance Companies	--	--	--	--	--	--	--	--	--
g) FIIs	11368878	--	11368878	11.73	13135987	--	13135987	13.55	1.83
h) Foreign Venture Capital Funds	--	--	--	--	--	--	--	--	--
i) Others (Specify)	--	--	--	--	583	--	583	--	--
<b>Sub-total (B) (1)</b>	<b>25143722</b>	<b>7000</b>	<b>25150722</b>	<b>25.95</b>	<b>27540174</b>	<b>7000</b>	<b>27547174</b>	<b>28.42</b>	<b>2.47</b>

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>(2) Non-Institutions</b>									
a) Bodies Corp.	4848004	4000	4852004	5.01	4711993	4000	4715993	4.87	(0.14)
i) Indian	--	--	--	--	--	--	--	--	
ii) Overseas	--	--	--	--	--	--	--	--	
b) Individuals									
i) Individual Share holders holding nominal share capital upto Rs. 1 Lakh	5593861	536260	6130121	6.32	4162449	506260	4668709	4.82	(1.50)
ii) Individual Share holders holding nominal share capital in excess of Rs. 1 Lakh	967574	--	967574	1.00	697345	--	697345	0.72	(0.28)
c) Any Other									
i) NRI's/ OCBs	323647	--	323647	0.33	231448	--	231448	0.24	(0.09)
ii) Clearing Members	47242	--	47242	0.05	275418	--	275418	0.28	0.23
iii) Foreign Nationals	2400	--	2400	0.00	--	--	--	--	--
iv) Trusts	44733	--	44733	0.05	--	--	--	--	(0.05)
v) Foreign Portfolio Investment Corporation	3000000	--	3000000	3.10	5378622	--	5378622	5.55	2.45
Sub-total (B) (2)	14827461	540260	15367721	15.86	15457275	510260	15967535	16.47	0.62
Total Public Shareholding (B) = (B)(1)+(B)(2)	39971183	547260	40518443	41.80	42997449	517260	43514709	44.90	3.09
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	96375340	547260	96922600	100	96405340	517260	96922600	100	--

**(ii) Shareholding of Promoters**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share-holding during the year
		No of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	
1	Aarti D. Sahney	407000	0.42	-	407000	0.42	-	-
2	Bhupinder Singh Sahney	17970	0.02	-	17970	0.02	-	-
3	Devesh S Sahney	3634600	3.75	-	1663981	1.72	-	(2.03)
4	Hanwantbir Kaur Sahney	4972000	5.13	-	4972000	5.13	-	-
5	Harshbeena Sahney Zaveri	5007065	5.17	-	5165019	5.33	-	0.16
6	Jasjiv Singh Devinder S Sahney	373495	0.39	-	373495	0.39	-	-
7	Rajiv Devinder Sahney	853350	0.88	-	817021	0.84	-	(0.04)
8	Sahir Zaveri	33252	0.03	-	33252	0.03	-	-
9	Trilochan Singh Sahney	3349785	3.46	-	2847242	2.94	-	(0.52)
10	Trilochan S. Sahney	37755640	38.95	-	36486909	37.65	-	(1.30)
11	Aziz Y Zaveri	416500	0.43	-	624002	0.64	-	0.21
	Total	56404157	58.20	-	53407891	55.10	-	(3.10)

**(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.	Mr. Devesh S. Sahney				
	At the beginning of the Year	1663981	1.72		
	03/04/2015 Purchase	1970619	2.03	3634600	3.75
	20/11/2015 Sell	-1730619	-1.79	1903981	1.96
	31/03/2016 Sell	-240000	-0.25	1663981	1.72
	At the End of the year			1663981	1.72
2.	Trilochan S Sahney				
	At the beginning of the Year	37755640	38.95		
	30/04/2015 Sell	-268731	-0.28	37486909	38.68
	29/05/2015 Sell	-1000000	-1.03	36486909	37.65
	At the End of the Year			36486909	37.65

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
3.	Harshbeena Sahney Zaveri				
	At the beginning of the Year	5007065	5.17		
	10/04/2015 Purchase	19307	0.02	5026372	5.19
	17/04/2015 Purchase	17250	0.02	5043622	5.20
	24/04/2015 Purchase	16882	0.02	5060504	5.22
	30/04/2015 Purchase	73200	0.08	5133704	5.30
	12/06/2015 Purchase	6043	0.01	5139747	5.30
	19/06/2015 Purchase	3648	-	5143395	5.31
	12/02/2016 Purchase	140	-	5143535	5.31
	19/02/2016 Purchase	978	-	5144513	5.31
	26/02/2016 Purchase	10332	0.01	5154845	5.32
	04/03/2016 Purchase	10174	0.01	5165019	5.33
	At End of the Year			5165019	5.33
4.	Trilochan Singh Sahney				
	At the beginning of the Year	3349785	3.46		
	03/04/2015 Sell	-46336	-0.05	3303449	3.41
	10/04/2015 Sell	-162076	-0.17	3141373	3.24
	17/04/2015 Sell	-82928	-0.09	3058445	3.16
	24/04/2015 Sell	-11203	-0.01	3047242	3.14
	29/05/2015 Sell	-200000	-0.21	2847242	2.94
	At the End of the Year			2847242	2.94
5.	Rajiv Devinder Sahney				
	At the beginning of the Year	853350	0.88		
	27/11/2015 Sell	-22219	-0.02	831131	0.86
	04/12/2015 Sell	-14110	-0.01	817021	0.84
	At the End of the Year			817021	0.84
6.	Aziz Y Zaveri				
	At the beginning of the Year	416500	0.43		
	17/04/2015 Transfer	11164	0.01	427664	0.44
	24/04/2015 Transfer	16338	0.02	444002	0.46
	08/05/2015 Transfer	180000	0.19	624002	0.64
	At the End of the Year			624002	0.64

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

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	Nalanda India Equity Fund Ltd.				
	At the beginning of the Year	9682667	9.99		
	Date wise Increase/ Decrease	Nil	Nil	-	-
	At the End of the Year			9682667	9.99

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
2	SBI Magnum (various funds) Multiplier Plus Scheme 1993				
	At the beginning of the Year	6352301	6.55		
	08/05/2015 Sell	-4813	-	6347488	6.55
	26/06/2015 Purchase	5500	0.01	6352988	6.55
	14/08/2015 Purchase	624935	0.64	6977923	7.20
	11/09/2015 Purchase	4191	-	6982114	7.20
	18/09/2015 Purchase	1309	-	6983423	7.21
	23/10/2015 Sell	-624935	-0.64	6358488	6.56
	04/12/2015 Sell	-113000	-0.12	6245488	6.44
	18/12/2015 Sell	-30187	-0.03	6215301	6.41
	15/01/2016 Sell	-30000	-0.03	6185301	6.38
	12/02/2016 Purchase	68499	0.07	6253800	6.45
	19/02/2016 Purchase	1008742	1.04	7262542	7.49
	26/02/2016 Purchase	82422	0.09	7344964	7.58
	At the End of the Year			7344964	7.58
3	ICICI Prudential Life Insurance Company				
	At the beginning of the Year	4114624	4.25		
	10/04/2015 Sell	-800	-	4113824	4.24
	24/04/2015 Purchase	2600	-	4116424	4.25
	30/04/2015 Purchase	4165	-	4120589	4.25
	15/05/2015 Purchase	252	-	4120841	4.25
	22/05/2015 Sell	-1565	-	4119276	4.25
	12/06/2015 Purchase	12576	0.01	4131852	4.26
	26/06/2015 Sell	-2355	-	4129497	4.26
	03/07/2015 Sell	-3533	-	4125964	4.26
	17/07/2015 Sell	-4679	-	4121285	4.25
	07/08/2015 Sell	-2030	-	4119255	4.25
	14/08/2015 Purchase	2750	-	4122005	4.25
	28/08/2015 Purchase	49200	0.05	4171205	4.30
	02/10/2015 Purchase	6942	0.01	4178147	4.31
	09/10/2015 Sell	-3080	-	4175067	4.31
	16/10/2015 Sell	-1540	-	4173527	4.31
	06/11/2015 Purchase	2750	-	4176277	4.31
	13/11/2015 Purchase	2750	-	4179027	4.31
	20/11/2015 Purchase	5500	0.01	4184527	4.32
	04/12/2015 Purchase	3500	-	4188027	4.32
	11/12/2015 Purchase	3500	-	4191527	4.32
	18/12/2015 Purchase	4900	0.01	4196427	4.33
	15/01/2016 Purchase	14675	0.02	4211102	4.34
	22/01/2016 Purchase	10950	0.01	4222052	4.36
	12/02/2016 Purchase	3600	-	4225652	4.36
	19/02/2016 Purchase	6441	0.01	4232093	4.37
	26/02/2016 Purchase	2838	-	4234931	4.37
	04/03/2016 Purchase	134361	0.14	4369292	4.51
	11/03/2016 Sell	-2720	-	4366572	4.51
	25/03/2016 Sell	-3060	-	4363512	4.50
	31/03/2016 Sell	-2040	-	4361472	4.50
	At the End of the Year			4361472	4.50



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
4	DSP Blackrock Micro Cap Fund				
	At the beginning of the Year	4091192	4.22		
	31/07/2015 Purchase	30797	0.03	4121989	4.25
	07/08/2015 Purchase	2638	-	4124627	4.26
	14/08/2015 Sell	-788797	-0.81	3335830	3.44
	25/09/2015 Purchase	3618	-	3339448	3.45
	30/09/2015 Purchase	4655	-	3344103	3.45
	01/10/2015 Purchase	690	-	3344793	3.45
	09/10/2015 Purchase	4433	-	3349226	3.46
	At the End of the Year			3349226	3.45
5	Sundaram Mutual Fund A/c Sundaram Smile				
	At the beginning of the Year	2295138	2.37		
	10/04/2015 Purchase	3879	-	2299017	2.37
	05/06/2015 Purchase	11870007	1.22	3486024	3.60
	30/10/2015 Sell	-17300	-0.02	3468724	3.58
	15/01/2016 Sell	-708500	-0.73	2760224	2.85
	At the End of the Year			2760224	2.85
6	Acacia Partners, LLP				
	At the beginning of the Year	1080000	1.11		
	Date wise Increase/ Decrease	Nil	Nil	-	-
	At the End of the Year			1080000	1.11
7	Mondrian Emerging Markets Small Cap Equity				
	At the beginning of the Year	-	-		
	23/10/2015 Purchase	216890	0.22	216890	0.22
	30/10/2015 Purchase	37100	0.04	253990	0.26
	06/11/2015 Purchase	116851	0.12	370841	0.38
	13/11/2015 Purchase	4440	-	375281	0.39
	20/11/2015 Purchase	819168	0.85	1194449	1.23
	27/11/2015 Purchase	339092	0.35	1533541	1.58
	04/12/2015 Purchase	82402	0.09	1615943	1.67
	18/12/2015 Purchase	31499	0.03	1647442	1.70
	15/01/2016 Purchase	475925	0.49	2123367	2.19
	04/03/2016 Purchase	22800	0.02	2146167	2.21
	18/03/2016 Purchase	4940	0.01	2151107	2.22
	25/03/2016 Purchase	7066	0.01	2158173	2.23
	31/03/2016 Purchase	7950	0.01	2166123	2.23
	At the End of the Year			2166123	2.23

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
7	Ontario Pension Board-Mondrian				
	At the beginning of the Year	-	-		
	23/10/2015 Purchase	104354	0.11	104354	0.11
	30/10/2015 Purchase	28200	0.03	132554	0.14
	06/11/2015 Purchase	35650	0.04	168204	0.317
	13/11/2015 Purchase	26800	0.03	195004	0.20
	20/11/2015 Purchase	379688	0.39	574692	0.59
	27/11/2015 Purchase	163408	0.17	738100	0.76
	11/12/2015 Purchase	35107	0.04	773207	0.80
	18/12/2015 Purchase	13069	0.01	786276	0.81
	08/01/2016 Purchase	13389	0.01	799665	0.83
	15/01/2016 Purchase	222672	0.23	1022337	1.05
	11/03/2016 Purchase	8051	0.01	1030388	1.06
	18/03/2016 Purchase	7724	0.01	1038112	1.07
	25/03/2016 Purchase	2216	-	1040328	1.07
	31/03/2016 Purchase	900	-	1041228	1.07
	At the End of the Year			1041228	1.07
8	HDFC Small & Midcap Fund				
	At the beginning of the Year	935000	0.96		
	Date wise Increase/ Decrease	Nil	Nil	-	-
	At the End of the Year			935000	0.96
9	Acacia Institutional Partners, LLP				
	At the beginning of the Year	900000	0.93		
	Date wise Increase/ Decrease	Nil	Nil	-	-
	At the End of the Year			900000	0.93
10	JP Morgan India Smaller Companies Fund				
	At the beginning of the Year	554912	0.57		
	30/04/2015 Sell	-2495	-	552417	0.57
	08/05/2015 Sell	-35737	-0.04	516680	0.53
	10/07/2015 Purchase	21687	0.02	538367	0.56
	17/07/2015 Purchase	28313	0.03	566680	0.58
	11/09/2015 Purchase	710	-	567390	0.59
	18/09/2015 Purchase	63218	0.07	630608	0.65
	25/09/2015 Purchase	16325	0.02	646399	0.67
	30/09/2015 Purchase	11483	0.01	658416	0.68
	01/10/2015 Purchase	1838	-	660254	0.68
	09/10/2015 Purchase	13222	0.01	673476	0.69
	16/10/2015 Purchase	18204	0.02	691680	0.71
	At the End of the Year			691680	0.71
11	Acacia Conservation Fund, LP				
	At the beginning of the Year	540000	0.56		
	Date wise Increase/ Decrease	Nil	Nil	-	-
	At the End of the Year			540000	0.56

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

Sr. No.	Name of the Director	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1.	Trilochan S Sahney				
	At the beginning of the Year	37755640	38.95		
	30/04/2015 Sell	-268731	-0.28	37486909	38.68
	29/05/2015 Sell	-1000000	-1.03	36486909	37.65
	At the End of the Year			36486909	37.65
2.	Trilochan Singh Sahney				
	At the beginning of the Year	3349785	3.46		
	03/04/2015 Sell	-46336	-0.05	3303449	3.41
	10/04/2015 Sell	-162076	-0.17	3141373	3.24
	17/04/2015 Sell	-82928	-0.09	3058445	3.16
	24/04/2015 Sell	-11203	-0.01	3047242	3.14
	29/05/2015 Sell	-200000	-0.21	2847242	2.94
	At the End of the Year			2847242	2.94
3.	Harshbeena Sahney Zaveri				
	At the beginning of the Year	5007065	5.17		
	10/04/2015 Purchase	19307	0.02	5026372	5.19
	17/04/2015 Purchase	17250	0.02	5043622	5.20
	24/04/2015 Purchase	16882	0.02	5060504	5.22
	30/04/2015 Purchase	73200	0.08	5133704	5.30
	12/06/2015 Purchase	6043	0.01	5139747	5.30
	19/06/2015 Purchase	3648	0.00	5143395	5.31
	12/02/2016 Purchase	140	0.00	5143535	5.31
	19/02/2016 Purchase	978	0.00	5144513	5.31
	26/02/2016 Purchase	10332	0.01	5154845	5.32
	04/03/2016 Purchase	10174	0.01	5165019	5.33
	At End of the Year			5165019	5.33
4.	S. C. Rangani				
	At the beginning of the Year	6000	-	-	-
	Date wise Increase/ Decrease	-	-	-	-
	At the End of the Year			6000	-
5.	Devesh S. Sahney				
	At the beginning of the Year	1663981	1.72		
	03/04/2015 Purchase	1970619	2.03	3634600	3.75
	20/11/2015 Sell	-1730619	-1.79	1903981	1.96
	31/03/2016 Sell	-240000	-0.25	1663981	1.72
	At the End of the year			1663981	1.72
6.	Tashwinder Singh				
	At the beginning of the Year	-	-		
	Date wise Increase/ Decrease	-	-	-	-
	At the End of the Year			-	-

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
7.	Uday Khanna				
	At the beginning of the Year	20000	0.02		
	Date wise increase/ decrease	--	--	--	--
	At the End of the Year			20000	0.02
8.	A. A. Gowariker				
	At the beginning of the Year	--	--		
	Date wise Increase/ Decrease	--	--	--	--
	At the End of the Year			--	--
9.	Ashank Desai				
	At the beginning of the Year	--	--		
	Date wise Increase/ Decrease	--	--	--	--
	At the End of the Year			--	--
10.	Tanushree Bagrodia				
	At the beginning of the Year	--	--		
	Date wise Increase/ Decrease	--	--	--	--
	At the End 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	19423.48	11507.32	--	30930.80
ii) Interest due but not paid	--	--	--	-
iii) Interest accrued but not due	129.77	7.52	--	137.29
Total (i+ii+iii)	19553.25	11514.84	--	31068.09
Change in Indebtedness during the financial year				
Addition	2870.37	5196.97	--	8067.34
Reduction	2814.28	6131.03	--	8945.31
Net Change	56.09	(934.06)	-	(877.97)
Indebtedness at the end of the financial year				
i) Principal Amount	19438.97	10383.81	--	29822.78
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	170.37	196.97	--	367.34
Total (i+ii+iii)	19609.34	10580.78	--	30190.12

**VII. Remuneration of Directors and Key Managerial Personnel**
**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount (in Rs.)
		Mr. T. S. Sahney (Executive Chairman)	Ms. H. S. Zaveri (Managing Director & President)	Mr. S. C. Rangani (Executive Director & Company Secretary)	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	60,00,000	69,00,000	68,26,194	1,97,26,194
	(b) Value of perquisites u/s 17(2)	48,98,772	1,68,40,608	9,69,541	2,27,08,921
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	--	--	--	--
2	Stock Option	--	--	--	--
3	Sweat Equity	--	--	--	--
4	Commission _ as % of profit _ others, specify...	45,98,000	45,98,000	--	91,96,000
5	Others, please specify Sitting Fees (p.a.)	--	--	--	--
	Total (A)	1,54,96,772	2,83,38,608	77,95,735	5,16,31,115
	Ceiling as per the Act (Sec197)				6,98,78,000

**B. Remuneration to Other Directors**

Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount (Rs in lakhs)
		Mr. Uday Khanna	Ms. A. A. Gowarikar	Mr. D.S. Sahney	Mr. Taswinder Singh	
1	Independent Directors					
	Fee for attending board/committee mtgs	1,30,000	1,50,000	--	80,000	3,60,000
	Commission Others, please specify	1,43,700	1,43,700	--	1,43,700	4,31,100
	Total (1)	2,73,700	2,93,700	--	2,23,700	7,91,100
2	Other Non-Executive Directors					
	Fee for attending board/committee meetings	--	--	30,000	--	30,000
	Commission Others, please specify	--	--	1,43,700	--	1,43,700
	Total (2)	--	--	1,73,700	--	1,73,700
	Total (B)=(1+2)	2,73,700	2,93,700	1,73,700	2,23,700	9,64,800
	Total Managerial Remuneration	--	--	--	--	5,25,95,915
	Overall Ceiling as per the Act					7,59,82,000

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

Sr. No.	Particulars of Remuneration	Name of (KMP)	Total Amount (in Rs.)
		Ms. Tanushree Bagrodia (CFO & VP (IT))	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	37,13,652 61,32,880 10,51,376	37,13,652 61,32,880 10,51,376
2	Stock Option	--	--
3	Sweat Equity	--	--
4	Commission _ as % of profit _ others, specify...	--	--
5	Others, please specify	--	--
	Total (A)	1,08,97,908	1,08,97,908

**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 2015-16

Name of Directors	Remuneration (Rs. In lacs)	Median Remuneration (Rs. In Lacs)	Ratio
Mr. T S Sahney - Executive/Non-Independent Director	154.97	3.76	40.88
Ms. H S Zaveri - Executive/Non-Independent Director	283.37	3.76	74.97
Mr. S C Rangani - Non-Executive/Non-Independent Director	77.96	3.76	20.70
Mr. Tashwinder Singh * -Non Executive/Independent Director	N.A	N.A	N.A
Mr. D S Sahney * - Non-Executive/Non-Independent Director	N.A	N.A	N.A
Mr. Uday Khanna * - Non Executive/Independent Director	N.A	N.A	N.A
Ms. A A Gowariker * - Non Executive/Independent Director	N.A	N.A	N.A
Mr. Ashank D Desai ** - Non Executive/Independent Director	N.A	N.A	N.A
Ms. Tanushree Bagrodia (CFO)	108.98	3.76	28.93

\* No remuneration is paid except Sitting fees/Commission related to profits.

\*\* Appointed as on 30th March, 2016.

- 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 2015-16:

Name of Directors	Percentage increase in remuneration in the Financial year.
Mr. T S Sahney - Executive/Non-Independent Director	-12
Ms. H S Zaveri - Non-Executive/Non-Independent Director	22
Mr. S C Rangani - Non-Executive/Non-Independent Director	9
Mr. Tashwinder Singh - Non Executive/Independent Director	N.A
Mr. D S Sahney - Non-Executive/Non-Independent Director	N.A
Mr. Uday Khanna - Non Executive/Independent Director	N.A
Ms. A A Gowariker - Non Executive/Independent Director	N.A
Mr. Ashank D Desai - Non Executive/Independent Director	N.A
Ms. Tanushree Bagrodia (CFO)	21

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

The median remuneration of employees of the Company increased by 19.7% during the Financial year 2015-16. (from Rs. 3.14 lacs to Rs. 3.76 lacs p.a.)

- d. The Company has 1670 number of permanent employees on the rolls of company as on 31 March, 2016;

- e. The explanation on the relationship between average increase in remuneration and company performance;

Net revenue of the Company for the financial year ended 31 March, 2016 was Rs. 65920 lacs as compared to Rs. 65559 lacs in previous financial year 31 March, 2015. The total employee cost during the financial year 2015-16 was Rs. 11524 lacs. Considering the challenging economic conditions, which affected growth in certain segments of the Auto industry to whom the company supplies its products, the overall performance of the company has been stable.

- f. comparison of the remuneration of the Key Managerial Personnel against the performance of the company:

Aggregate remuneration of KMP in Financial year 2016 (Rs. In lakhs)	625.28
Total Revenue (Rs. In lakhs)	65920
Remuneration of KMP (as % of Total Revenue)	0.95 %
Profit before Tax (Rs. In lakhs)	6382
Remuneration of KMP (as % of profit before tax)	9.80

- g. variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies:

Sr. No.	Description	Amount
1.	<b>Market Capitalisation variation (Rs. In crores)</b>	
	Market Cap at 31st March, 2016 (Rs. In crores)	1206.20
	Market Cap at 31st March, 2015 (Rs. In crores)	1279.38
2.	<b>Price-to-earnings ratio</b>	
	PE as at 31st March, 2016 (Mkt Price/ EPS)	26.25
	PE as at 31st March, 2015 (Mkt Price/ EPS)	24.58
3.	<b>%increase / Decrease from last Public Offer</b>	
	IPO price per share ( public issue made by NRB Bearings Ltd in 1995 @ Rs. 120 per share of FV Rs. 10/-, now sub-divided to Rs. 2/- and bonus issue of 1:1 given in 2010)	12
	Market Price as at 31st March, 2016	124.45

- h. Average percentile increase already made in the salaries of employees other than the managerial personnel and its comparison with the percentile increase in the managerial remuneration and justification thereof:

Average percentile increase in the salaries of employees other than Managerial Personnel is 19.7% while increase in the Managerial Remuneration is 11.97%. Average increase in the remuneration of the employees other than the Managerial Personnel on account of DA payments in line with cost of living indices and that of the Managerial Personnel is in line with the industry practice and is within the normal range.

- i. Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company

Sr. No.	Particulars of Remuneration	KMP			
		Mr. T S Sahney	Ms.H S Zaveri	Mr.S C Rangani	Ms.Tanushree Bagrodia
1	Remuneration in FY 2015-16 (Rs. In lacs)	154.97	283.39	77.96	108.98
2	Total Revenue (Rs. In lacs)	65920			
3	Remuneration (as a % of Revenue )	0.24%	0.43%	0.12%	0.165%
4	Profit before tax (Rs. In lacs)	6382			
5	Remuneration (as a % of profit before tax)	2.43%	4.44%	1.22%	1.71%

- j. Key parameters for any variable component of remuneration availed by the directors:

Remuneration to Non-executive Directors involve sitting fees and commission @ 0.125%, of net profits with a ceiling of Rs. 10 lacs p.a. as determined by the Board of Directors, to be apportioned and payable during 2016-17.

- k. the ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year:

Not Applicable.

- l. The remuneration is as per the remuneration policy of the company.

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

**(Ms) H S Zaveri**  
Vice Chairman & Managing Director

**S C Rangani**  
Executive Director & Co. Secretary

Dated : 24th May, 2016



**CEO/CFO CERTIFICATION**

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

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

**For NRB BEARINGS LTD**

**H S ZAVERI**  
**MANAGING DIRECTOR (CEO)**

**TANUSHREE BAGRODIA**  
**CFO & VP IT**

Mumbai : 24th May, 2016

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

This is to confirm that the Company has adopted a Code of Conduct for all Board Members and Senior Management personnel and the same has been placed on the Company's web site. All Board Members and Senior Management personnel have affirmed compliance with the Code of Conduct in respect of the financial year ended 31st March, 2016.

Mumbai : 24th May, 2016

**H S ZAVERI**  
**MANAGING DIRECTOR & PRESIDENT**

## MANAGEMENT DISCUSSION AND ANALYSIS

### Industry Structure and Development and outlook

The Company is in the ball and roller bearing business for the requirements of the mobility industry which has Original Equipment Manufacturers (OEMs) accounting for 60% -65 % of the demand while the rest is supplied to the Aftermarket (15% -20%) and Exports(20% - 25%). OEMs comprise domestic and global vehicle manufacturers in the following broad segments:

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

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

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

The annual production of the domestic organized sector (as represented under Ball & Roller Bearing Manufacturers Association-BRBMA) has grown by 2% at Rs. 5250 crores for the year 2015-16. Your Company's market share in the domestic organized sector is 12% approximately.

Global growth in 2015 has fallen short of expectations – this is reflected in growth deceleration in emerging and developing economies, lows in commodity prices and subdued global trade which has hurt Indian exports.

Indian economic performance has been impacted by a weak monsoon, slowdown in exports, delayed reform initiatives which has resulted in the investment cycle not gaining strength and a banking system weighed down by poor recovery of loans and low business confidence.

The medium & long term outlook for the automotive industry is positive –

- macro factors turning in India's favour with GDP growth pick up to 6.5%. A slowdown in China adds to India's comparative charm and value proposition
- forex reserves improving with strong FII/FDI flows
- food and fuel inflation down with lower hikes in minimum support prices and crude oil remaining soft
- "Make in India" initiative with its focus on liberalized FDI regime, boost in manufacturing sectors such as defence, aerospace, etc and concrete measures to improve, ease of doing business
- Increased investment and activities in infrastructure coupled with higher logistical requirements from E-commerce sectors, consequent to GST implementation should boost the commercial vehicle requirements
- Trends towards growing urbanization, multi-nodal transportation driving development of infrastructure. Railways, one of the lifelines of the Indian economy, now has a clear roadmap of growth – the government's push for dedicated freight corridors, high speed network for both freight and passenger routes, improved safety is expected to increase the spending.
- Favourable demographics with a large aspirational young and middle class population seeking more efficient vehicles with controlled emissions, high safety and improved driving comfort will encourage industry to focus on quality

There are some challenges in the immediate short term – falling rural incomes impacted by the continuing drought and water crisis situation prevailing in most parts of the country, continuing high interest rate regime prompted by inflation fuelled by a below normal monsoon, volatility in currency adversely impacting input prices- could dampen the hopes of a smooth demand-led recovery.

India's manufacturing sector could touch USD 1 trillion by 2025, contributing 25% of GDP ( from 16% currently) and create upto 90 million domestic jobs. It has the potential to become a highly export competitive country for several goods and services and the Indian bearings industry can be part of this elite group of manufacturers with abilities to consistently deliver quality and reliability at an unbeatable cost position.

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

During 2015-16, the farm equipment (tractors) ,light commercial vehicles and two/three wheelers witnessed de-growth with demand being subdued on account of weak monsoon, floods in parts of India with resultant low farm output impacting rural demand. The passenger car segment, including multi utility vehicles, and medium & heavy vehicles improved over the previous year, with growth in production driven by new model launches and replacement of the aging fleets. Tabled below are growth estimates for 2016-17 projected by the Company, after assessing demand forecasts with all major OEMs:

User Industry	Vehicle Production (Nos)			2016-17 Est % growth
	2014-15	2015-16	% growth	
2-Wheelers				6.5
Motorcycle	13023210	12816012		
Scooter	4721415	5275888		
Mopeds	755345	737886		
Total	18499970	18829786	1.84	
3-Wheelers	949021	933950	-1.59	16.5
Passenger Cars	2416862	2519444	4.02	
MUV/MPV	803310	894415	11.3	8.5
HCV/MCV	268553	341181	27.04	
LCV	428530	441633	2.77	
Tractors	588504	531342	-10	3
Total	23,954,750	24,491,751	2.2	

Source:SIAM for 2015-16 and 2014-15 production data and Company estimates

### Financials

Revenue from operations, net of excise duty has increased by 0.55% to Rs.65920 lacs from Rs. 65559 lacs in 2014-15. Domestic sales increased by 5% to Rs. 52848 lacs from Rs. 50327 lacs while exports decreased by 14% to Rs. 13072 lacs from Rs. 15232 lacs in 2014-15.

The table below sets forth the key expense items as a percentage of net revenues for 2015-16 and 2014-15. Margins have been lower owing to higher input costs and employee payments.

	% of Turnover -Year ended March 31	
	2016	2015
Revenue from operations (net of excise duty) (Rs. in lacs)	65920(100%)	65559(100%)
Expenditure:		
- Material (Including change in stock)	42.78	40.78
- Employee Cost	17.48	15.43
- Manufacturing and Other expenses (Net)	23.44	25.74
Total Expenditure	83.70	81.95
Profit before Depreciation, Interest and Tax	16.30	18.05
Depreciation	4.42	4.32
Finance costs (Net)	2.20	2.42
Profit before Exceptional Items and Tax	9.68	11.31

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

Ratio/ Year Ended	SKF	FAG	NRB
	31.12.2015**	31.12.2015	31.03.2016
Operating Profit (PBDIT) to Net Sales - %	11.53	20.96	16.30
RONW-PAT/Net Worth - %	12.77	15.32	15.26
ROCE –PBT/Cap employed - %	15.69	17.75	16.56
EPS *	39.10	118.84	4.74

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

\*\* Based on un-audited results for 12 months ended 31.12.15

### Economic Value Addition

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

Rs. In Lacs

EVA	2015-16	2014-15
EBIT	7830	9006
Less: Adjusted Tax	2710	3061
NOPAT (Net Operating Profit less tax)	5120	5945
Equity	30135	27170
Debt	31028	31880
Total Invested Capital	66955	60510
Post Tax Cost of Debt %	3.05	3.29
Cost of Equity %	11.70	12.30
Weighted Average Cost of Capital % (WACC)	7.11	7.44
Weighted Average Cost of Capital (WACC)	4349	4393
EVA (NOPAT – WACC)	771	1552

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

Cost of equity is based on cost of risk free return equivalent to yield on long term government bonds @ 7.2% p.a. plus equity premium adjusted for Company's beta variant. The equity premium is assumed @ 9% while the beta is considered at 0.5.

The Company's EVA, which is a real measure of shareholders' value creation, has declined during the year. Though lower yields on long term government bonds reduced the weighted average cost of debt, capital employed in the business has gone up but with operating profits having reduced, the EVA has been lower.

### Segment wise Performance

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

Geographical segment information is also given in Note. 32.

### Opportunities and Threats

#### Opportunities

- Building on the AMP I (2006-16) which has India emerging as an international hub for designing and manufacturing of automobiles and auto components with output reaching Rs 464,000 crores (vs target of Rs 549,000 crores), accounting for 7% of India's GDP (target 10% of GDP) and providing employment to 19 million (target 25 mill), the Automotive Mission Plan (AMP)II for the period 2016-26 has laid down an ambitious road map for the industry's growth. It will help to focus on the Industry's strengths and improve its competitiveness. By 2026, India could stand first in the world in production/sale of small cars/2W/3W, tractors and buses, 3rd in passenger vehicles and heavy trucks, all adding to 12% contribution to National GDP, and industry outputs touching Rs 16,16,000 crores (at 2015 prices and average GDP growth of 5.8% p.a) and generate additional 65 million jobs. India will be among the top 5 of the world in engineering, manufacturing and exports of vehicles and auto components.

- Exports are likely to increase 5x (vehicles) and 7.5x (components). This needs comprehensive development of dedicated facilities for the Auto sector in several ports on both western and eastern coasts with last mile connectivity to ports to be significantly improved.
- Road infrastructure development has been lagging. Under the 12th Five Year Plan, the Government has reaffirmed its commitment to develop dedicated freight corridors which will give impetus to people movement and to movement of goods by reducing per tonne-km transportation costs. With the consequential linkage to our industry, it should be a big demand booster.
- India's arable land is next only to the US' and with productivity levels getting a shot in the arm with technology, micro-irrigation, superior raw materials, cheaper and readily available financing, a boost for farm equipment requirements is imminent
- Most of the worlds large vehicle manufacturers have set up base in India and are expanding capacities with a thrust on localisation to improve competitiveness.

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

### **Threats**

- Spurious/ counterfeit product supplies of inferior quality and which are unsafe and unreliable in use, pose a risk to people, to industry and to the economy by way of unexpected downtime, safety hazards and financial losses. These probably account for a fourth of the bearings sold in the replacement market and the problem continues owing to the slow legal process, in spite of industry-wide efforts to thwart the unscrupulous suppliers. In addition to educating users and increasing awareness about the need to use safe sources like the authorized distribution channel, the Company is also working actively to deter the culprits and mitigate its risk by partnering with competent agencies and BRBMA.
- Conventional power transmissions are expected to hold sway over the next decade also while hybrid and electric vehicles are expected to increase share significantly from current levels. India will have to gear itself to changes including electric and hybrid cars, climate change, green consciousness and carbon emissions.
- Regulatory demands on emission levels and improved safety norms is driving Indian industry to shift their focus on reducing vehicle weight and opt for lower friction technologies. Customers are demanding higher fuel efficiency, improved manoeuvrability, lighter weight, intelligent vehicle control and of course low noise and improved reliability from their vehicles - hence there is need to evaluate alternative propulsion options like the hybrid and plug-in electric cars. Company will need regular investments in R & D, new technology and even new production facilities to meet these requirements. Indian industry will need to capitalize on its competitive advantages of an economical and large skilled workforce for establishing R & D capabilities to leap frog into the future by getting into such hi-tech businesses.
- Following the slowing demand in the developed markets of the US and Europe, cheap imports from China and other South-East Asian countries, have put pressure on Indian suppliers to price their products lower and are proving to be a big threat for the domestic bearings industry, as many customers are opting for cheaper imported options. Supply chain readiness and a stronger focus on reducing costs, minimising waste and increasing efficiency of operations are the main challenges to counter the same.

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

### **Risks and concerns**

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

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

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

The following broad categories of risks have been considered :

- **Strategy** : Choices and decisions we make to enhance long term competitive advantage of the Company and value to the stakeholders eg. the Company's shift from bearing related products to becoming a friction solutions provider.
- **Industry** : Relates to the inherent characteristics of our industry including competitive structure, nature of market and regulatory environment. Eg. adding to existing segments, the emerging segments of defence, aerospace and railways and improving its presence in the ASEAN region, thus spreading the risk in terms of geographies.
- **Counterparty** : Risks arising from our association with entities for conducting business. These include customers, vendors and their respective industries.
- **Resources** : Risks arising from sub-optimal utilization of key organization resources such as capital and infrastructure. Eg. risks further broken up into equipment risk and people risk. With insurance covers in place for the equipment, the management of people risks by way of a cordial relationship with the employees and keeping motivation in the plants at a high level.
- **Operations** : Risks inherent to our business operations includes service & delivery to customers, business support activities like NPD, TPM, Quality management, IT, Legal, Taxation eg. plants having detailed plant maintenance and tool manufacturing programs, dedicated teams for managing risks relating to information security (data leakage) and technology disruption risks and constantly researching how new technologies are changing the applications and products.
- **Regulations and compliance** : Risks due to inadequate compliance to regulations and contractual obligations violations leading to litigation and loss of reputation.

The business environment remained sluggish during the year, with economic performance impacted by weak monsoon, slowdown in exports and delayed reform initiatives owing to the prevailing political situation. It is expected economic growth will revive helped by lower global fuel and commodity prices, well managed fiscal deficits, forecast of a more bountiful monsoon and Government initiatives to increase the spend on rural infrastructure and the "Make in India" drive to boost manufacturing. The automotive industry, the largest consumer of bearings, has strong linkages with the economy and should benefit from the same.

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

### **Internal Control Systems and Adequacy**

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

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

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

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

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

### **Human Resource and Industrial Relations**

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

Settlement was signed with the union at Hyderabad plant in conciliation with joint Commissioner of Labour on 27.4.16. The wage increase has been linked with productivity improvements (18.5%), with a penalty for non achievement of quality and productivity as agreed. The new agreement is effective for three years w.e.f. 01.04.16 and the total financial impact for FY 2016-17 is estimated at Rs. 1.2 crores.

At Chikalthana, workers have demanded a high increase and discussions are ongoing for an early settlement, again linked with productivity improvements.

The primary focus of IR during the current year will continue to be on the engaging, motivating and improving the productivity of blue collar employees.

To achieve our stated objective to cross sales revenues of Rs. 1000 crores by end 2017, we at NRB continue with our people approach to harness employee potential and encourage team work. We have multi phased training programs imparting understanding of bearing and engineering principles, diverse bearing applications, modern manufacturing practices, lean management and quality management and in behavioural aspects and providing an understanding of the Company's customers and markets. Besides developing knowhow, they also serve as a platform to interact with peers from diverse backgrounds and spread the values of togetherness, positive thinking and mutual respect.

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

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

Permanent employees directly employed by the Company currently total 1670 nos.

#### **Cautionary Statement**

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

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

## CORPORATE GOVERNANCE

Transparency and accountability are the two basic tenets of Corporate governance. Responsible corporate conduct is integral to the way to do business – at all levels within the Company, actions are governed by our values and principles. Your Company is committed to doing things the right way which means taking business decisions and acting in a way that is ethical and is in compliance with the applicable legal requirements. To succeed requires the highest standards of corporate behavior towards everyone you work with, the communities we touch and the environment on which we have an impact. This is the road to sustainable, profitable growth and creating long term value for the shareholders, the employees and the business partners.

### 1. Board of Directors

(i) Composition:

The Board's strength is eight members, with an Executive Chairman, two executive Directors and five non-executive Directors. All Directors including Non-executive Directors are professionally competent. The Board of Directors has been constituted with the appropriate combination of independent, non-independent Directors as per Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

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

Name of Director	DIN	Category	No. of Directorships (Chairmanship) of other Indian companies as on 31.03.2016	No. of Membership In mandatory Committees (Chairmanship) of other companies (other than NRB) as on 31.03.2016
Mr. T S Sahney	00003873	E & NID	1(1)	-
Ms. H S Zaveri	00003948	E & NID	3(1)	2
Mr. D S Sahney	00003956	NE & NID	1	1
Mr. S C Rangani	00209069	E & NID	1	1
Mr. Tashwinder Singh	06572282	NE & ID	-	
Mr. Uday Khanna	00079129	NE & ID	4(1)	-
Ms. A A Gowariker	03634905	NE & ID	-	-
Mr. Ashank D Desai *	00017767	NE & ID	1	2

E & NID – Executive & Non Independent Directors

NE & ID – Non Executive & Independent Directors

NE & NID – Non Executive and Non Independent Directors

\* Mr. Ashank D Desai has been appointed as Additional Director with effect from 30th March, 2016 vide circular resolution of the same date.

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

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

(ii) Attendance of Directors :

The overall attendance of Directors was 83.78%. The attendance of whole-time Directors was 100%.



At the Board Meetings held during 2015-16 and the last Annual General Meeting

	Directors	Meetings held during the tenure of the Directors	Meetings Attended	Attendance at the last AGM (24th July, 2015)	Share-holding
1	Mr. T S Sahney	5	5	Yes	2847242
2	Ms. H S Zaveri	5	5	Yes	5165019
3	Mr. D S Sahney	5	3	Yes	1663981
4	Mr. S C Rangani	5	5	Yes	6000
5	Mr. Tashwinder Singh	5	5	Yes	-
6	Mr. Uday Khanna	5	4	Yes	20000
7	Ms. A A Gowariker	5	4	Yes	-
8	Mr. S. B. (Ravi) Pandit*	2	-	N.A.	-

Overall attendance in the Board Meetings: 83.78%

AGM : 87.5%

\* Mr. S. B. (Ravi) Pandit did not seek re-election due to his work commitments in July, 2015.

(iii) Board Meetings:

The Board of the Company, as also the various specialized committees constituted by the Board, held as many as 21 meetings including 5 meetings of the Board during 2015-16.

The maximum interval between any two meetings of the Board was less than four months. The Board held its meetings on 18th May, 2015, 23rd July, 2015, 14th November, 2015, 5th February, 2016 and 10th March, 2016.

(iv) Other Directorships

Srl. No	Name of Directors	Details of other Directorships	Details of Committee Memberships (Audit and Stakeholder)
1	Mr. T S Sahney	NRB Industrial Bearings Ltd	-
2	Ms. H S Zaveri	SNL Bearings Ltd	Audit Committee-Member Stakeholder Relationship Committee-Member
		NRB Industrial Bearings Ltd	---
		Karam Chand Thapar & Bros (Coal Sales) Ltd	---
3.	Mr. S C Rangani	SNL Bearings Ltd	Stakeholder Relationship Committee-Member
4.	Mr. Uday Khanna	Bata India Ltd	-
		Castrol India Ltd	-
		Pfizer Ltd	-
		Pidilite Industries Ltd	-
5.	Mr. Tashwinder Singh	-	-
6.	Ms. A A Gowariker	-	-
7.	Mr. D S Sahney	NRB Industrial Bearings Ltd	Audit Committee-Member
8.	Mr. Ashank D Desai	Mastek Ltd	Audit Committee-Member Stakeholder Relationship Committee-Member

(v) Memberships of Board Committees

None of the Directors holds membership of more than 10 Committees of Boards nor is any Director a Chairman of more than 5 Committees of Boards as per clause 49 of the Listing Agreement or Regulation 26 (1) of SEBI (Listing Obligations & Disclosure Requirements), Regulation 2015 across all the Public Companies, in which he/she is a Director. The necessary disclosure regarding the committee position & other Directorship has been made by all the Directors.

No Director is related to any other Director on the Board in terms of the definition of 'relative' given under the Companies Act, 2013 other than Ms. H S Zaveri and Mr. D S Sahney who are the daughter and son respectively of Mr. T S Sahney.

(vi) Details of Directors being appointed/reappointed

Mr. D S Sahney (DIN 00003956) retires by rotation and is eligible to offer himself for re-appointment.

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

Period of Contract of Executive Chairman	For a period of 3 years w.e.f. 1.10.2013 to 30.9.2016 The contract may be terminated by either party giving the other party six calendar months notice. Included in AGM notice for re-appointment for a further term w.e.f. 01.10.2016
Period of Contract of Managing Director & President	For a period of 5 years w.e.f. 1.10.2015 to 30.9.2020 The contract may be terminated by either party giving the other party three calendar months notice.
Period of Contract of Executive Director & Company Secretary	For a period of 18 months w.e.f. 25.07.2015 to 24.01.2017 The contract may be terminated by either party giving the other party three calendar months notice.

No severance fees are payable to the above.

(vii) Directors Shareholding in the Company

No Non-Executive / Independent Director holds shares in the company other than Mr. Uday Khanna whose shareholding was 20000 shares as on 31.3.2016.

(viii) Code of conduct/Prevention of insider trading

The Board of Directors has laid down a Code of Conduct for Business and Ethics (the Code) for all the Board members and all the employees in the management grade of the Company. The Code covers amongst other things the Company's commitment to honest & ethical personal conduct, fair competition, corporate social responsibility, sustainable environment, health & safety, transparency and compliance of laws & regulations etc.

The Code of Conduct is posted on the website of the Company [www.nrbbearings.com](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 Director is attached and forms part of the Annual Report of the Company.

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

(ix) Familiarisation Programme for Independent 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 to familiarize them with all facets of Roller Bearing manufacturing and interactive session with the functional Head of the Company on manufacturing, marketing, finance and other important aspects. The details of familiarization program can be accessed from the website: [www.nrbbearings.com](http://www.nrbbearings.com).

(x) Board evaluation

During the year, for Board and its Committees, the exercise was carried out through a structured evaluation process covering various aspects of the Boards functioning such as composition of the Board & committees, experience & competencies, performance of specific duties & obligations, governance issues etc.

The Directors were satisfied with the evaluation results, which reflected the overall engagement and effectiveness of the Board and its Committees.

The independent directors have also met separately in March 2016.

## 2. Audit Committee

In compliance of clause 49 of the listing agreement and Regulation 18 SEBI (Listing Obligations & Disclosure Requirements), Regulation 2015, the Committee currently comprises of two Non-executive Independent Directors and the Managing Director & President. It is headed by Mr. Uday Khanna as Chairman. The Members of the Committee have fair knowledge of project finance, accounts and Company law. The committee held 6 meetings during the year, which were attended by its members. 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 Committee is empowered to seek any information it requires from any employee or to obtain legal or other independent professional advice when considered necessary.

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

- a. Reviewing with management the quarterly/annual financial statements before submission to the Board, focusing primarily on (i) matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of section 134(3) of the Companies Act, 2013, (ii) any changes in accounting policies and practices, (iii) major accounting entries based on exercise of judgement by management, (iv) qualifications in draft audit report, (v) significant adjustments arising out of audit, (vi) compliance with Stock Exchanges and legal requirements concerning financial statements and (vii) any related party transactions i.e. transactions of the Company of material nature with promoters or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large.
- b. 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.
- c. Scrutiny of inter-corporate loans and investments.
- d. Valuation of undertakings or assets of the Company, wherever it is necessary.
- e. Evaluation of internal financial controls and risk management systems.
- f. Review the functioning of the whistle blower mechanism.
- g. Approval of appointment of CFO (ie. The whole time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background of the candidate.

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

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

### Attendance of Members at the Meetings of the Audit Committee held during 2015 -16

Members	Meetings held during the tenure of the Director	Meetings attended
Mr. Uday Khanna (Chairman)	6	5
Ms. H S Zaveri	6	6
Ms. A A Gowariker	6	5

Overall attendance: 88.89%

The Chairman of the Audit Committee was present at the last AGM of the company.

## 3. Nomination & Remuneration Committee (NRC)

The Board had constituted the Committee with three non-executive and independent directors viz. Mr. Tashwinder Singh (Chairman) Mr. Uday Khanna and Mr. Ashank D Desai as members. Mr. Ravi Pandit retired during the year.

The Committee shall:

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 and shall carry out evaluation of the performance of the Board.
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 directors 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.

During the year the Committee held three meetings on 18th May, 2015, 23rd July, 2015 and 10th March, 2016.

#### Remuneration policy/Remuneration of Directors

The Board has decided directors shall be remunerated by way of sitting fees of Rs. 10,000 per meeting being paid for the board meetings and all committee meetings. In addition the non executive Directors are entitled to commission @ 0.125%, with a ceiling of Rs. 10 lacs p.a. as determined by the Board of Directors, which will be apportioned and payable during 2016-17.

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

(Amount in Rs)

Name of Director/KMP	Sitting fees	Commission on profits *	Salary and Perquisites	Total
Mr. T S Sahney	-	45,98,000	1,08,98,772	1,54,96,772
Ms. H S Zaveri	-	45,98,000	2,37,40,608	2,83,38,608
Mr. Tashwinder Singh	80,000	1,43,700		2,23,700
Mr. D S Sahney	30,000	1,43,700		1,73,700
Mr. Uday Khanna	1,30,000	1,43,700		2,73,700
Ms. A A Gowariker	1,50,000	1,43,700		2,93,700
Mr. S C Rangani	-	-	77,95,735	77,95,735
Ms. Tanushree Bagrodia (CFO)	-	-	1,08,97,908	1,08,97,908
Mr. Ravi Pandit	-	-	-	-
Mr. Ashank Desai	-	-	-	-

\* Commission to Non-Executive Directors @ 0.125%, of net profits with a ceiling of Rs. 10 lacs p.a. as determined by the Board of Directors at Rs. 5,74,800 based on net profits for the FY 15-16.

#### 4. Stakeholders Relationship Committee

The Committee comprises of four Directors viz. Ms. Aslesha A Gowariker (Chairman), Mr. T S Sahney, Ms. H S Zaveri and Mr. Ashank D Desai. The broad terms of reference of this Committee include review of the grievances of security holders of the company and of the work done by the share transfer agent. During the year there were more than 1000 shareholders, debenture holders and other security holders.

The Company holds Committee meetings on a periodical basis, as may be required to approve the transfers/transmissions/issue of duplicate shares. During the year six meetings were held.

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

**Attendance of the Members at the Meetings of the Stakeholders Relationship Committee of Directors held during 2015-16**

Members	Meetings held during the tenure of the Director	Meetings attended
Mr. T S Sahney	6	6
Ms. H S Zaveri	6	6
Ms. A A Gowariker (Chairman)	6	6
Mr. Ashank Desai	-	-

Overall attendance 100%

**Investor queries**

Nature of queries/complaints	2015-16 Nos.
Transfers (including stop transfer), Transmissions	2
Duplicate share certificates	2
Signature verification	-
Non receipt of share certificates	-
Deletion of name	2
Power of Attorney	-
Reissue of dividend warrants	44
Non-receipt of dividend warrants	2
Change in bank details	2
Change of address	2
Change of address undelivered	-
Non receipt of AGM reports	8
<b>Total</b>	<b>64</b>

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

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

There are no shareholder complaints or transfers pending resolution

**5. CSR Committee**

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

The Committee is responsible for :

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

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

- a) Promotion of education, both at school and post graduate levels
- b) Promoting gender equality and empowering women
- c) Ensuring environmental sustainability

During the year one meeting was held on 19th October, 2015 and was attended by all the members.

The average of the last 3 years profits works out to Rs. 6132 lacs and @ 2% the amount to be spent by the Company on CSR activities works out to Rs. 122.60 lacs during FY 2015-16. The Company has actually spent Rs. 105 lacs during FY 2015-16 on the identified activities.

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

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

Committee comprising MD, CFO (both women) and VP-HR is set up to receive, investigate and redress any complaints.

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

#### **7. General Body Meetings**

During the year there was no Extra Ordinary General Meeting.

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

50th Annual General Meeting on 24th July, 2015 at 11.00 a.m. at M.C.Ghia Hall, K Dubash Marg, Mumbai 400 001

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

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

At the last AGM special resolution was passed in respect of Re-appointment of Managing Director & President for a further period of 5 years.

During the year under review one special resolution was passed through postal ballot for issue of unsecured Non Convertible Bonds/Debentures not exceeding Rs. 50 crores on private placement basis.

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

#### **8. Means of Communication**

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

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

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

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

#### **9. General Shareholder Information**

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

#### **10. Disclosures**

Company has formulated a Policy on Related Party Transaction and the same can be accessed at the Company's website [www.nrbbearings.com](http://www.nrbbearings.com) under 'Investors' tab. Transactions with related parties entered in the ordinary course of business have been disclosed in Note 33 of the Standalone Financial Statements of the Company.

Neither the Company nor any of its subsidiaries has entered into any transaction of material nature that may have a potential conflict with interests of the Company or of its subsidiaries, with any of the Directors or their relatives during the year 2015-16. Neither has any non-compliance with any of the legal provisions of law been made by the Company nor any penalty or stricture imposed by the Stock Exchanges or SEBI or any other statutory authority, on any matter related to the capital markets, during the last 3 years.

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

**11. Process of Board performance evaluation**

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

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

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

**12. Auditor's Certificate on Corporate Governance**

The Auditor's Certificate on Compliance of Clause 49 of the Listing Agreement and the relevant regulations of SEBI (Listing Obligations and Disclosures Requirement), Regulation 2015, relating to Corporate Governance is made part of the Annual Report.

**13. Non mandatory recommendations**

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

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

- b. Half yearly results to shareholders

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

- c. Audit Qualifications

Not Applicable

- d. Separate posts of Chairman and CEO

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

- e. Reporting of the internal auditor

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

## INDEPENDENT AUDITOR'S CERTIFICATE

TO THE MEMBERS OF  
NRB BEARINGS LIMITED

1. We have examined the compliance of conditions of Corporate Governance by NRB BEARINGS LIMITED ("the Company"), for the year ended on March 31, 2016, as stipulated in:
  - Clause 49 (excluding clause 49(VII)(E)) of the Listing Agreements of the Company with stock exchanges for the period from April 01, 2015 to November 30, 2015.
  - Clause 49(VII)(E) of the Listing Agreements of the Company with the stock exchanges for the period from April 01, 2015 to September 01, 2015.
  - Regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) for the period from September 02, 2015 to March 31, 2016 and
  - Regulations 17 to 27 (excluding regulation 23(4)) and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations for the period from December 01, 2015 to March 31, 2016.
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India.
4. In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreements and regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations for the respective periods of applicability as specified under paragraph 1 above, during the year ended March 31, 2016 except that:

During the period from July 24, 2015 to March 29, 2016 the strength of independent directors of the Company was less than half of the strength of the Board of Directors of the Company, as is required by Clause 49(IIA)(2) of Listing agreements and Regulation 17(1)(b) of the Listing Regulations. Noting that the strength of the independent director had fallen below the requisite strength during the period as stated above, the Company remediated the non-compliance on March 30, 2016 and also kept the stock exchange informed about the same.
5. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

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

**Saira Nainar**  
Partner  
(Membership No. 040081)  
MUMBAI, 24th May, 2016



## SHAREHOLDERS' INFORMATION

### 1. Annual General Meeting

Date and Time : 23rd August, 2016 at 11.00 a.m  
Venue : M C Ghia Hall, K Dubash Marg, Near Kalaghoda,  
Fort, Mumbai 400 001

### 2. Financial Calendar

Financial reporting for the quarter ending  
June 30, 2016 : August, 2016  
Financial reporting for the quarter ending  
September 30, 2016 : November, 2016  
Financial reporting for the quarter ending  
December 31, 2016 : January, 2017  
Financial reporting for the year ending  
March 31, 2017 : May, 2017  
Annual General Meeting for the year ending  
March 31, 2017 : August, 2017

### 3. Book Closure Date

: 17th August, 2016 – 23rd August, 2016

#### Interim dividend record date

: 22nd March, 2016

### 4. Dividend Payment Date

: 30th March, 2016

### 5. Registered Office, plants & website

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

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

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

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

A-5, Uppal Industrial Estate  
Hyderabad 500 039

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

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

## 6. Unclaimed Dividends

Pursuant to Section 125 of the Companies Act, 2013, unclaimed dividends remaining unclaimed for seven years from the date of declaration are required to be transferred by the Company to the Investor Education & Protection Fund established by the Central Government, and the various dates for transfer of such amounts are as under.

Financial Year	Date of Declaration at AGM/ BM	Date of the warrant	Due for transfer (30 days after expiry of 7 years)
2008-09	12th August, 2009	20th August, 2009	17th October, 2016
2009-10	4th August, 2010	16th August, 2010	10th October, 2017
2010-11	27th July, 2011	10th August, 2011	1st October, 2018
2011-12	3rd August, 2012	16th August, 2012	7th October, 2019
2012-13	23rd July, 2014	2nd August, 2013	27th September, 2020
2013-14	11th August, 2014	19th August, 2014	15th October, 2021
2014-15	24th July, 2015	30th July, 2015	29th July, 2022
2015-16-Interim Dividend	10th March, 2016	30th March, 2016	29th April, 2023

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

## 7. Unclaimed Dividend Amounts

The following dividend amounts continue to remain unclaimed as at 31st March, 2016.

	Deal Nos.	No.of warrants issued	No.of warrants unclaimed	%	Amount of dividend Rs.in lacs	Unclaimed dividend amount Rs.	%
2008-09	704479	6071	341	5.62	775.38	170750.40	0.22
2009-10	704611	7393	274	4.00	969.23	163866.00	0.17
2010-11	704707	9980	282	2.83	1938.45	309294.00	0.16
2011-12	704788	10470	357	3.41	1938.45	329518.00	0.17
2012-13	704859	10660	255	2.39	1647.68	163783.10	0.10
2013-14	075114	10141	408	4.02	1340.71	255927.10	0.19
2014-15	075120	11137	444	3.99	1409.38	368014.50	0.26
2015-16 interim dividend	075122	9759	--	--	1356.92	--	--
Total		75611	2361	3.12	11376.20	1761153.10	0.15

2007-08 deal no.704348 final dividend has been transferred to investor protection fund on 24.9.2015

## 8. Bank Details

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

## 9. Bank details for Demat Shareholding

While opening accounts with depository participants (DPs), shareholders are required to give their details of their bank accounts which will be used by the Company for printing on dividend warrants for remittance of dividend. However members who wish to receive dividend in an account other than the one specified while opening the depository account may notify their DP about any change in bank account details

## 10. Nomination facility

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

**11. Distribution of Shareholding as on 31st March :**

No. of Equity Shares	2016				2015			
	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	7567	77.962	1094785	1.130	7789	75.403	1123787	1.159
501- 1000	1314	13.538	1166522	1.204	1389	13.446	1239569	1.279
1001- 2000	422	4.348	702988	0.725	544	5.266	893208	0.922
2001- 3000	124	1.278	324366	0.335	191	1.849	497909	0.514
3001- 4000	62	0.639	229154	0.236	102	0.987	369712	0.381
4001- 5000	44	0.453	216241	0.223	62	0.600	297644	0.307
5001- 10000	72	0.742	560595	0.578	129	1.249	972096	1.003
10001 & above	101	1.041	92627949	95.569	124	1.200	91528675	94.435
TOTAL	9706	100	96922600	100	10330	100	96922600	100

As on 31st March, 2016 96405340 shares constituting 99.47% of the share capital has been dematerialized.

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

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

**12. Categories of shareholdings as on 31st March :**

Category	2016				2015			
	No. of share holders	% of share holders	No. of shares held	% share holding	No. of share holders	% of share holders	No. of shares held	% share holding
Individuals / clearing members	9259	95.39	22563037	23.28	9890	95.74	25793454	26.61
Corporate Bodies	156	1.61	4715993	4.87	197	1.91	4852004	5.01
Trust	1	0.01	36486909	37.65	1	0.01	37755640	38.95
Foreign Collaborator	-	-	-	-	-	-	-	-
NRI / OCBs	254	2.62	231448	0.24	212	2.05	323647	0.33
FI / FII / Banks / Foreign national / Trusts / Foreign Portfolio Investor	20	0.21	18528799	19.11	21	0.20	14444544	14.90
Mutual Funds/UTI	16	0.16	14396414	14.85	9	0.09	13753311	14.19
TOTAL	9706	100.00	96922600	100.00	10330	100.00	96922600	100.00

Promoter holdings constituting 53407891 shares (55.10%) of the equity capital are included in the above.

**13. Share Transfer System**

The Stakeholders Relationship Committee comprising of four Directors is authorized to consider and resolve the grievances of security holders of the Company. The committee meets quarterly and on need basis to approve physical transfer of shares.

Share transfers in physical form are presently registered and returned within a period of 15 days from the date of receipt in case documents are complete in all respects.

#### 14. Equity History

Details of equity shares issued since inception.

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

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

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

#### 15. Listing on Stock Exchange at

: Equity shares  
 BSE Ltd  
 P.J.Towers, Dalal Street  
 Mumbai 400 023

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

Note : Listing fees for the year 2016-17 have been paid to the Stock Exchange- Mumbai and National Stock Exchange.

#### 16. Stock Codes

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

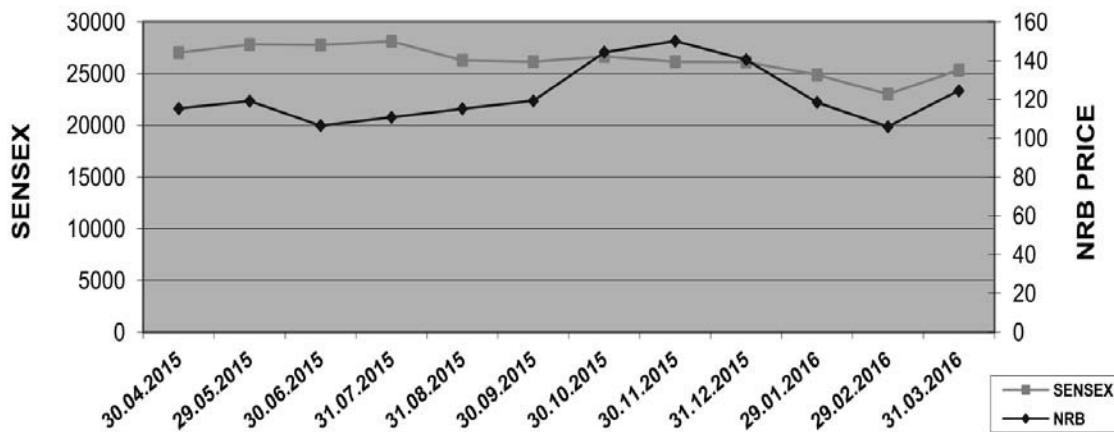
**17. Stock Market Data**

BSE Ltd, Mumbai and National Stock Exchange, Mumbai

Monthly high and low quotations and volume of shares traded

2015-16 Month	Bombay Stock Exchange			National Stock Exchange		
	High (Rs)	Low (Rs)	Volume	High (Rs)	Low (Rs)	Volume
April'15	134.00	103.40	294432	133.00	101.65	874679
May'15	138.10	107.00	421738	138.35	107.00	2044469
June'15	120.50	95.80	112393	119.80	96.00	502188
July'15	132.50	99.00	358317	132.80	98.20	1717965
August'15	119.90	107.00	753253	119.00	105.00	2439131
September'15	122.80	104.10	193684	123.90	109.30	408819
October'15	154.00	116.10	281698	153.90	117.50	1478738
November'15	161.50	131.00	841486	161.95	134.90	2090413
December'15	160.50	133.10	126883	160.90	131.00	588368
January'16	147.00	116.50	280010	148.40	117.00	935518
February'16	120.00	103.60	525527	120.95	105.00	995429
March'16	127.30	107.60	39237	126.80	107.50	388750
Total			4228658			14464467

**18. Performance (Indexed):**



	30.04.2015	29.05.2015	30.06.2015	31.07.2015	31.08.2015	30.09.2015	30.10.2015	30.11.2015	31.12.2015	29.01.2016	29.02.2016	31.03.2016
NRB	115.30	119.15	106.50	110.75	115.20	119.25	144.35	150.10	140.50	118.50	105.85	124.45
SENSEX	27011	27828	27781	28115	26283	26155	26657	26146	26118	24871	23002	25342

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

**20. Investor correspondence**

**The Company Secretary,** Tel:022-22664160/4998  
**NRB Bearings Limited** Fax:022-22660412  
**Dhannur, 15 Sir P.M.Road** E-mail:sc.rangani@nrbbearings.co.in  
**Fort, Mumbai 400 001**

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

**investorcare@nrbbearings.co.in**

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

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

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

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

**23. Financial ratios**

	2015-16	2014-15	2013-14	2012-13**
Net earnings (Rs. lacs)	4598.30	5,206.46	3,818.11	4,703.57
Cash earnings (Rs. lacs)	7512.07	8,037.42	7,144.80	7,700.75
EPS (Rs.)	4.74	5.37	3.94	4.85
CEPS (Rs.)	7.75	8.29	7.37	7.95
Dividend per share (Rs.)	1.40	1.50	1.10	1.70
Dividend payout (%)	35.51	32.71	32.40	40.77
Book value per share (Rs.)	31.09	28.03	24.42	21.76
Price to earnings *	26.25	24.58	13.13	6.40
Price to cash earnings *	16.56	16.42	7.02	3.91
Price to book value *	4.00	4.71	2.12	1.43

\* Stock price as on 31st March, 2016 – Rs. 124.45 (closing price)

\*\* EPS/CEPS/dividend per share/book value are on the enhanced capital after bonus 1:1.

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

### **Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of **NRB BEARINGS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### **Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, as applicable.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

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

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order under Section 143(11) of the Act.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its profit and its cash flows for the year ended on that date.

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

1. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, as applicable.
- e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 28 to the financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("CARO 2016 Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the CARO 2016 Order

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

**Saira Nainar**  
(Partner)  
(Membership No. 040081)

Mumbai, 24th May, 2016



## **ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT**

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

### **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **NRB BEARINGS LIMITED** ("the Company") as of 31st March, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

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

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls Over Financial Reporting**

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

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**Saira Nainar**  
(Partner)  
(Membership No. 040081)

Mumbai, 24th May, 2016

**ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) In respect of its fixed assets:
- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The Company has a programme of verification of fixed assets to cover all the items once in every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, all fixed assets were physically verified by the Management during the year ended 31st March, 2015. According to the information and explanations given to us no material discrepancies were noticed on such verification.
  - (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date, except for the title deeds of a freehold land in Hyderabad having a gross and net block of Rs. 55.17 lacs which is in the name of an entity that was acquired by the Company under Board for Financial and Industrial Reconstruction (BIFR) order.

In respect of immovable properties of land that have been taken on lease and building constructed thereon, and disclosed as fixed asset in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement as at the balance sheet date, except the following:

(Rs in Lacs)

Particulars of the leasehold land	Gross Block (as at 31st March, 2016)	Net Block (as at 31st March, 2016)	Remarks
Leasehold land located at Pantnagar sub-leased to the Company.	156.46	140.81	The lease deeds are in the name of the original lessor. Draft sub lease deed finalized between the original lessor and the Company is yet to be registered.
Leasehold land located Waluj, Aurangabad.	6.23	4.71	The lease deeds are 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(s) of judicature.

- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals except for the inventories which are lying at third party location for which confirmation has been obtained by the Management and no material discrepancies were noticed on physical verification.
- (iii) According to the information and explanations given to us, in respect of loans granted, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act, the Company has granted loans to two parties aggregating Rs. 3,289.71 lacs, in respect of which:
- (a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.
- (b) The schedule of repayment of principal and payment of interest has been stipulated. However, the repayments or receipts of principal amounts and interest have not been made as per stipulations. Out of the principal amounts aggregating Rs. 1,649.70 lacs due during the year, the Company has received only Rs. 1,036.40 lacs after the due dates of stipulations and out of the interest aggregating Rs. 241.62 lacs during the year, the Company has received only Rs. 77.08 lacs after the due dates of stipulations. As at the year-end overdue principal and interest aggregated Rs. 611.82 lacs and Rs 164.54 lacs respectively.
- (c) The principal and interest of Rs. 250 lacs and Rs. 115.65 lacs respectively aggregating Rs. 365.50 in respect of the aforesaid loans has been overdue for more than 90 days. As explained to us, the Management has taken reasonable steps for recovery of the said principal amounts and interest; the Company has received a post-dated cheque for the principal amount of Rs. 250 lacs.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year in terms of the provisions of Sections 73 and 76 or any other relevant provisions of the Act.
- (vi) The maintenance of cost records has been specified by the Central Government under Section 148(1) of the Act. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government under sub-section (1) of Section 148 of the Act, and are of the opinion that, *prima facie*, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
- (a) The Company has been generally regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at 31st March, 2016 for a period of more than six months from the date they became payable.

- (c) Details of dues of Income tax, Sales Tax, Value Added Tax and Cess which have not been deposited as on 31st March, 2016 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Unpaid (Rs. in lacs)
The Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	A.Y. 2011-2012 A.Y. 2012-2013 A.Y. 2013-2014	627.24
The Income Tax Act, 1961	Income Tax	Income Tax Appellate Tribunal	A.Y. 2010-2011	37.68
The Bombay Sales Tax Act, 1959	Value Added Tax	Deputy Commissioner (Appeals)	A.Y. 1997-1998	1.20
The Central Sales Tax Act, 1956	Sales Tax	Deputy Commissioner (Appeals)	A.Y. 1997-1998 A.Y. 2008-2009 A.Y. 2009-2010 A.Y. 2010-2011 A.Y. 2011-2012 A.Y. 2012-2013	35.11
The Central Sales Tax Act, 1956	Sales Tax	Additional Deputy Commissioner (Appeals)	A.Y. 2012-2013	187.28

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and Government and dues to debenture holders.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). Money raised by way of term loans have been applied by the Company during the year for the purpose for which it was raised.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Sections 177 and 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its subsidiary Companies or persons connected with him and hence provisions of Section 192 of the Act are not applicable.
- (xvi) The Company is not required to be registered under Section 45-I of the Reserve Bank of India Act, 1934.

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

**Saira Nainar**  
(Partner)  
(Membership No. 040081)

Mumbai, 24th May, 2016

**BALANCE SHEET AS AT 31ST MARCH, 2016**

	Note No.	Rs.lacs	As at 31.03.2016 Rs.lacs	As at 31.03.2015 Rs.lacs
<b>I. EQUITY AND LIABILITIES</b>				
<b>(1) Shareholders' Funds</b>				
(a) Share Capital	3	1938.45	1938.45	
(b) Reserves and Surplus	4	28196.95	25231.81	
			<b>30135.40</b>	27170.26
<b>(2) Non-Current Liabilities</b>				
(a) Long term borrowings	5	6075.59	9936.21	
(b) Deferred tax liabilities (Net)	6	1067.52	1108.19	
(c) Other Long term liabilities	7	714.46	752.96	
(d) Long term provisions	8	540.57	548.34	
			<b>8398.14</b>	12345.70
<b>(3) Current Liabilities</b>				
(a) Short term borrowings	9	16463.00	17191.59	
(b) Trade payables				
(i) Total outstanding dues of micro and small enterprises		-	-	
(ii) Total outstanding dues of creditors other than micro and small enterprises		9073.10	8987.32	
(c) Other current liabilities	10	9282.03	5430.43	
(d) Short-term provisions	11	194.69	1805.90	
			<b>35012.82</b>	33415.24
<b>Total</b>			<b>73546.36</b>	<b>72931.20</b>
<b>II. ASSETS</b>				
<b>(1) Non-current assets</b>				
(a) Fixed assets	12			
(i) Tangible assets		22351.94	22017.48	
(ii) Intangible assets		82.71	83.55	
(iii) Capital work-in-progress		301.92	155.63	
		<b>22736.57</b>	22256.66	
(b) Non-current investments	13	1906.80	1931.80	
(c) Long term loans and advances	14	3026.50	3121.04	
			<b>27669.87</b>	27309.50
<b>(2) Current assets</b>				
(a) Current investments	15	25.00	25.00	
(b) Inventories	16	13112.18	14947.66	
(c) Trade receivables	17	23765.05	21609.41	
(d) Cash and Cash Equivalents	18	3083.60	2716.18	
(e) Short-term loans and advances	19	5720.59	6313.34	
(f) Other current assets	20	170.07	10.11	
			<b>45876.49</b>	45621.70
<b>Total</b>			<b>73546.36</b>	<b>72931.20</b>

See accompanying notes forming part of the financial statements

For and on behalf of the Board of Directors

In terms of our report attached

For Deloitte Haskins & Sells  
Chartered Accountants

**T. S. Sahney**  
Executive Chairman

**H. S. Zaveri**  
Managing Director &  
President

**S. C. Rangani**  
Executive Director &  
Company Secretary

**Saira Nainar**  
Partner

**Uday Khanna**

**Tashwinder Singh**  
Directors

**A. A. Gowariker**

**Ashank Desai**

**Tanushree Bagrodia**  
Chief Financial Officer

Mumbai: 24th May, 2016

Mumbai: 24th May, 2016

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016**

	Note No.	Rs. lacs	Year ended 31.03.2016 Rs. lacs	Year ended 31.03.2015 Rs. lacs
I. Revenue from operations (gross)	21	<b>72160.94</b>		70635.00
Less: Excise duty		<b>6241.26</b>		5075.97
Revenue from operations (net)			<b>65919.68</b>	65559.03
II. Other Income	22		<b>755.77</b>	361.57
<b>III. TOTAL REVENUE (I + II)</b>			<b>66675.45</b>	65920.60
<b>IV. EXPENDITURE</b>				
Cost of materials consumed	23A		<b>27375.55</b>	26797.13
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	23B		<b>825.54</b>	(62.78)
Employee benefit expense	24		<b>11524.00</b>	10114.77
Finance costs	25		<b>1448.17</b>	1587.05
Depreciation and amortization expense	12		<b>2913.77</b>	2830.96
Other expenses	26		<b>16206.89</b>	17234.53
<b>Total Expenses</b>			<b>60293.92</b>	58501.66
<b>V. PROFIT BEFORE TAX (III - IV)</b>			<b>6381.53</b>	7418.94
VI. Tax expense:				
- Current tax		<b>1849.16</b>		2239.34
- In respect of earlier years		<b>(25.26)</b>		17.11
Net current tax expense		<b>1823.90</b>		2256.45
- Deferred tax		<b>(40.67)</b>		(43.97)
Net deferred tax (income)/expense		<b>(40.67)</b>		(43.97)
			<b>1783.23</b>	2212.48
<b>VII. PROFIT FOR THE YEAR (V - VI)</b>			<b>4598.30</b>	5206.46
<b>Earnings per share</b>				
<b>(of Rs. 2 each) (Refer note 35)</b>				
Basic, as well as diluted (In Rs.)			<b>4.74</b>	5.37
See accompanying notes forming part of the financial statements				

For and on behalf of the Board of Directors

In terms of our report attached

For Deloitte Haskins & Sells  
Chartered Accountants

**T. S. Sahney**  
Executive Chairman

**H. S. Zaveri**  
Managing Director &  
President

**S. C. Rangani**  
Executive Director &  
Company Secretary

**Saira Nainar**  
Partner

**Uday Khanna**

**Tashwinder Singh**  
Directors

**A. A. Gowariker** **Ashank Desai**

**Tanushree Bagrodia**  
Chief Financial Officer

Mumbai: 24th May, 2016

Mumbai: 24th May, 2016

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016**

	Year ended 31.03.2016	Year ended 31.03.2015
	Rs. lacs	Rs. lacs
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
<b>NET PROFIT BEFORE TAX</b>	<b>6381.53</b>	7418.94
Adjustments for:		
Depreciation/amortisation	2913.77	2830.96
Foreign exchange (gain)/loss - unrealised	(73.11)	154.33
Finance cost (net)	1448.17	1587.05
Dividend income	(236.18)	(70.12)
Profit on sale of fixed assets	(19.15)	(82.98)
Receivables written off	-	138.14
Provision for doubtful debts	-	45.54
Provision for doubtful debts no longer required	(56.71)	-
	<b>3976.79</b>	4602.92
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES AND OTHER ADJUSTMENTS</b>	<b>10358.32</b>	12021.86
Changes in working capital:		
Adjustment for (increase)/decrease in operating assets		
- Trade receivables	(1388.51)	(2384.21)
- Short-term loans and advances	(573.73)	(1147.40)
- Long-term loans and advances	6.37	35.44
- Inventories	1835.48	(1798.11)
Adjustment in increase/ (decrease) in operating liabilities		
- Other long term liabilities	(38.50)	(80.08)
- Trade payables	30.60	1268.52
- Other long term provision	(7.77)	83.14
- Other short term provision	91.66	0.01
- Other current liabilities	23.31	305.04
	<b>1126.37</b>	(3717.65)
<b>NET CASH GENERATED FROM OPERATIONS</b>	<b>11484.69</b>	8304.21
Direct taxes paid (net of refund)	(1834.17)	(2623.93)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>9650.52</b>	5680.28
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of fixed assets (including adjustments on account of capital advances)	(1773.34)	(1869.83)
Sale of fixed assets	23.42	569.16
Margin Money deposits placed	(40.60)	(17.97)
Purchase of equity shares in a subsidiary	-	(20.48)
Sale of current investments	25.00	150.00
Inter Corporate deposit to subsidiary/ group Company	(697.49)	(605.00)
Dividend income	236.18	70.12
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(2226.83)</b>	(1724.00)

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016 (contd.)**

	Year ended 31.03.2016 Rs. lacs	Year ended 31.03.2015 Rs. lacs
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Proceeds from long term borrowings	<b>3000.00</b>	4128.46
Proceeds from short term borrowings (net)	<b>(1,381.17)</b>	622.34
Repayment of long term borrowings	<b>(4003.02)</b>	(3671.25)
Finance cost paid (net)	<b>(1378.09)</b>	(1612.35)
Dividend paid	<b>(2810.76)</b>	(1066.15)
Tax on dividend	<b>(525.27)</b>	(170.99)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(7098.31)</b>	(1769.94)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>325.38</b>	2186.34
Cash and cash equivalents as at the beginning of the year	<b>2682.04</b>	495.70
<b>Cash and cash equivalents as at the end of the year (Refer note 18)</b>	<b>3007.42</b>	2682.04

See accompanying notes forming part of the financial statements

For and on behalf of the Board of Directors

<p><b>In terms of our report attached</b>  <b>For Deloitte Haskins &amp; Sells</b>  Chartered Accountants</p>	<p><b>T. S. Sahney</b>  Executive Chairman</p>	<p><b>H. S. Zaveri</b>  Managing Director &amp;  President</p>	<p><b>S. C. Rangani</b>  Executive Director &amp;  Company Secretary</p>
<p><b>Saira Nainar</b>  Partner</p>	<p><b>Uday Khanna</b></p>	<p><b>Tashwinder Singh</b></p>	<p><b>A. A. Gowariker</b>  Directors</p>
<p><b>Mumbai: 24th May, 2016</b></p>	<p><b>Tanushree Bagrodia</b>  Chief Financial Officer</p>		<p><b>Ashank Desai</b></p> <p><b>Mumbai: 24th May, 2016</b></p>



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS****NOTE****1. Corporate Information:**

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

**2. Significant accounting policies:****(i) Basis of accounting**

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

**(ii) Use of estimates**

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

**(iii) Fixed assets and depreciation/amortisation**

- (a) All fixed assets are stated at cost of acquisition, including any attributable cost for bringing the asset to its working condition for its intended use less accumulated depreciation/amortization and impairment losses, if any.
- (b) Depreciation/ amortisation on fixed assets has been provided on the straight-line method as per the useful life assessed based on technical advice, taking into account the nature of the asset, the estimated use of the asset on the basis of management's best estimation of getting economic benefits from those class of assets. The Company uses its external technical expertise along with historical and industry trends for arriving at the economic life of an asset.

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

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

**(iv) Impairment**

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

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**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

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**(v) Foreign currency transactions**

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

**(vi) Investments**

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

**(vii) Inventories**

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

**(viii) Sale of products**

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

**(ix) Other Income**

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

**(x) Employee benefits**

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

1. Provident and Family Pension Fund

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

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

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

2. Superannuation

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

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

(ii) Defined Benefit Plan / Other Employee Benefit :

1. Gratuity

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

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

2. Compensated absences

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

(xi) **Voluntary retirement compensation**

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

(xii) **Research and development expenditure**

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

(xiii) **Borrowing costs**

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

(xiv) **Operating Lease**

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

(xv) **Taxation**

Taxation expenses comprise current tax and deferred tax.

- (a) Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961.

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**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

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(b) Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised only if there is reasonable certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the asset.

(xvi) **Provisions and Contingent Liabilities**

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

(xvii) **Earnings per share**

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

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

(xviii) **Cash flow statement**

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

(xix) **Cash and cash equivalents (for purpose of cash flow statement)**

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

(xx) **Operating Cycle**

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

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**
**NOTE 3 - Share Capital**

	<b>As at 31.03.2016 Rs. lacs</b>	<b>As at 31.03.2015 Rs. lacs</b>
Authorised:		
100,000,000 (as at 31.03.2015 100,000,000)		
Equity shares of Rs. 2 each	<b>2000.00</b>	2000.00
Issued, subscribed and fully paid up:		
96,922,600 (as at 31.03.2015 96,922,600)		
Equity shares of Rs. 2 each fully paid up	<b>1938.45</b>	1938.45
Per balance sheet	<b>1938.45</b>	1938.45

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

<b>Particulars</b>	<b>As at 31.03.2016</b>		<b>As at 31.03.2015</b>	
	<b>Number of shares</b>	<b>Rs. lacs</b>	<b>Number of shares</b>	<b>Rs. lacs</b>
Shares outstanding at the beginning of the year	<b>96922600</b>	<b>1938.45</b>	96922600	1938.45
Shares outstanding at the end of the year	<b>96922600</b>	<b>1938.45</b>	96922600	1938.45

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

	<b>As at 31.03.2016</b>		<b>As at 31.03.2015</b>	
	<b>Number of shares</b>	<b>% of holding</b>	<b>Number of shares</b>	<b>% of holding</b>
<b>Equity Shares:</b>				
Trilochan Singh Sahney Trust 1 (held by a trustee in his individual name)	<b>36486909</b>	<b>37.65</b>	37755640	38.95
Hanwantbir Kaur Sahney	<b>4972000</b>	<b>5.13</b>	4972000	5.13
Harshbeena Sahney Zaveri	<b>5165019</b>	<b>5.33</b>	5007065	5.17
Nalanda India Equity Fund Limited	<b>9682667</b>	<b>9.99</b>	9682667	9.99
SBI Magnum Multiplier Plus Scheme 1993	<b>800000</b>	<b>0.83</b>	6352301	6.55
SBI Magnum Global Fund	<b>5159663</b>	<b>5.32</b>	-	-

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

<b>Particulars</b>	<b>As at 31.03.2016 Number of shares</b>	<b>As at 31.03.2015 Number of shares</b>
Fully paid up by way of bonus shares in financial year 2011	<b>48461300</b>	48461300

**iv) Rights attached to equity shares:**

- a) Right to receive dividend as may be approved by the Board / Annual General Meeting.
- b) 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
- c) Every member of the Company holding equity shares has a right to attend the General Meeting of the Company and has a right to speak and on a show of hands, has one vote if he is present in person and on a poll shall have the right to vote in proportion to his share of the paid-up capital of the Company.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**
**NOTE 4 - Reserves and Surplus**

	As at 31.03.2016	As at 31.03.2015
	Rs. lacs	Rs. lacs
<b>Capital reserve</b>	<b>25.00</b>	25.00
<b>Capital redemption reserve</b>	<b>11.10</b>	11.10
<b>Securities premium account</b>	<b>847.61</b>	847.61
<b>Debenture redemption reserve :</b>		
Opening balance	-	1000.00
Add: Transfer from Surplus in the statement of Profit & Loss	<b>750.00</b>	-
Less: Transfer to General Reserve	-	1000.00
Closing balance	<b>750.00</b>	-
<b>General reserve :</b>		
Opening balance	<b>9521.20</b>	8521.00
Add: Transfer from debenture redemption reserve	-	1000.00
Closing balance	<b>9521.20</b>	9521.20
<b>Surplus in the Statement of Profit and Loss :</b>		
Opening balance	<b>14826.90</b>	11323.31
Add: Profit for the year	<b>4598.30</b>	5206.46
Less: Appropriations		
Interim dividend		
{Rs. 1.40 (year ended 31.03.2015 Rs. Nil per share)}	<b>1356.92</b>	-
Tax on Interim dividend	<b>276.24</b>	-
Proposed dividend		
{Rs. Nil (year ended 31.03.2015 Rs. 1.50) per share}	-	1453.84
Tax on Proposed dividend	-	249.03
Transfer to debenture redemption reserve	<b>750.00</b>	-
Closing balance	<b>17042.04</b>	14826.90
Per balance sheet	<b>28196.95</b>	25231.81

**NOTE 5 - Long Term Borrowings**

	As at 31.03.2016	As at 31.03.2015
	Rs. lacs	Rs. lacs
<b>A) Non-convertible debentures</b>		
Unsecured (Refer footnote i and ii (b) below)	<b>3000.00</b>	-
<b>B) Term loans in foreign currency from banks</b>		
Secured (Refer footnote ii (a) below)	<b>1459.59</b>	4248.81
<b>C) Term loans from others</b>		
Secured (Refer footnote ii (c) below)	<b>450.00</b>	1350.00
<b>D) Other Loans in foreign currency from banks</b>		
Secured (Refer footnote ii (d) below)	-	2953.59
<b>E) Deferred payment liabilities</b>		
Unsecured: Interest free Sales tax loan (Refer footnote ii (e) below)	<b>1166.00</b>	1383.81
Per balance sheet	<b>6075.59</b>	9936.21

**Footnotes:**

- i) 300, 9.93% privately placed non-convertible debentures of Rs.1,000,000 each, redeemable at par, on 3rd August, 2018.
- ii) Details of repayment of Loans

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

Particulars	Security	Terms of repayment	Number of installments outstanding	Rate of interest	As at 31.03.2016 Rs. lacs	As at 31.03.2015 Rs. lacs
<b>a. Term loans in foreign currency from banks</b>						
External commercial borrowings	Secured by hypothecation of/charge on specified plant and machinery of the Company.	Quarterly installments to be completed in February 2017	4	Libor + 274 bps to Libor + 350 bps	<b>849.71</b>	1605.02
External commercial borrowings	Secured by hypothecation of/charge on specified plant and machinery of the Company.	Half yearly installments starting from August 2016 to be completed in August 2017	3		<b>3648.97</b>	3446.30
Total					<b>4498.68</b>	5051.32
Comprises of:						
Long term borrowings					<b>1459.59</b>	4248.81
Current maturities of long term borrowings					<b>3039.09</b>	802.51
<b>b. Non-convertible debentures</b>						
	Unsecured	Redeemable at par, on 3rd August, 2018	1	9.93%	<b>3000.00</b>	-
Comprises of:						
Long term borrowings					<b>3000.00</b>	-
Current maturities of long term borrowings					-	-
<b>c. Term loans from others</b>						
Term Loan	Secured by hypothecation of/charge on specified plant and machinery of the Company.	Half yearly structured installments starting from June 2015 to be completed in June 2017	3	11%	<b>1350.00</b>	2000.00

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

				Comprises of:		
				Long term borrowings	<b>450.00</b>	1350.00
				Current maturities of		
				long term borrowings	<b>900.00</b>	650.00
<b>d. Other loans in foreign currency from banks</b>						
Capex Buyer's Credit	Secured by hypothecation of/charge on specified plant and machinery of the Company.	Structured installments to be completed by June 2016	-	Libor + 270 bps to	<b>969.73</b>	3055.39
				Libor + 290 bps		
Term Loan	Secured by hypothecation of/charge on specified plant and machinery of the Company, charge yet to be created.	Payment in November 2016	-	Libor + 200 bps	<b>2157.56</b>	2037.72
				Total	<b>3127.29</b>	5093.11
				Comprises of:		
				Long term borrowings	-	2953.59
				Current maturities of		
				long term borrowings	<b>3127.29</b>	2139.52
<b>e. Interest free Sales tax loan</b>						
Sales tax deferral scheme	-	Annual installments to be completed by May, 2025	10		<b>1383.81</b>	1594.64
				Comprises of:		
				Long term borrowings	<b>1166.00</b>	1383.81
				Current maturities of		
				long term borrowings	<b>217.81</b>	210.83

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



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**
**NOTE 6 - Deferred Tax Asset / (Liability)**

Nature of timing difference	Deferred tax asset / (liability) as at 31.03.2015 Rs. lacs	Credit/(charge) for the year Rs. lacs	Deferred tax asset/ (liability) as at 31.03.2016 Rs. lacs
a) Deferred tax liability			
Depreciation	(1589.85)	(58.00)	(1647.85)
Sub - total	(1589.58)	(58.00)	(1647.85)
b) Deferred tax asset			
Provision for Gratuity	70.88	56.93	127.81
Demerger expenses	3.98	(1.99)	1.99
Provision for doubtful debts	157.04	(19.63)	137.41
Voluntary retirement compensation	24.33	34.33	58.66
Provision for compensated absence	225.43	29.03	254.46
Sub - total	481.66	98.67	580.33
Per balance sheet	(1108.19)	40.67	(1067.52)
		<b>As at 31.03.2016 Rs. lacs</b>	<b>As at 31.03.2015 Rs. lacs</b>

**NOTE 7 - Other long term liabilities**

Security deposits	556.96	514.46
Income received in advance	157.50	238.50
Per balance sheet	714.46	752.96

**NOTE 8 - Long term provisions**

Provisions for employee benefits:		
Compensated absences	540.57	548.34
Per balance sheet	540.57	548.34

**NOTE 9 - Short term borrowings**

a) <b>Other Loans from banks:</b>		
Secured (Refer footnote below)	6000.00	-
Unsecured	-	1000.00
b) <b>Other Loans in foreign currency from banks:</b>		
Secured (Refer footnote below)	4463.00	7278.44
Unsecured	-	4913.15
c) <b>Other Loans:</b>		
Unsecured: Commercial papers	6000.00	4000.00
(Maximum balance outstanding during the year Rs. 6000 lacs; 31.03.2015 Rs. 8500 lacs)		
Per balance sheet	16463.00	17191.59

**Footnote:**

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

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

	As at 31.03.2016	As at 31.03.2015
	<u>Rs. lacs</u>	<u>Rs. lacs</u>
<b>NOTE 10 - Other current liabilities</b>		
Current maturities of long-term debt (Refer footnote i below)		
- Term loans in foreign currency from banks	3039.09	802.51
- Interest free Sales tax loan	217.81	210.83
- Other Loans in foreign currency from banks	3127.29	2139.52
- Term loans from others	900.00	650.00
Interest accrued but not due on borrowings	367.34	137.30
Security deposits	281.25	297.75
Income received in advance	81.00	78.00
Unpaid dividends (unclaimed) (refer footnote ii below)	17.61	16.17
Other Payables		
- Fixed assets	121.66	6.18
- Statutory dues	663.80	751.36
- Advances received	94.87	134.99
- Gratuity (Refer note 42)	369.31	204.82
- Gratuity in respect of Executive Chairman	1.00	1.00
Per balance sheet	<u><u>9282.03</u></u>	<u><u>5430.43</u></u>

**Footnotes:**

- i. Refer footnotes (i) and (ii) in note 5 - Long term borrowings.
- ii. There is no amount outstanding and due as at the balance sheet date to be credited to the Investor Education and Protection Fund.

**NOTE 11 - Short term provisions**
**a) Provisions for employee benefits:**

Compensated absences	194.69	103.03
	<u>194.69</u>	<u>103.03</u>

**b) Provision - Others:**

Proposed dividend	-	1453.84
Tax on dividend	-	249.03
	<u>-</u>	<u>1702.87</u>

Per balance sheet	<u><u>194.69</u></u>	<u><u>1805.90</u></u>
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**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**NOTE 12 - Fixed Assets**

Description	GROSS BLOCK - AT COST			DEPRECIATION/ AMORTISATION			NET BLOCK		
	Opening Balance As at 01.04.15	Additions	Deductions	Closing Balance As at 31.03.16	Opening Balance As at 01.04.15	For the year	On Deductions	Closing Balance As at 31.03.16	As at 31.03.16
	Rs. lacs	Rs. lacs	Rs. lacs	Rs. lacs	Rs. lacs	Rs. lacs	Rs. lacs	Rs. lacs	Rs. lacs
<b>A. Tangible Assets</b>									
Freehold land	60.00	-	-	60.00	-	-	-	-	60.00
Leasehold land	177.43	-	-	177.43	20.20	2.16	-	22.36	155.07
Buildings and flats	7148.72	1177.28	-	8326.00	1575.10	153.87	-	1728.97	6597.03
Plant and equipment (refer note 43)	40786.16	1901.05	76.41	42610.80	25193.82	2497.63	72.14	27619.31	14991.49
Furniture and fixtures	576.40	22.81	-	599.21	287.47	81.49	-	368.96	230.25
Office equipment	440.93	5.67	-	446.60	393.72	12.68	-	406.40	40.20
Electrical installations	856.13	39.42	-	895.55	726.20	68.16	-	794.36	101.19
Vehicles	508.46	61.20	50.14	519.52	340.24	52.71	50.14	342.81	176.71
<b>Sub Total (A)</b>	50554.23	3207.43	126.55	53635.11	28536.75	2868.70	122.28	31283.17	22351.94
<b>B. Intangible Assets</b>									
Computer Software	547.00	44.23	-	591.23	463.45	45.07	-	508.52	82.71
<b>Sub Total (B)</b>	547.00	44.23	-	591.23	463.45	45.07	-	508.52	82.71
<b>Total (A) + (B)</b>	51101.23	3251.66	126.55	54226.34	29000.20	2913.77	122.28	31791.69	22434.65
Capital work-in-progress									301.92
Per balance sheet.									22736.57

Footnotes:

- Buildings and flats include:
  - Shares in respect of residential premises of a cost of Rs. 2.25 lacs (as at 31.03.2015 Rs. 2.25 lacs) in a co-operative society which is in the process of being transferred in the name of the Company.
  - Cost of shares of an aggregate face value of Rs. 750 (as at 31.03.2015 Rs. 750) in co-operative housing societies viz. 5 shares of Rs. 50 each in Vile Parle Vatika Co-operative Housing Society Limited, 5 shares of Rs. 50 each in The Ganesh Villa Co-operative Housing Society Limited and 5 shares of Rs. 50 each in Vinayak Bhavan Co-operative Housing Society Limited.
- During the year the Company has done componentisation of its Plant and equipment and has separately assessed the life of major components, forming part of the main asset. Consequently, the depreciation charge in the Statement of Profit and Loss for the year is higher by Rs. 394 lacs.
- The title deeds/ leasehold right of Land and Buildings, having gross carrying amount aggregating Rs.217.86 lacs and net carrying amount aggregating Rs. 200.69 lacs as at March 31, 2016 ( Previous year - gross carrying amount aggregating Rs.217.86 lacs and net carrying amount aggregating Rs. 202.56 lacs), 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.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**NOTE 12 - Fixed Assets (Previous Year)**

Description	GROSS BLOCK - AT COST				DEPRECIATION/AMORTISATION				NET As at 31.03.15
	Opening Balance As at 01.04.14	Additions	Deductions	Closing Bal- ance As at 31.03.15	Opening Balance As at 01.04.15	For the year	On Deductions	Closing Balance As at 31.03.15	
	Rs. lacs	Rs. lacs	Rs. lacs	Rs. lacs	Rs. lacs	Rs. lacs	Rs. lacs	Rs. lacs	
<b>A. Tangible Assets</b>									
Freehold land	60.00	-	-	60.00	-	-	-	-	60.00
Leasehold land	177.43	-	-	177.43	18.04	2.16	-	20.20	157.23
Buildings and flats	4178.75	3457.52	487.55	7148.72	1466.57	134.85	26.32	1575.10	5573.62
Plant and equipment (refer note 43)	41142.14	1325.16	1681.14	40786.16	24730.21	2120.30	1656.69	25193.82	15592.34
Furniture and fixtures	675.09	106.25	204.94	576.40	404.44	87.97	204.94	287.47	288.93
Office equipment	1010.37	17.48	586.92	440.93	846.74	133.40	586.42	393.72	47.21
Electrical installations	830.23	25.90	-	856.13	569.60	156.60	-	726.20	129.93
Vehicles	460.77	154.98	107.29	508.46	316.19	131.34	107.29	340.24	168.22
<b>Sub Total (A)</b>	48534.78	5087.29	3067.84	50554.23	28351.79	2766.62	2581.66	28536.75	22017.48
<b>B. Intangible Assets</b>									
Computer Software	482.26	73.10	8.36	547.00	407.47	64.34	8.36	463.45	83.55
<b>Sub Total (B)</b>	482.26	73.10	8.36	547.00	407.47	64.34	8.36	463.45	83.55
<b>Total (A) + (B)</b>	49017.04	5160.39	3076.20	51101.23	28759.26	2830.96	2590.02	29000.20	22101.03
Capital work-in-progress Per balance sheet									155.63 22256.66

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

	As at 31.03.2016 Rs. lacs	Rs. lacs	As at 31.03.2015 Rs. lacs	Rs. lacs
<b>NOTE 13 - Non Current Investments</b>				
<b>A. Trade</b>				
1. Investments in Equity Instruments				
a) of subsidiaries				
Quoted				
SNL Bearings Limited 2,652,762 (as at 31.03.2015 2,652,762) Shares of Rs. 10 each fully paid-up				
	<b>239.67</b>		239.67	
Unquoted				
NRB Bearings (Thailand) Limited 10,999,994 (as at 31.03.2015 10,999,994) Shares of THB 10 each fully paid-up				
	<b>1640.56</b>		1640.56	
NRB Bearings Europe GmbH 25,000 (as at 31.03.2015 25,000) Shares of EUR 1 each fully paid-up				
	<b>20.48</b>		20.48	
b) of other entities				
Quoted				
Indusind Bank Limited 8,541 (as at 31.03.2015 8,541) Shares of Rs. 10 each fully paid-up				
	<b>0.98</b>		0.98	
Eicher Motors Limited 600 (as at 31.03.2015 600) Shares of Rs. 10 each fully paid-up				
	<b>0.06</b>		0.06	
Hero Motocorp Limited (formerly known as Hero Honda Motors Limited) 6,250 (as at 31.03.2015 6,250) Shares of Rs. 2 each fully paid-up				
	<b>0.05</b>		0.05	
2. Investments in preference shares of subsidiary Company				
Unquoted				
SNL Bearings Limited 1,000,000 (as at 31.03.2015 1,000,000) 11% Cumulative redeemable preference shares of Rs. 2.5 each (as at 31.03.2015 Rs. 5 each) fully paid-up of which Rs. 2.5 each (as at 31.03.2015 Rs. 2.5 each) is considered as current investments. (Refer footnote in note 15)				
	-		25.00	
		<b>1901.80</b>		1926.80
<b>B. Non -Trade</b>				
1. Investments in Equity Instruments				
Unquoted				
21st Century Battery Limited 10,000 (as at 31.03.2015 10,000) shares of Rs. 10 each fully paid-up				
	<b>1.00</b>		1.00	
Less: Provision for diminution in value				
	<b>1.00</b>	-	1.00	-
2. Investments in Mutual funds				
Unquoted				
DSP Black Rock Equity Fund 50,000 (as at 31.03.2015 50,000) units of Rs. 10 each fully paid-up				
	<b>5.00</b>		5.00	
		<b>5.00</b>		5.00
Per balance sheet				
		<b>1906.80</b>		1931.80
Aggregate amount of quoted investments [market value Rs. 4376.89 lacs (as at 31.03.2015: Rs. 2988.64 lacs)]				
		<b>240.76</b>		240.76
Aggregate amount of unquoted investments				
		<b>1666.04</b>		1691.04
		<b>1906.80</b>		1931.80

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

	As at 31.03.2016	As at 31.03.2015
	Rs. lacs	Rs. lacs
<b>NOTE 14 - Long term loans and advances</b> (Unsecured, considered good)		
Capital Advances	643.95	1649.18
Inter - corporate deposits to related parties	906.79	-
Security deposits	343.40	310.88
Loans and advances to employees	5.21	15.73
Prepaid expenses	2.24	30.61
Income taxes paid (net of provision for tax Rs. 16220.75 lacs (as at 31.03.2015 Rs. 14396.85 lacs))	1124.91	1114.64
Per balance sheet	<u>3026.50</u>	<u>3121.04</u>

**NOTE 15 - Current investments**

(At cost)

Current portion of long-term investments

Investments in preference shares of subsidiary Company

Unquoted

SNL Bearings Limited

1,000,000 (as at 31.03.2015 1,000,000) 11% Cumulative redeemable preference shares of Rs. 2.5 each (as at 31.03.2015 Rs. 5 each) fully paid-up of which Rs. 2.5 each (as at 31.03.2015 Rs. 2.5 each) is considered as current investments.

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

**Footnote:**

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

**NOTE 16 - Inventories**

(at lower of cost and net realisable value)

(a) Raw materials	3920.11	4798.01
Goods-in-transit	57.43	94.02
	<u>3977.54</u>	4892.03
(b) Work-in-progress	2936.57	3206.03
(c) Finished goods	4087.57	4643.65
(d) Stores and spares	2110.50	2205.95
Per balance sheet	<u>13112.18</u>	<u>14947.66</u>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

	Rs. lacs	As at 31.03.2016 Rs. lacs	Rs. lacs	As at 31.03.2015 Rs. lacs
<b>Footnotes:</b>				
<b>i) Raw Materials comprise of:</b>				
Steel	2344.17		2865.24	
Brass	14.01		11.22	
Components	1465.00		1903.00	
Packing materials	154.36		112.57	
<b>TOTAL</b>	<b>3977.54</b>		<b>4892.03</b>	
<b>ii) Work-in-progress comprise of:</b>				
Loose needle rollers	86.69		85.25	
Needle roller bushes & cages	127.47		227.09	
Ball & roller bearings	113.53		162.86	
Automobile components	13.41		17.52	
Manufactured Components	2595.47		2713.31	
<b>TOTAL</b>	<b>2936.57</b>		<b>3206.03</b>	
<b>iii) Finished goods comprise of:</b>				
Loose needle rollers	416.52		384.97	
Needle roller bushes & cages	1191.49		1630.85	
Ball & roller bearings	1854.07		2019.01	
Automobile components	625.49		608.82	
<b>TOTAL</b>	<b>4087.57</b>		<b>4643.65</b>	
<b>NOTE 17 - Trade receivables</b>				
<b>Trade receivables outstanding for a period exceeding six months from the date they were due for payment:</b>				
Secured, considered good	21.34		9.45	
Unsecured, considered good	6375.19		4148.15	
Unsecured, considered doubtful	397.06		453.76	
	<b>6793.59</b>		<b>4611.36</b>	
Provision for doubtful debts	397.06		453.76	
		<b>6396.53</b>		4157.60
<b>Other trade receivables:</b>				
Secured, considered good	142.64		162.30	
Unsecured, considered good	17225.88		17289.51	
		<b>17368.52</b>		17451.81
Per balance sheet		<b>23765.05</b>		21609.41
<b>NOTE 18 - Cash and cash equivalents</b>				
Cash on hand		2.70		2.94
Cheques on hand		21.48		-
Balances with banks:				
In current accounts		1661.27		2672.61
In EEFC account		16.25		-
In other deposit account		1305.72		6.49
Other Bank balances				
In earmarked accounts:				
Margin money deposit (FDs pledged with Banks)		58.57		17.97
Unpaid dividend accounts		17.61		16.17
Per balance sheet		<b>3083.60</b>		2716.18
Of the above, the balances that meet the definition of cash and cash equivalents as per AS 3 Cash Flow Statements is		<b>3007.42</b>		2682.04

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

	As at 31.03.2016 Rs. lacs	As at 31.03.2015 Rs. lacs
<b>NOTE 19 - Short term loans and advances</b>		
(Unsecured, considered good)		
Inter - corporate deposits to related parties	1345.04	1481.84
Loans and advances to employees	67.59	79.44
Prepaid expenses	336.45	285.77
Balance with government authorities	2346.29	1516.16
Advance sales tax	419.11	438.35
Loans and advances		
Related parties	443.79	1266.83
Others (Advance to suppliers, export incentive receivable and taxes recoverable)	<u>762.32</u>	<u>1244.95</u>
Per balance sheet	<u>5720.59</u>	<u>6313.34</u>
<b>NOTE 20 - Other current assets</b>		
Interest receivable	170.07	10.11
Per balance sheet	<u>170.07</u>	<u>10.11</u>
<b>NOTE 21 - Revenue from operations</b>		
Sale of products	71392.16	69333.18
Other operating revenues:		
Sale of scrap	499.67	723.50
Duty drawback and export incentives	<u>269.11</u>	<u>578.32</u>
	<u>768.78</u>	<u>1301.82</u>
Revenue from operations (gross)	<u>72160.94</u>	<u>70635.00</u>
Less: Excise Duty	<u>6241.26</u>	<u>5075.97</u>
Per statement of profit and loss	<u>65919.68</u>	<u>65559.03</u>
<b>Revenue from operations comprise of:</b>		
Loose needle rollers	2860.12	3078.17
Needle roller bushes & cages	27350.78	26796.99
Ball & roller bearings	24545.65	25131.45
Automobile components	<u>10394.35</u>	<u>9250.60</u>
	<u>65150.90</u>	<u>64257.21</u>
Other operating revenues	<u>768.78</u>	<u>1301.82</u>
<b>Total</b>	<u>65919.68</u>	<u>65559.03</u>
<b>NOTE 22 - Other income</b>		
Dividend income		
From long term investments		
- Trade	233.38	66.72
- Others	<u>2.80</u>	<u>3.40</u>
	<u>236.18</u>	<u>70.12</u>
Net gain on foreign currency transactions and translation	310.65	-
Profit on sale of fixed assets (net)	19.15	82.98
Rent	109.37	107.45
Provision for doubtful debts no longer required	56.71	-
Other non-operating income	<u>23.71</u>	<u>101.02</u>
Per statement of profit and loss	<u>755.77</u>	<u>361.57</u>



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

	<u>Rs. lacs</u>	<u>Year ended 31.03.2016 Rs. lacs</u>	<u>Rs. lacs</u>	<u>Year ended 31.03.2015 Rs. lacs</u>
<b>NOTE 23A - Cost of materials consumed</b>				
Opening Stock		4892.03		3896.34
Add: Purchases		26461.06		27792.82
		<u>31353.09</u>		<u>31689.16</u>
Less: Closing stock		3977.54		4892.03
Per statement of profit and loss		<u>27375.55</u>		<u>26797.13</u>
<b>Materials consumed comprise of:</b>				
Steel	5302.98		7292.89	
Brass	55.30		137.86	
Components	20448.77		17824.84	
Packing Material	1568.50		1541.54	
<b>Total</b>	<u>27375.55</u>		<u>26797.13</u>	
<b>NOTE 23B - Changes in inventories of finished goods, work-in-progress, stock-in-trade</b>				
Opening stocks:				
Finished goods		4643.65		4352.76
Work - in - progress		3206.03		3432.17
Stock - in - trade		-		1.97
		<u>7849.68</u>		<u>7786.90</u>
Closing stocks:				
Finished goods		4087.57		4643.65
Work - in - progress		2936.57		3206.03
		<u>7024.14</u>		<u>7849.68</u>
Per statement of profit and loss - Net (increase) / decrease		<u>825.54</u>		<u>(62.78)</u>
<b>NOTE 24 - Employee benefit expenses</b>				
Salaries, wages and bonus		9473.11		8384.95
Contribution to provident and other funds (Refer Note 42)		962.31		801.85
Staff welfare		876.71		927.97
Voluntary retirement compensation		211.87		-
Per statement of profit and loss		<u>11524.00</u>		<u>10114.77</u>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

	Rs. lacs	Year ended 31.03.2016 Rs. lacs	Rs. lacs	Year ended 31.03.2015 Rs. lacs
<b>NOTE 25 - Finance costs</b>				
Interest				
On fixed loans	817.00		597.89	
On others	<u>765.31</u>		<u>1029.69</u>	
		<b>1582.31</b>		1627.58
Other borrowing costs		<u>125.14</u>		<u>105.25</u>
		<b>1707.45</b>		1732.83
Less: Interest income				
From banks on deposits	8.19		3.57	
On loans and advances	<u>251.09</u>		<u>142.21</u>	
		<b>259.28</b>		145.78
Per statement of profit and loss		<u><b>1448.17</b></u>		<u>1587.05</u>
<b>NOTE 26 - Other expenses</b>				
Consumption of stores and spare parts		<b>4934.07</b>		4512.05
Processing charges		<b>1324.13</b>		1912.55
Power and fuel		<b>2616.80</b>		2493.87
Repairs and maintenance -				
Buildings	208.85		252.02	
Plant and machinery	<b>286.37</b>		329.67	
Others	<u>73.45</u>		<u>82.39</u>	
		<b>568.67</b>		664.08
Insurance		<b>133.81</b>		92.75
Rent		<b>7.59</b>		7.38
Rates and taxes		<b>83.95</b>		143.40
Legal and professional fees		<b>557.18</b>		462.72
Directors' fees and commission		<b>9.65</b>		14.10
Commission on sales		<b>709.68</b>		620.58
Sales discount		<b>214.16</b>		119.40
Travelling and conveyance		<b>572.76</b>		669.10
Postage, telephone and fax		<b>76.47</b>		70.14
Bank charges		<b>42.94</b>		62.30
Advertisement and sales promotion expenses		<b>472.45</b>		257.94
Forwarding charges		<b>1897.81</b>		2535.01
Receivables written off		-		138.14
Provision for doubtful debts		-		45.54
Lease rent (Refer Note 34)		<b>75.39</b>		73.13
IT expenses		<b>347.81</b>		215.44
Excise duty on Increase/ (decrease) in inventories of finished goods		<b>239.26</b>		174.61
Net loss on foreign currency transactions and translation		-		560.85
Auditors' remuneration (see footnote i below)		<b>59.49</b>		46.14
Expenditure on Corporate Social Responsibility (see footnote ii below)		<b>105.00</b>		122.50
Miscellaneous expenses		<b>1157.82</b>		1220.81
Per statement of profit and loss		<u><b>16206.89</b></u>		<u>17234.53</u>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

	Year ended 31.03.2016 Rs. lacs	Year ended 31.03.2015 Rs. lacs
<b>Footnote:</b>		
<b>i) Details of Auditors' Remuneration:</b> (excluding service tax)		
Audit fees	32.00	22.50
Report under section 44AB of the Income-tax Act, 1961	4.25	3.25
Taxation matters	1.50	-
Other services	21.25	20.00
Reimbursement of expenses	0.49	0.39
<b>Total</b>	<b>59.49</b>	<b>46.14</b>

**ii) Details of Expenditure on Corporate Social Responsibility:**

Gross amount required to be spent during the year	122.60	119.09
Amount spent and paid during the year	105.00	122.50

**NOTE 27 - Disclosures under the Micro, Small and Medium Enterprises Development Act, 2006:**

- No amounts were due and outstanding to suppliers as at the end of the accounting year on account of Principal and Interest.
- No interest was paid during the year in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 and no amount was paid to the supplier beyond the appointed day.
- No amount of interest is due and payable for the period of delay in making payment but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006
- No interest was accrued and unpaid at the end of the accounting year.
- No further interest remaining due and payable even in the succeeding years for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006

The above information regarding Micro, Small and Medium Enterprises has been determined on the basis of information available with the Company.

	As at 31.03.2016 Rs. lacs	As at 31.03.2015 Rs. lacs
<b>NOTE 28 - Contingent liabilities not provided for:</b>		
a) Income Tax	1,712.53	1388.62
b) Sales Tax	316.30	316.30
c) Customs Duty	-	158.87
d) Bank guarantees	114.73	96.29
e) Stand by letter of credit given to bank on behalf of a subsidiary Company	1150.00	1448.98
f) Corporate guarantees issued on behalf of subsidiary companies / group Company	2630.22	5169.45

The Company is in further appeal in respect of matters stated in a) and b) above

**NOTE 29 -**

Estimated amount of contracts remaining to be executed on capital account and not provided for	2808.03	1457.91
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**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

	Year ended 31.03.2016 Rs. lacs	Year ended 31.03.2015 Rs. lacs
<b>NOTE 30 - The amount of exchange differences (net):</b>		
(credited) / debited to the statement of profit and loss is	<b>(310.65)</b>	560.85

**NOTE 31 - Expenditure on research and development:**

(i) Charged to the statement of profit & loss	<b>809.85</b>	721.00
(ii) Capitalized to fixed asset	-	5.79

**NOTE 32 - Segment reporting**

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

Geographical Segment information is given as follows:

	Rs. lacs Within India	Rs. lacs Outside India	Rs. lacs Total
Revenue from operations	<b>52435.40</b>	<b>13484.28</b>	<b>65919.68</b>
	(49748.31)	(15810.72)	(65559.03)
Total Assets	<b>50552.20</b>	<b>22994.16</b>	<b>73546.36</b>
	(53684.20)	(19247.00)	(72931.20)
Additions to fixed assets	<b>3251.66</b>	-	<b>3251.66</b>
	(5160.39)	-	(5160.39)

**Footnote:**

Figures in brackets are in respect of the previous year.

**NOTE 33 - Related Party Disclosures:**
**A) Name of the related party and nature of relationship where control exists:**

Sr.no	Nature of relationship	Names of related parties
(a)	Subsidiaries	SNL Bearings Limited NRB Bearings (Thailand) Limited NRB Bearings Europe GmbH
(b)	Individual having substantial interest in the voting power and the power to direct by agreement, the financial and operating policies of the Company.	Mr. T. S. Sahney, Executive Chairman
(c)	Key management personnel	Ms. H. S. Zaveri, Managing Director Mr. S. C. Rangani, Executive Director & Company Secretary
(d)	A firm where executive chairman is a partner	New Indo Trading Company
(e)	A Company wherein Mr. T. S. Sahney, Executive Chairman and Ms. H. S. Zaveri, Managing Director are directors and shareholders having Management Control.	NRB Industrial Bearings Limited

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**
**B) Related Party Transactions:**

Name of the related parties	Nature of Transactions	Volume of Transactions Rs. lacs	Receivable as at 31.03.16 Rs. lacs	Payable as at 31.03.16 Rs. lacs
SNL Bearings Limited	Sale of raw materials / fixed assets etc.	<b>29.29</b> (38.84)		
	Purchase of raw materials /fixed assets etc.	<b>1832.08</b> (1562.74)	- (-)	<b>395.02</b> (292.71)
	Proceeds from redemption of cumulative redeemable preference shares	<b>25.00</b> (150.00)		
NRB Bearings (Thailand) Limited	Sale of raw materials / fixed assets etc.	<b>690.99</b> (855.12)	<b>4372.97</b> (4048.63)	- (-)
	Purchase of raw materials	<b>1673.15</b> (858.06)		
	Trade receivable and Advances converted into Inter Corporate deposit	<b>1,806.39</b> (-)		
	Inter Corporate deposit repayment received	<b>64.40</b> (-)		
	Interest received on Inter Corporate deposit	<b>182.39</b> (23.90)		
	Stand by letter of credit given by NRB Bearings Ltd.	- (-)	- (271.94)	- (-)
	Guarantee given by NRB Bearings Ltd.	- (-)	<b>1,150.00</b> (1177.04)	- (-)
NRB Industrial Bearings Limited	Sale of raw materials	<b>98.23</b> (137.91)		
	Purchase of raw materials	- (6.77)	<b>258.66</b> (1240.18)	- (-)
	Inter Corporate deposit given	- (605.00)		
	Inter Corporate deposit repayment received	<b>972.00</b> (-)		
	Interest received on Inter Corporate deposit	<b>73.56</b> (118.31)		
	Bad debts written off	- (138.14)		
	Guarantee given by NRB Bearings Ltd.	- (-)	<b>2630.22</b> (5169.45)	- (-)
NRB Bearings Europe GmbH	Sales promotion expenses	<b>270.22</b> (109.67)	- (-)	<b>87.07</b> (42.91)
Mr. T. S. Sahney	Remuneration	<b>154.97</b> (174.98)	- (-)	<b>45.98</b> (52.07)
Ms. H. S. Zaveri	Remuneration	<b>283.39</b> (231.42)	- (-)	<b>45.98</b> (43.35)
Mr. S. C. Rangani	Remuneration	<b>77.96</b> (71.53)	- (-)	- (-)
New Indo Trading Company	Service Charges Paid	<b>5.00</b> (5.00)	- (-)	<b>1.23</b> (-)

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

Name	Balance as at 31.03.2016 Rs. lacs	Maximum amount outstanding during the year ended 31.03.2016 Rs. lacs
Loans and advances in the nature of loans to subsidiary / group companies-		
NRB Industrial Bearings Limited	<b>250.00</b> (1,222.00)	<b>1222.00</b> (1,222.00)
NRB Bearings (Thailand) Limited	<b>2,001.83</b> (259.84)	<b>2,056.25</b> (259.84)

**Footnote:**

- i) Figures in brackets are in respect of the previous year.
- ii) No amounts pertaining to related parties have been provided for as doubtful debts. Further, no amounts have either been written off or written back during the year except as disclosed above.
- iii) Dividend paid/received has not been considered by the Company as a transaction falling under the purview of Accounting Standard 18 "Related Party Disclosures".

**NOTE 34 - Lease Rentals**

The Company has taken certain vehicles on operating lease. Lease rental charged to the statement of profit and loss for the year ended 31.03.2016 aggregated Rs. 75.39 lacs (for the year ended 31.03.2015: Rs. 73.13 lacs). The minimum lease payments to be made in future as at the year end, in respect of non-cancellable lease are follows:

	<b>Year ended 31.03.2016 Rs. lacs</b>	Year ended 31.03.2015 Rs. lacs
(i) For a period not later than one year	<b>53.83</b>	37.98
(ii) For a period later than one year and not later than five years	<b>99.88</b>	31.74
(iii) For a period later than five years	-	-

**NOTE 35 - Value used in calculating Earnings Per Share**

(i) Profit after tax (Rs. in lacs)	<b>4598.30</b>	5206.46
(ii) Number of Equity Shares	<b>96922600</b>	96922600
(iii) Par value per share (Rs.)	<b>2</b>	2
(iv) Earnings per share - Basic and diluted (Rs.)	<b>4.74</b>	5.37

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**
**NOTE 36 - Value of imported and indigenous materials consumed**

	Year ended 31.03.2016 Rs. lacs	Percentage (%)	Year ended 31.03.2015 Rs. lacs	Percentage (%)
Imported	7451.47	27	7520.93	28
Indigenous	19924.08	73	19276.2	72
<b>TOTAL</b>	<b>27375.55</b>	<b>100</b>	26797.13	100

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

	Year ended 31.03.2016 Rs. lacs	Percentage (%)	Year ended 31.03.2015 Rs. lacs	Percentage (%)
Imported	599.56	12	807.04	18
Indigenous	4334.51	88	3705.01	82
<b>TOTAL</b>	<b>4934.07</b>	<b>100</b>	4512.05	100

**NOTE 38 - CIF value of imports**

	Year ended 31.03.2016 Rs. lacs	Year ended 31.03.2015 Rs. lacs
i) Raw materials and components	6068.64	8572.56
ii) Stores and spare parts	700.52	680.27
iii) Capital Goods	5.89	215.06

**NOTE 39 - Expenditure in foreign currency**

	Year ended 31.03.2016 Rs. lacs	Year ended 31.03.2015 Rs. lacs
i) Foreign travel	229.56	253.22
ii) Commission on exports	260.49	257.71
iii) Interest	578.12	564.16
iv) Salary	31.75	124.76
v) Professional fees	281.69	535.16
vi) Freight and forwarding charges	578.22	1054.55
vii) Sales promotion expenses	313.45	109.67

**NOTE 40 - Earnings in foreign exchange:**

	Year ended 31.03.2016 Rs. lacs	Year ended 31.03.2015 Rs. lacs
i) Export of goods calculated on F.O.B basis	12673.80	14825.98
ii) Reimbursement of insurance and freight on exports	253.66	406.42

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**
**NOTE 41 - Financial and Derivative Instruments**

i) Forward Exchange Contracts entered into by the Company that are outstanding as at 31.03.2016:

<u>Currency</u>	<u>Amount in foreign currency</u>	<u>Buy/Sell</u>	<u>Cross Currency</u>
USD	<b>14587.70</b>	<b>Buy</b>	<b>INR</b>
	-	(-)	(-)
USD	<b>2,744,000</b>	<b>Sell</b>	<b>INR</b>
	(4,958,000)	(Sell)	(INR)
EURO	<b>787,750</b>	<b>Sell</b>	<b>INR</b>
	(1,892,750)	(Sell)	(INR)

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

ii) Interest rate swaps to hedge against fluctuations in interest rate changes: No. of contracts: 2 (as at 31.3.2015: 2)

iii) Foreign currency exposures that have not been hedged by a derivative instrument or other wise outstanding as at 31.03.2016:

	<u>Currency</u>	<u>Amount</u>	<u>Equivalent Rs. lacs as at year end</u>
a) Amount receivable in foreign currency :			
Export of goods	USD	<b>10,573,765</b>	<b>7015.16</b>
		(8,704,173)	(5453.16)
	EURO	<b>8,027,379</b>	<b>6023.75</b>
		(5,891,972)	(3984.15)
Inter - corporate deposits to related parties	THB	<b>10,000,000</b>	<b>188.37</b>
		(13,500,000)	(259.84)
	USD	<b>2,733,992</b>	<b>1813.87</b>
		( - )	( - )
Balance with government authorities	EURO	<b>2,228,576</b>	<b>1673.22</b>
		(1,289,068)	(871.72)
Interest receivable on Inter Corporate Deposit	THB	<b>315,192</b>	<b>5.93</b>
		( - )	( - )
	USD	<b>239,093</b>	<b>158.60</b>
		( - )	( - )



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

	Currency	Amount	Equivalent Rs. lacs as at year end
b) Amounts payable in foreign currency :			
Import of goods	JPY	<b>93,698,022</b> (99,886,161)	<b>553.66</b> (520.81)
	EURO	<b>618,642</b> (100,287)	<b>464.48</b> (67.84)
	USD	<b>518,933</b> (614,059)	<b>344.25</b> (384.77)
	CHF	<b>84,778</b> (213,888)	<b>58.23</b> (138.27)
Capital Imports	EURO	<b>4,000</b> (4,000)	<b>2.71</b> (2.71)
Loans payable	USD	<b>14,718,272</b> (27,646,151)	<b>9764.84</b> (17323.08)
	EURO	<b>1,770,000</b> (7,410,128)	<b>1328.92</b> (5012.95)

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

**NOTE 42 - Employee Benefits :**
**1) Defined contribution plans**

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

	Year ended 31.03.2016 Rs. lacs	Year ended 31.03.2015 Rs. lacs
i) Employer's Contribution to Provident Fund	<b>332.60</b>	323.28
ii) Employer's Contribution to Family Pension Fund	<b>135.70</b>	119.87
iii) Employer's Contribution to Superannuation Fund	<b>120.14</b>	120.71
iv) Employer's Contribution to Social Security Fund	<b>5.16</b>	33.17

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

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

Particulars	2015 - 16 Rs. lacs	2014 - 15 Rs. lacs
i) Components of employer expenses		
a) Current Service cost	129.79	104.71
b) Interest cost	200.74	201.46
c) Expected return on plan assets	(184.44)	(181.61)
d) Actuarial Losses/ (Gains)	223.22	80.26
<b>Total expenses recognised in the Statement of Profit and Loss</b>	<b>369.31</b>	<b>204.82</b>
ii) Actual Contribution and Benefit Payments for year		
a) Actual benefit payments	193.05	196.93
b) Actual Contributions	204.82	112.85
iii) Change in Defined Benefit Obligations (DBO) during the year		
a) Present Value of DBO at the beginning of the year	2,520.47	2,156.22
b) Current Service cost	129.79	104.71
c) Interest cost	200.74	201.46
d) Actuarial Losses/ (Gains)	162.54	255.01
e) Benefits paid	(193.05)	(196.93)
<b>Present Value of DBO at the end of the year</b>	<b>2,820.49</b>	<b>2,520.47</b>
iv) Change in Fair Value of Assets during the year		
a) Plan assets at beginning of the year	2,315.65	2,043.37
b) Expected return on plan assets	184.44	181.61
c) Actuarial (Losses)/ Gains	(60.68)	174.75
d) Actual Company contributions	204.82	112.85
e) Fair Value of benefits paid	(193.05)	(196.93)
<b>Fair value of plan assets at the end of year</b>	<b>2,451.18</b>	<b>2,315.65</b>
v) Contribution expected to be paid next year	290.84	236.99
vi) Actuarial Assumptions		
a) Discount Rate	7.86% - 7.79%	7.95% - 7.99%
b) Expected rate of return on Plan assets	7.86% - 7.79%	7.95% - 7.99%
c) Salary escalation	6% - 10%	6% - 10%
d) Mortality Table	<b>Indian Assured Lives Mortality (2006-08) Ultimate</b>	Indian Assured Lives Mortality (2006-08) Ultimate
e) Attrition rate	2% - 10%	2% - 10%
vii) The major categories of plan assets - Insurer Managed Funds	100.00%	100.00%

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

Particulars	As at 31.03.2016 Rs. lacs	As at 31.03.2015 Rs. lacs	As at 31.03.2014 Rs. lacs	As at 31.03.2013 Rs. lacs	As at 31.03.2012 Rs. lacs
viii) Net asset/(liability) recognised in balance sheet					
a) Defined Benefit Obligation	<b>(2,820.49)</b>	(2,520.47)	(2,156.22)	(2,043.32)	(1,737.97)
b) Fair Value of Plan assets	<b>2,451.18</b>	2,315.65	2,043.37	1,675.16	1,222.50
<b>c) Net asset/(liability) recognised in balance sheet</b>	<b>(369.31)</b>	(204.82)	(112.85)	(368.16)	(515.47)
d) Experience adjustment arising on :					
1) Plan Liabilities [ Losses / (Gains) ]	<b>142.15</b>	59.60	97.29	67.91	111.21
2) Plan Assets [ (Losses) / Gains ]	<b>(60.68)</b>	174.75	(22.27)	(62.36)	36.83

**Footnotes:**

- (i) The expected rate of return on plan assets is based on the average long term rate of return expected on investments of the fund during the estimated term of obligation.
- (ii) The assumption of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion, increment and other relevant factors.
- (iii) The discount rate is based on prevailing market yield of Government of India security as at the Balance sheet date for the estimated term of the obligation.

**b) Compensated Expenses**

- (i) Compensated Expenses recognised in the statement of profit and loss for the year, under employee benefit expense, is Rs. 157.97 lacs (for the year ended 31.03.2015 : Rs. 196.54 lacs).
- (ii) Actuarial Assumptions used:

	As at 31.03.2016	As at 31.03.2015
a) Discount Rate	<b>7.86% - 7.79%</b>	7.95% - 7.99%
b) Expected rate of return on Plan assets	<b>7.86% - 7.79%</b>	7.95% - 7.99%
c) Salary escalation	<b>6% - 10%</b>	6% - 10%
d) Mortality Table	<b>Indian Assured Lives Mortality (2006-08) Ultimate</b>	Indian Assured Lives Mortality (2006-08) Ultimate
e) Attrition rate	<b>2% -10%</b>	2% -10%

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS****NOTE 43 -**

Pursuant to the notification issued by the Central Government extending the applicability of amendment to Accounting Standard 11 on 'The Effects of Changes in Foreign Exchange Rates' upto March 31, 2020, which provides an option for adjustment of foreign exchange gain / loss arising on long term foreign currency borrowings against the carrying value of related fixed assets, the Company has continued to exercise the option and has adjusted exchange loss aggregating Rs. 503.90 lacs (for the year ended 31.03.2015 : Rs. 389.35 lacs) against the carrying value of fixed assets. The balance amount, based on aforesaid adjustments, of plant and machinery to be amortised, as at the year-end, aggregates Rs. 1639.76 lacs (Previous year Rs. 1309.82 lacs).

**NOTE 44 -**

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

Signature to Notes

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

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

**T. S. Sahney**  
Executive Chairman

**H. S. Zaveri**  
Managing Director &  
President

**S. C. Rangani**  
Executive Director &  
Company Secretary

**Saira Nainar**  
Partner

**Uday Khanna**

**Tashwinder Singh**

**A. A. Gowariker**

**Ashank Desai**

Directors

**Tanushree Bagrodia**  
Chief Financial Officer

**Mumbai: 24th May, 2016**

**Mumbai: 24th May, 2016**

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NRB BEARINGS LIMITED**

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

We have audited the accompanying consolidated financial statements of **NRB BEARINGS LIMITED** (here in after referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31st March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

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

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, as applicable. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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.

### **Auditors' Responsibility**

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

### **Other Matter**

We did not audit the financial statements of 2 subsidiaries, whose financial statements reflect total assets of Rs. 4,363.53 lacs as at 31st March, 2016, total revenues of Rs.2,833.01 lacs and net cash outflows amounting to Rs. 0.59 lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the reports of the other auditors.

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

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

As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, as applicable.
- e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2016 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditor of its subsidiary company incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our Report in "Annexure A", which is based on the auditors' reports of the Holding company and subsidiary company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Holding company's and subsidiary company's incorporated in India internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group- Refer Note 28 to the consolidated financial statements.
  - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the subsidiary company incorporated in India.

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

**Saira Nainar**  
(Partner)  
(Membership No. 040081)

Mumbai, 24th May, 2016

## **ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT**

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

### **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March, 2016, we have audited the internal financial controls over financial reporting of **NRB BEARINGS LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiary company which is incorporated in India, which has been audited by us, as of that date.

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

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

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained for Holding Company and its subsidiary company incorporated in India, which is audited by us, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls Over Financial Reporting**

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

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

### **Opinion**

In our opinion to the best of our information and according to the explanations given to us, the Holding Company and its subsidiary company which is incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**Saira Nainar**  
Partner  
(Membership No. 040081)

Mumbai, 24th May, 2016



**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2016**

	Note No.	Rs. lacs	As at 31.03.2016 Rs. lacs	Rs. lacs	As at 31.03.2015 Rs. lacs
<b>I EQUITY AND LIABILITIES</b>					
<b>(1) Shareholders' Funds</b>					
(a) Share Capital	2		<b>1938.45</b>		1938.45
(b) Reserves and Surplus	3		<b>25977.71</b>		23481.65
(c) Minority interest					
(i) Share capital		<b>95.88</b>		95.88	
(ii) Reserves and surplus					
- Brought forward balance		<b>193.61</b>		146.56	
- Transferred from consolidated statement of profit & loss		<b>118.18</b>		47.05	
		<b>311.79</b>	<b>407.67</b>	<b>193.61</b>	289.49
			<b>26385.38</b>		23771.14
			<b>28323.83</b>		25709.59
<b>(2) Non-Current Liabilities</b>					
(a) Long term borrowings	4	<b>6180.20</b>		100079.79	
(b) Deferred tax liabilities (Net)	5	<b>1174.30</b>		1202.36	
(c) Other Long term liabilities	6	<b>714.46</b>		752.96	
(d) Long term provisions	7	<b>575.97</b>		577.55	
			<b>8644.93</b>		12612.66
<b>(3) Current Liabilities</b>					
(a) Short term borrowings	8	<b>17541.40</b>		18522.19	
(b) Trade payables					
(i) Total outstanding dues of micro and small enterprises		<b>3.70</b>		-	
(ii) Total outstanding dues of creditors other than micro and small enterprises		<b>8984.47</b>		8913.89	
(c) Other current liabilities	9	<b>9381.97</b>		5829.55	
(d) Short-term provisions	10	<b>316.35</b>		1866.88	
			<b>36227.89</b>		35132.51
<b>Total</b>			<b>73196.65</b>		73454.76
<b>II ASSETS</b>					
<b>(1) Non-current assets</b>					
(a) Fixed assets	11				
(i) Tangible assets		<b>25805.78</b>		25687.44	
(ii) Intangible assets		<b>92.03</b>		87.63	
(iii) Capital work-in-progress		<b>483.53</b>		354.39	
		<b>26381.34</b>		26129.46	
(b) Goodwill arising on consolidation		<b>47.75</b>		47.75	
(c) Non-current investments	12	<b>6.09</b>		6.09	
(d) Long term loans and advances	13	<b>2237.43</b>		3189.78	
			<b>28672.61</b>		29373.08
<b>(2) Current assets</b>					
(a) Inventories	14	<b>14471.06</b>		16424.71	
(b) Trade receivables	15	<b>22594.71</b>		19975.31	
(c) Cash and Cash Equivalents	16	<b>3203.24</b>		2800.40	
(d) Short-term loans and advances	17	<b>4249.50</b>		4871.15	
(e) Other current assets	18	<b>5.53</b>		10.11	
			<b>44524.04</b>		44081.68
<b>Total</b>			<b>73196.65</b>		73454.76

See accompanying notes forming part of the financial statements

For and on behalf of the Board of Directors

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

**T. S. Sahney**  
Executive Chairman

**H. S. Zaveri**  
Managing Director &  
President

**S. C. Rangani**  
Executive Director &  
Company Secretary

**Saira Nainar**  
Partner

**Uday Khanna**

**Tashwinder Singh**  
Directors

**A. A. Gowariker**   **Ashank Desai**

**Tanushree Bagrodia**  
Chief Financial Officer

Mumbai: 24th May, 2016

Mumbai: 24th May, 2016

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016**

Particulars	Note No.	For the	
		Year ended 31.03.2016	Year ended 31.03.2015
		Rs. lacs	Rs. lacs
I. Revenue from operations (gross)		<b>73878.78</b>	72157.10
Less: Excise duty		<b>6385.09</b>	5126.23
Revenue from operations (net)	19	<b>67493.69</b>	67030.87
II. Other Income	20	<b>238.65</b>	326.80
<b>III. TOTAL REVENUE (I + II)</b>		<b>67732.34</b>	67357.67
<b>IV. EXPENDITURE</b>			
Cost of material consumed	21	<b>25165.98</b>	25304.56
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	22	<b>813.89</b>	(139.88)
Employee benefit expense	23	<b>12839.12</b>	11210.50
Finance costs	24	<b>1700.98</b>	1724.65
Depreciation and amortization expense	11	<b>3194.50</b>	3104.40
Other expenses	25	<b>17628.58</b>	18350.64
<b>Total Expenses</b>		<b>61343.05</b>	59554.87
<b>V. PROFIT BEFORE TAX (III - IV)</b>		<b>6389.29</b>	7802.80
VI. Tax expense:			
- Current tax		<b>2124.65</b>	2446.10
- In respect of earlier years		<b>(25.26)</b>	17.11
Net current tax expense		<b>2099.39</b>	2463.21
- Deferred tax		<b>(28.06)</b>	(30.55)
Net deferred tax (income)/expense		<b>(28.06)</b>	(30.55)
		<b>2071.33</b>	2432.66
<b>VII. PROFIT FOR THE YEAR (V - VI)</b>		<b>4317.96</b>	5370.14
Parent Company's share		<b>4199.78</b>	5323.09
Minority		<b>118.18</b>	47.05

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

Basic, as well as diluted (In Rs.) **4.33** 5.49

See accompanying notes forming part of the financial statements

For and on behalf of the Board of Directors

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

**T. S. Sahney**  
Executive Chairman

**H. S. Zaveri**  
Managing Director &  
President

**S. C. Rangani**  
Executive Director &  
Company Secretary

**Saira Nainar**  
Partner

**Uday Khanna**

**Tashwinder Singh**

**A. A. Gowariker**

**Ashank Desai**

Directors

**Tanushree Bagrodia**  
Chief Financial Officer

Mumbai: 24th May, 2016

Mumbai: 24th May, 2016

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016**

	Year ended 31.03.2016	Year ended 31.03.2015
	Rs. lacs	Rs. lacs
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
<b>NET PROFIT BEFORE TAX</b>	<b>6389.29</b>	7802.80
Adjustments for:		
Depreciation/amortisation	3194.50	3104.40
Foreign exchange loss unrealised	(370.85)	162.89
Finance cost (net)	1700.98	1724.65
Dividend income	(5.62)	(10.12)
Profit on sale of fixed assets (net)	(12.44)	(75.52)
Receivables written off	3.19	138.14
Provision for doubtful debts no longer	(56.71)	45.54
Foreign currency translation	34.31	(57.58)
	<b>4487.36</b>	5032.40
	<b>10876.65</b>	12835.20
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES AND OTHER ADJUSTMENTS</b>		
Changes in working capital:		
Adjustment for (increase)/ decrease in operating assets		
- Trade receivables	(1933.24)	(1444.63)
- Short-term loans and advances	232.57	(502.87)
- Long-term loans and advances	3.19	27.95
- Inventories	1953.65	(2002.09)
Adjustment in increase/ (decrease) in operating liabilities		
- Other long term liabilities	(38.50)	(86.19)
- Trade payables	20.76	1582.06
- Other long term provision	(1.58)	87.96
- Other short term provision	74.59	2.21
- Other current liabilities	102.90	(607.71)
	<b>414.34</b>	(2943.31)
<b>NET CASH GENERATED FROM OPERATIONS</b>	<b>11290.99</b>	9891.89
Direct taxes paid (net of refund)	(2102.17)	(2834.13)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>9188.82</b>	7057.76
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of fixed assets (including adjustments on account of capital advances)	(1918.80)	(2348.66)
Sale of fixed assets	26.07	562.12
Margin Money deposits placed	(40.60)	(17.97)
Inter corporate deposit to group Company	972.00	(605.00)
Dividend income	5.62	10.12
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(955.71)</b>	(2399.39)

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016 (Contd.)**

	Year ended 31.03.2016 Rs. lacs	Year ended 31.03.2015 Rs. lacs
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Proceeds from long term borrowings	3028.16	4128.46
Proceeds from short term borrowings (net)	(1435.66)	672.41
Repayment of long term borrowings	(4335.40)	(4045.55)
Increase / (Decrease) in cash credit	(197.71)	(197.66)
Finance cost paid (net)	(1548.46)	(1763.53)
Dividend paid	(2810.76)	(1066.15)
Tax on dividend	(572.48)	(181.19)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(7872.31)</b>	<b>(2453.21)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>360.80</b>	<b>2205.16</b>
Cash and cash equivalents as at the beginning of the year	2766.26	561.10
<b>Cash and cash equivalents as at the end of the year (Refer note 16)</b>	<b>3127.06</b>	<b>2766.26</b>

See accompanying notes forming part of the financial statements

For and on behalf of the Board of Directors

<p>In terms of our report attached For Deloitte Haskins &amp; Sells Chartered Accountants</p>	<p><b>T. S. Sahney</b> Executive Chairman</p>	<p><b>H. S. Zaveri</b> Managing Director &amp; President</p>	<p><b>S. C. Rangani</b> Executive Director &amp; Company Secretary</p>
<p><b>Saira Nainar</b> Partner</p>	<p><b>Uday Khanna</b></p>	<p><b>Tashwinder Singh</b></p>	<p><b>A. A. Gowariker</b> <b>Ashank Desai</b> Directors</p>
<p>Mumbai: 24th May, 2016</p>	<p><b>Tanushree Bagrodia</b> Chief Financial Officer</p>		<p>Mumbai: 24th May, 2016</p>

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS****NOTE 1 - Significant accounting policies****1. Basis of preparation**

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

**2. Use of estimates**

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

**3. Fixed assets and depreciation/amortisation**

- (a) All fixed assets are stated at cost of acquisition, including any attributable cost for bringing the asset to its working condition for its intended use less accumulated depreciation/amortization and impairment losses, if any.
- (b) Depreciation/ amortisation on fixed assets has been provided on the straight-line method as per the useful life assessed based on technical advice, taking into account the nature of the asset, the estimated use of the asset on the basis of management's best estimation of getting economic benefits from those class of assets. The Company uses its external technical expertise along with historical and industry trends for arriving at the economic life of an asset.

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

In respect of SNL Bearings Limited depreciation/ amortisation on fixed assets has been provided on the straight-line method as per the useful life assessed based on technical advice, taking into account the nature of the asset, the estimated use of the asset on the basis of management's best estimation of getting economic benefits from those class of assets. The subsidiary uses its external technical expertise along with historical and industry trends for arriving at the economic life of an asset.

<b>Class of asset</b>	<b>Revised useful life based on SLM (Range)</b>
Buildings on leasehold land	15 - 50 years
Plant and equipment	4 - 30 years
Furniture and fixtures	6 years
Vehicles	6 - 8 years
Office Equipment	3 - 10 years
Electrical Installations	15 years
Computer Software	3 years

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

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

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

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

**4. Impairment**

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

**5. Foreign currency transactions**

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

**6. Investments**

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

**7. Inventories**

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

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS****8. Sale of products**

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

**9. Other Income**

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

**10. Employee benefits**

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

- (b) Long term benefits:

- (i) Defined Contribution Plans :

- 1. Provident and Family Pension Fund

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

- 2. Superannuation

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

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

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

- 1. Gratuity

The Group has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Group has arrangements with insurance companies for future payments of gratuities on behalf of the trusts established for this purpose. The Group accounts for gratuity benefits payable in future based on an independent actuarial valuation as at the year end. Actuarial gains and losses are recognised in the consolidated statement of profit and loss.

- 2. Compensated absences

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

**11. Voluntary Retirement Compensation**

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

**12. Research and development expenditure**

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

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

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**13. Borrowing costs**

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

**14. Operating Lease**

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

**15. Taxation**

Taxation expenses comprise current tax and deferred tax.

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

**16. Provisions and Contingent Liabilities**

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

**17. Earnings per share**

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

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

**18. Cash Flow Statement**

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

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

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

**20. Operating Cycle**

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



**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**
**NOTE 2 - Share Capital**

	As at 31.03.2016 Rs. lacs	As at 31.03.2015 Rs. lacs
Authorised:		
100,000,000 (as at 31.03.2015 100,000,000)		
Equity shares of Rs. 2 each	<u>2000.00</u>	<u>2000.00</u>
Issued, subscribed and fully paid up:		
96,922,600 (as at 31.03.2015 96,922,600)		
Equity shares of Rs. 2 each fully paid up	<u>1938.45</u>	<u>1938.45</u>
Per consolidated balance sheet	<u>1938.45</u>	<u>1938.45</u>

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

	As at 31.03.2016		As at 31.03.2015	
	Number of shares	Rs. lacs	Number of shares	Rs. lacs
Shares outstanding at the beginning of the year	<u>96922600</u>	<u>1938.45</u>	96922600	1938.45
Shares outstanding at the end of the year	<u>96922600</u>	<u>1938.45</u>	<u>96922600</u>	<u>1938.45</u>

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

	As at 31.03.2016		As at 31.03.2015	
	Number of shares	% of holding	Number of shares	% of holding
Trilochan Singh Sahney Trust 1 (held by a trustee in his individual name)	<b>36486909</b>	<b>37.65</b>	37755640	38.95
Hanwantbir Kaur Sahney	<b>4972000</b>	<b>5.13</b>	4972000	5.13
Harshbeena Sahney Zaveri	<b>5165019</b>	<b>5.33</b>	5007065	5.17
Nalanda India Equity Fund Limited	<b>9682667</b>	<b>9.99</b>	9682667	9.99
SBI Magnum Multiplier Plus Scheme 1993	<b>800000</b>	<b>0.83</b>	6352301	6.55
SBI Magnum Global Fund	<b>5159663</b>	<b>5.32</b>	-	-

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

Particulars	Number of shares as at 31.03.2016	Number of shares as at 31.03.2015
Fully paid up by way of bonus shares in financial year 2011	<b>48461300</b>	48461300

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

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

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

	Rs. lacs	As at 31.03.2016 Rs. lacs	Rs. lacs	As at 31.03.2015 Rs. lacs
<b>NOTE 3 - Reserves and surplus</b>				
<b>Capital reserve</b>		<b>40.03</b>		40.03
<b>Capital redemption reserve:</b>				
Opening balance	961.10		811.10	
Add: Transferred from surplus in the consolidated statement of profit and loss	<u>25.00</u>		<u>150.00</u>	
Closing balance		<b>986.10</b>		961.10
<b>Securities premium account</b>		<b>847.61</b>		847.61
<b>Debenture redemption reserve :</b>				
Opening balance	-		1000.00	
Add: Transferred from surplus in consolidated statement of profit and loss	<u>750.00</u>		-	
Less: Transfer to General Reserve	<u>-</u>		<u>1000.00</u>	
Closing balance		<b>750.00</b>		0.00
<b>General reserve:</b>				
Opening balance	9475.07		8475.07	
Add: Transfer from debenture redemption reserve	<u>-</u>		<u>1000.00</u>	
Closing balance		<b>9475.07</b>		9475.07
<b>Foreign currency translation reserve:</b>				
Opening balance	(145.55)		(87.97)	
Add /(Less): For the year	<u>(34.31)</u>		<u>(57.58)</u>	
Closing balance		<b>(111.24)</b>		(145.55)
<b>Surplus in the Consolidated Statement of Profit and Loss:</b>				
Opening balance	12303.39		8880.38	
Add: Profit for the year	<u>4199.78</u>		<u>5323.09</u>	
Less: Appropriations				
Interim dividend	1356.92		-	
Tax on Interim dividend	276.24		-	
Proposed dividend	72.23		1453.84	
Tax on Proposed dividend	14.70		249.03	
Tax on preference dividend	17.94		47.21	
Transfer to capital redemption reserve	25.00		150.00	
Transfer to debenture redemption reserve	<u>750.00</u>		<u>-</u>	
Closing balance		<b>13990.14</b>		12303.39
Per consolidated balance sheet		<u><b>25977.71</b></u>		<u>23481.65</u>
<b>NOTE 4 - Long term borrowings</b>				
<b>a) Non-convertible debentures</b>				
Unsecured (Refer footnote i and ii (b) below)		<b>3000.00</b>		-
<b>b) Term loans in foreign currency from banks</b>				
Secured (Refer footnote ii (a) below)		<b>1459.59</b>		4248.81
<b>c) Term loans from banks / others</b>				
Secured (Refer footnote ii (c) below)		<b>554.61</b>		1493.58
<b>d) Other Loans in foreign currency from banks</b>				
Secured (Refer footnote ii (d) below)		-		2953.59
<b>e) Deferred payment liabilities</b>				
Unsecured: Interest free Sales tax loan (Refer footnote ii (e) below)		<u>1166.00</u>		<u>1383.81</u>
Per consolidated balance sheet		<u><b>6180.20</b></u>		<u>10079.79</u>

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

i) 300, 9.93% privately placed non-convertible debentures of Rs. 1,000,000 each, redeemable at par, on 3rd August, 2018.

ii) Details of repayment of Loans

<u>Particulars</u>	<u>Security</u>	<b>As at 31.03.2016 Rs. lacs</b>	As at 31.03.2015 Rs. lacs
<b>a. Term loans in foreign currency from banks</b>			
External commercial borrowings	Secured by hypothecation of/charge on specified plant and machinery of the Company.	<b>849.71</b>	1605.02
External commercial borrowings	Secured by hypothecation of/charge on specified plant and machinery of the Company.	<b>3648.97</b>	3446.30
	Total	<b>4498.68</b>	<b>5051.32</b>
	Comprises of:		
	Long term borrowings	<b>1459.59</b>	4248.81
	Current maturities of long term borrowings	<b>3039.09</b>	802.51
<b>b. Non-convertible debentures</b>			
	Secured by first pari passu charge on specified plant and machinery of the Company.	<b>3000.00</b>	-
	Comprises of:		
	Long term borrowings	<b>3000.00</b>	-
	Current maturities of long term borrowings	-	-
<b>c. Term loans from banks</b>			
Long - term loan	Secured by hypothecation of/charge on specified plant and machinery.	-	273.41
Long - term loan	Secured against assets purchased out of the borrowings.	<b>165.48</b>	196.51
Term Loan	Secured by hypothecation of/charge on specified plant and machinery of the Company.	<b>1350.00</b>	2,000.00
	Total	<b>1515.48</b>	<b>2469.92</b>
	Comprises of:		
	Long term borrowings	<b>554.61</b>	1493.58
	Current maturities of long term borrowings	<b>960.87</b>	976.34
<b>d. Other Loans in foreign currency from banks</b>			
Capex Buyer's Credit	Secured by hypothecation of/charge on specified plant and machinery of the Company.	<b>969.73</b>	3055.39
Term Loan	Secured by hypothecation of/charge on specified plant and machinery of the Company, charge yet to be created.	<b>2157.56</b>	2,037.72
	Total	<b>3127.29</b>	<b>5093.11</b>
	Comprises of:		
	Long term borrowings	-	2953.59
	Current maturities of long term borrowings	<b>3127.29</b>	2,139.52
<b>e. Interest free Sales tax loan</b>			
Sales tax deferral scheme	-	<b>1383.81</b>	1594.64
	Comprises of:		
	Long term borrowings	<b>1166.00</b>	1383.81
	Current maturities of long term borrowings	<b>217.81</b>	210.83

iii) For the amount of current maturities of long term borrowings, refer note 9 - Other current liabilities

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**
**NOTE 5 - Deferred tax**

	Deferred tax asset / (liability) as at 31.03.2015 Rs. lacs	Credit/(charge) for the year Rs. lacs	Deferred tax asset/ (liability) as at 31.03.2016 Rs. lacs
<b>Nature of timing difference</b>			
<b>a) Deferred tax liability</b>			
Depreciation	(1706.13)	(70.23)	(1776.36)
Sub - total	(1706.13)	(70.23)	(1776.36)
<b>b) Deferred tax asset</b>			
Provision for doubtful debts	165.35	(24.69)	140.66
Voluntary retirement compensation	24.33	34.33	58.66
Provision for compensated absences	236.82	31.70	268.52
Provision for Gratuity	73.30	58.94	132.24
Demerger expenses	3.97	(1.99)	1.98
Sub - total	503.77	98.29	602.06
Per consolidated balance sheet	(1202.36)	28.06	(1174.30)

<b>As at</b>	As at
<b>31.03.2016</b>	31.03.2015
<b>Rs. lacs</b>	Rs. lacs

**NOTE 6 - Other long term liabilities**

Security deposits	556.96	514.46
Income received in advance	157.50	238.50
Per balance sheet	714.46	752.96

**NOTE 7 - Long term provisions**

Provisions for employee benefits:		
Compensated absences	575.97	577.55
Per consolidated balance sheet	575.97	577.55

**NOTE 8 - Short term borrowings**
**a) Loans repayable on demand**

Cash credit from banks (Refer footnote 1 below)		
Secured	16.36	214.07

**b) Other Loans from banks:**

Secured (Refer footnote 2 below)	7062.04	1116.53
Unsecured	-	1000.00

**c) Other Loans in foreign currency from banks:**

Secured (Refer footnote 2 below)	4463.00	7278.44
Unsecured	-	4913.15

**d) Other Loans:**

Unsecured: Commercial papers	6000.00	4000.00
(Maximum balance outstanding during the year Rs. 6000 lacs; 31.3.2015 Rs. 8500 lacs)		
Per consolidated balance sheet	17541.40	18522.19

**Footnotes:**

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

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

	As at 31.03.2016 <u>Rs. lacs</u>	As at 31.03.2015 <u>Rs. lacs</u>
<b>NOTE 9 - Other current liabilities</b>		
Current maturities of long-term debt (Refer footnote i below)		
- Term loans in foreign currency from banks	3039.09	802.51
- Interest free Sales tax loan	217.81	210.83
- Term loans from banks / others	960.87	976.34
- Other Loans in foreign currency from banks	3127.29	2139.52
Interest accrued but not due on borrowings	287.36	139.42
Security deposits	369.08	303.86
Income received in advance	81.00	78.00
Unpaid dividends (unclaimed) (refer footnote ii below)	17.61	16.17
Other Payables		
- Fixed assets	121.66	37.38
- Statutory dues	680.08	776.96
- Advances received	96.41	135.14
- Gratuity (refer note 37)	382.71	212.42
- Gratuity in respect of Executive Chairman	1.00	1.00
Per consolidated balance sheet	<u>9381.97</u>	<u>5829.55</u>

**Footnotes:**

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

**NOTE 10 - Short term provisions**
**a) Provisions for employee benefits:**

Compensated absences	201.82	108.93
	<u>201.82</u>	<u>108.93</u>

**b) Provision - Others:**

Taxation (net of advance tax Rs. 268.00 lacs (as at 31.03.2015 Rs. 295.30 lacs))	9.30	7.87
Proposed dividend	72.23	1453.84
Tax on dividend	14.70	249.03
Tax on preference dividend	18.30	47.21
	<u>114.53</u>	<u>1757.95</u>
Per consolidated balance sheet	<u>316.35</u>	<u>1866.88</u>

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**  
**NOTE 11 - Fixed Assets**

Description	GROSS BLOCK - AT COST				DEPRECIATION/AMORTISATION				NET BLOCK		
	Opening Balance As at 01.04.15 Rs. lacs	Additions Rs. lacs	Foreign currency translation reserve Rs. lacs	Deductions Rs. lacs	Closing Balance As at 31.03.16 Rs. lacs	Opening Balance As at 01.04.15 Rs. lacs	For the year Rs. lacs	Foreign currency translation reserve Rs. lacs	On Deductions Rs. lacs	Closing Balance As at 31.03.16 Rs. lacs	As at 31.03.16 Rs. lacs
<b>A. Tangible Assets</b>											
Freehold land	262.11	-	(4.53)	-	257.58	-	-	-	-	-	257.58
Leasehold land	178.81	-	(0.22)	-	178.59	23.42	3.08	(0.17)	-	26.33	152.26
Buildings and flats	8009.18	1,177.28	(15.02)	2.87	9168.57	1855.09	176.47	(3.95)	2.87	2024.74	7143.83
Plant and equipment (Refer note 38)	45348.21	2,014.38	(58.28)	224.48	47079.83	27045.39	2,692.53	(12.31)	210.85	29514.76	17565.07
Furniture and fixtures	893.86	38.29	(5.75)	7.80	918.60	506.10	122.14	(3.64)	7.80	616.80	301.80
Office equipment	466.19	12.48	(0.36)	20.25	458.06	418.45	17.03	(0.29)	20.25	414.94	43.12
Electrical installations	1077.72	41.74	(3.33)	-	1116.13	873.26	82.89	(1.64)	-	954.51	161.62
Vehicles	516.36	61.20	-	50.31	527.25	343.29	53.77	-	50.31	346.75	180.50
<b>Sub Total (A)</b>	56752.44	3345.37	(87.49)	305.71	59704.61	31065.00	3147.91	(22.00)	292.08	33898.83	25805.78
<b>B. Intangible Assets</b>											
Computer Software	596.56	51.07	(0.46)	0.00	647.17	508.93	46.59	(0.38)	0.00	555.14	92.03
<b>Sub Total (B)</b>	596.56	51.07	(0.46)	-	647.17	508.93	46.59	(0.38)	-	555.14	92.03
<b>Total (A) + (B)</b>	57349.00	3396.44	(87.95)	305.71	60351.78	31573.93	3194.50	(22.38)	292.08	34453.97	25897.81
Capital work-in-progress											
Per consolidated balance sheet											483.53
											26381.34

Footnotes:

- Buildings and flats include:
  - Shares in respect of residential premises of a cost of Rs. 2.25 lacs (as at 31.03.2015 Rs. 2.25 lacs) in a co-operative society which is in the process of being transferred in the name of the Company.
  - Cost of shares of an aggregate face value of Rs. 750 (as at 31.03.2015 Rs. 750) in co-operative housing societies viz. 5 shares of Rs. 50 each in Vile Parle Vatika Co-operative Housing Society Limited, 5 shares of Rs. 50 each in The Ganesh Villa
- During the year the Company and SNL Bearings Limited have done componentisation of its Plant and equipment and has separately assessed the life of major components, forming part of the main asset. Consequently, the depreciation charge in the Statement of Profit and Loss for the year is higher by Rs. 411.63 lacs.
- The title deeds/ leasehold right of Land and Buildings, having gross carrying amount aggregating Rs.217.86 lacs and net carrying amount aggregating Rs. 200.69 lacs as at March 31, 2016 (Previous year - gross carrying amount aggregating Rs.217.86 lacs and net carrying amount aggregating Rs. 202.56 lacs), 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.

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**
**NOTE 11 - Fixed Assets (previous year)**

Description	GROSS BLOCK - AT COST						DEPRECIATION/AMORTISATION						NET BLOCK	
	Opening Balance As at 01.04.14	Additions	Foreign currency translation reserve	Deductions	Closing Balance As at 31.03.15	Opening Balance As at 01.04.14	For the year	Foreign currency translation reserve	On Deductions	Closing Balance As at 31.03.15	Rs. lacs	Rs. lacs	Rs. lacs	Rs. lacs
	Rs. lacs	Rs. lacs	Rs. lacs	Rs. lacs	Rs. lacs	Rs. lacs	Rs. lacs	Rs. lacs	Rs. lacs	Rs. lacs	Rs. lacs	Rs. lacs	Rs. lacs	Rs. lacs
<b>A. Tangible Assets</b>														
Freehold land	253.39	-	8.72	-	262.11	-	-	-	-	-	-	-	-	262.11
Leasehold land	178.39	-	0.42	-	178.81	20.07	3.04	0.31	-	23.42				155.39
Buildings and flats	5010.29	3457.52	28.92	487.55	8009.18	1714.60	159.38	7.43	26.32	1855.09				6154.09
Plant and equipment (Refer note 38)	44814.89	2116.82	98.06	1681.56	45348.21	26387.07	2292.18	22.83	1656.69	27045.39				18302.82
Furniture and fixtures	965.11	122.78	10.91	204.94	893.86	576.03	128.29	6.72	204.94	506.10				387.76
Office equipment	1033.91	18.49	0.71	586.92	466.19	862.67	141.65	0.55	586.42	418.45				47.74
Electrical installations	1045.37	25.90	6.45	-	1077.72	690.08	180.12	3.06	-	873.26				204.46
Vehicles	468.67	154.98	-	107.29	516.36	318.17	132.41	-	107.29	343.29				173.07
<b>Sub Total (A)</b>	53770.02	5896.49	154.19	3068.26	56752.44	30568.69	3037.07	40.90	2581.66	31065.00				25687.44
<b>B. Intangible Assets</b>														
Computer Software	527.13	76.96	0.83	8.36	596.56	449.25	67.33	0.71	8.36	508.93				87.63
<b>Sub Total (B)</b>	527.13	76.96	0.83	8.36	596.56	449.25	67.33	0.71	8.36	508.93				87.63
<b>Total (A) + (B)</b>	54297.15	5973.45	155.02	3076.62	57349.00	31017.94	3104.40	41.61	2590.02	31573.93				25775.07
Capital work-in-progress														354.39
Per consolidated balance sheet														26129.46

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

	As at 31.03.2016	As at 31.03.2015
	Rs. lacs	Rs. lacs
<b>NOTE 12 - Non current investments</b>		
A. Trade (Quoted)		
Shares	1.09	1.09
B. Non -Trade (Unquoted)		
Shares	1.00	1.00
Less: Provision for diminution in value	1.00	1.00
	<u>-</u>	<u>-</u>
Mutual fund	5.00	5.00
	<u>5.00</u>	5.00
Per consolidated balance sheet	<u>6.09</u>	<u>6.09</u>
Aggregate amount of quoted investments [market value Rs. 381.83 lacs (as at 31.03.2015: Rs. 335.88 lacs)]	<u>1.09</u>	<u>1.09</u>
Aggregate amount of unquoted investments	<u>5.00</u>	5.00
	<u>6.09</u>	<u>6.09</u>
<b>NOTE 13 - Long term loans and advances</b>		
(Unsecured, considered good)		
Capital Advances	722.48	1675.51
Security deposits	379.89	344.19
Loans and advances to employees	5.21	15.73
Income taxes paid (net of provision for tax Rs. 16428.05 lacs (as at 31.03.2015 Rs. 14902.85 lacs))	1127.61	1123.74
Prepaid expenses	2.24	30.61
Per consolidated balance sheet	<u>2237.43</u>	<u>3189.78</u>
<b>NOTE 14 - Inventories</b>		
(at lower of cost and net realisable value)		
(a) Raw materials	4122.76	5079.20
Goods-in-transit	1.14	42.74
	<u>4123.90</u>	5121.94
(b) Work-in-progress	3196.65	3460.09
(c) Finished goods	4888.79	5439.24
(d) Stores and spares	2261.72	2403.44
Per consolidated balance sheet	<u>14471.06</u>	<u>16424.71</u>
<b>NOTE 15 -Trade receivables</b>		
<b>Trade receivables outstanding for a period exceeding six months from the date they were due for payment:</b>		
Secured, considered good	21.34	9.45
Unsecured, considered good	6375.19	2690.56
Unsecured, considered doubtful	406.88	479.37
	6803.41	3179.38
Provision for doubtful debts	406.88	479.37
	<u>6396.53</u>	2700.01
<b>Other trade receivables:</b>		
Secured, considered good	142.64	162.30
Unsecured, considered good	16055.54	17113.00
	<u>16198.18</u>	17275.30
Per consolidated balance sheet	<u>22594.71</u>	<u>19975.31</u>



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

	As at 31.03.2016 Rs. lacs	As at 31.03.2015 Rs. lacs
<b>NOTE 16 - Cash and cash equivalents</b>		
Cash on hand	3.46	4.21
Cheques on hand	21.48	-
Balances with banks		
In current accounts	1780.15	2755.56
In EEFC account	16.25	-
In deposit account	1305.72	6.49
Other Bank balances		
In earmarked accounts:		
Margin money deposit (FDs pledged with Banks)	58.57	17.97
Unpaid dividend accounts	17.61	16.17
Per consolidated balance sheet	<u>3203.24</u>	<u>2800.40</u>
Of the above, the balances that meet the definition of cash and cash equivalents as per AS 3 Cash Flow Statements is	<u>3127.06</u>	2766.26
<b>NOTE 17 - Short term loans and advances</b>		
(Unsecured, considered good)		
Inter - corporate deposits to related parties	250.00	1222.00
Loans and advances to employees	71.03	82.52
Prepaid expenses	358.41	304.54
Balance with government authorities	2369.92	1558.07
Advance sales tax	419.11	438.35
Loans and advances		
Others	781.03	1265.67
Per consolidated balance sheet	<u>4249.50</u>	<u>4871.15</u>
<b>NOTE 18 - Other current assets</b>		
Interest receivable	5.53	10.11
Per consolidated balance sheet	<u>5.53</u>	<u>10.11</u>
	<b>Year ended</b>	<b>Year ended</b>
	<b>31.03.2016</b>	<b>31.03.2015</b>
	<b>Rs. lacs</b>	<b>Rs. lacs</b>
<b>NOTE 19 - Revenue from operations</b>		
Sale of products	73066.05	70809.68
Other operating revenues:		
Sale of scrap	542.37	768.04
Duty drawback and export incentives	270.36	579.38
	<u>812.73</u>	1347.42
Revenue from operations (gross)	73878.78	72157.10
Less: Excise duty	6385.09	5126.23
Per consolidated statement of profit and loss	<u>67493.69</u>	<u>67030.87</u>
<b>NOTE 20 - Other income</b>		
Dividend income		
From long term investments		
- Trade	2.82	6.72
- Others	2.80	3.40
	<u>5.62</u>	10.12
Profit on sale of fixed assets (net)	12.44	75.52
Rent	109.37	107.45
Provision for doubtful debts no longer required	56.71	-
Other non-operating income	54.51	133.71
Per consolidated statement of profit and loss	<u>238.65</u>	<u>326.80</u>

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

	Year ended 31.03.2016		Year ended 31.03.2015	
	Rs. lacs	Rs. lacs	Rs. lacs	Rs. lacs
<b>NOTE 21 - Cost of materials consumed</b>				
Opening Stock		5121.94		4014.43
Add: Purchases		24167.94		26412.07
		<u>29289.88</u>		<u>30426.50</u>
Less: Closing stock		4123.90		5121.94
Per consolidated statement of profit and loss		<u>25165.98</u>		<u>25304.56</u>
<b>NOTE 22 - Changes in inventories of finished goods, work-in-progress, stock-in-trade</b>				
Opening stocks:				
Finished goods		5439.24		5121.60
Work - in - progress		3460.09		3716.28
Stock-in-trade		-		1.97
		<u>8899.33</u>		<u>8839.85</u>
Closing stocks:				
Finished goods		4888.79		5439.24
Work - in - progress		3196.65		3460.09
		<u>8085.44</u>		<u>8899.33</u>
Add: Adjustment with respect to the transfer of Special Purpose Machine from Inventory to Fixed Assets & CWIP		-		(80.40)
Per consolidated statement of profit and loss - Net (increase) / decrease		<u>813.89</u>		<u>(139.88)</u>
<b>NOTE 23 - Employee benefit expense</b>				
Salaries and wages		10518.30		9248.10
Contribution to provident and other funds (refer note 37)		1037.19		871.78
Staff welfare		1071.76		1090.62
Voluntary retirement compensation		211.87		-
Per consolidated statement of profit and loss		<u>12839.12</u>		<u>11210.50</u>
<b>NOTE 24 - Finance costs</b>				
Interest				
On fixed loans	877.57		682.88	
On others	<u>775.16</u>		<u>1058.57</u>	
		1652.73		1741.45
Other borrowing costs		125.14		105.25
		<u>1777.87</u>		<u>1846.70</u>
Less: Interest income				
From banks on deposits	8.19		3.74	
On loans and advances	<u>68.70</u>		<u>118.31</u>	
		76.89		122.05
Per consolidated statement of profit and loss		<u>1700.98</u>		<u>1724.65</u>

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

	Year ended 31.03.2016	Year ended 31.03.2015
	Rs. lacs	Rs. lacs
<b>NOTE 25 - Other expenses</b>		
Consumption of stores and spare parts	5351.07	4843.92
Processing charges	1436.51	1997.21
Power and fuel	2941.59	2777.07
Repairs and maintenance -		
Buildings	218.00	260.31
Plant and machinery	403.57	403.18
Others	97.45	99.98
	<b>719.02</b>	763.47
Insurance	136.02	94.41
Rent	14.52	13.54
Rates and taxes	91.63	148.00
Legal and professional fees	636.14	517.22
Directors' fees and commission	15.13	18.05
Commission on sales	719.93	626.32
Sales discount	217.19	121.66
Travelling and conveyance	707.44	772.18
Postage, telephone and fax	84.33	75.51
Bank charges	70.51	89.63
Advertisement and sales promotion expenses	225.23	158.50
Forwarding charges	1939.15	2575.91
Receivables written off	3.19	138.14
Provision for doubtful debts	-	45.54
Lease rent (refer note 34)	92.71	81.17
IT expenses	347.81	215.44
Excise duty on Increase/ (decrease) in inventories of finished goods	233.70	181.69
Net loss on foreign currency transactions and translation	122.00	521.17
Auditors' remuneration (see footnote below)	74.09	58.03
Expenditure on Corporate Social Responsibility	117.00	134.04
Miscellaneous expenses	1332.67	1382.82
Per consolidated statement of profit and loss	<b>17628.58</b>	<b>18350.64</b>
<b>Footnote</b>		
<b>i) Details of Auditors' Remuneration:</b>		
(excluding service tax)		
Audit fees	41.83	29.53
Report under section 44AB of the Income-tax Act, 1961	5.75	4.50
Taxation matters	1.50	-
Other services	24.40	23.50
Reimbursement of expenses	0.61	0.50
<b>Total</b>	<b>74.09</b>	<b>58.03</b>
<b>ii) Details of Expenditure on Corporate Social Responsibility:</b>		
Gross amount required to be spent during the year	134.60	130.63
Amount spent and paid during the year	117.00	134.04

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**
**NOTE 26 - Disclosures under the Micro, Small and Medium Enterprises Development Act, 2006:**

- (a) An amount of 3.70 lacs and Rs. Nil was due and outstanding to suppliers with respect to SNL Bearings Limited as at the end of the accounting year on account of Principal and Interest respectively.
- b) No interest was paid during the year in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 and no amount was paid to the supplier beyond the appointed day.
- c) No amount of interest is due and payable for the period of delay in making payment but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.
- d) No interest was accrued and unpaid at the end of the accounting year.
- e) No further interest remaining due and payable even in the succeeding years for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.

The above information regarding Micro, Small and Medium Enterprises has been determined on the basis of information available with the group.

**NOTE 27 - Additional information as**

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

	Name of the entity	Net assets, i.e. total assets minus total liabilities				Share of profit / (loss)			
		2016		2015		2016		2015	
		As % of con- solidated net assets	Rs. Lacs	As % of con- solidated net as- sets	Rs. Lacs	As % of con- solidated profit / (loss)	Rs. Lacs	As % of consoli- dated profit / (loss)	Rs. Lacs
<b>A)</b>	<b>Parent</b>								
	NRB Bearings Limited	<b>85.44</b>	<b>24200.95</b>	82.93	21319.91	<b>100.01</b>	<b>4318.37</b>	96.70	5193.15
<b>B)</b>	<b>Subsidiaries</b>								
<b>i)</b>	<b>Indian</b>								
	SNL Bearings Limited	<b>4.14</b>	<b>1171.42</b>	4.18	1075.70	<b>7.79</b>	<b>336.42</b>	5.31	285.04
<b>ii)</b>	<b>Foreign</b>								
	NRB Bearings (Thailand) Limited	<b>10.61</b>	<b>3006.53</b>	12.98	3336.43	<b>(10.75)</b>	<b>(463.92)</b>	(2.96)	(159.13)
	NRB Bearings Europe GmbH	<b>(0.19)</b>	<b>(55.07)</b>	(0.09)	(22.45)	<b>0.21</b>	<b>8.91</b>	0.08	4.03
	Minority Interests in a subsidiary					<b>2.74</b>	<b>118.18</b>	0.87	47.05

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**
**NOTE 28 - Contingent liabilities not provided for:**

	<b>As at</b> <b>31.03.2016</b> <b>Rs. lacs</b>	As at 31.03.2015 <u>Rs. lacs</u>
(a) Income Tax	<b>1712.53</b>	1388.62
(b) Sales Tax	<b>316.30</b>	316.30
(c) Customs Duty	-	158.87
(d) Bank guarantees	<b>125.41</b>	103.78
(e) Corporate guarantees issued on behalf of group Company	<b>2630.22</b>	5169.45

The group is in further appeal in respect of matters stated in a) and b) above.

- (f) The Subsidiary Company incorporated in India had received an Order dated 6th September, 2004 from the Employees Provident Fund Organisation raising a demand of Rs. 161.36 lakhs including interest of Rs. 46.73 lakhs for default in making payment of Employees Provident Fund and allied dues for the period April, 1986 to February, 2003. The Company has been making contributions to the 'SNL Officers Provident Fund Trust' and 'SNL Employee's Provident Fund Trust', being Trusts formed by the Company in earlier years; these Trusts have net assets of Rs. 139.26 lakhs and Rs. 78.79 lakhs respectively as at 31st March, 2015 as reflected in their audited balance sheets. As per the order, the existence of the said Trusts and the act of switching over from Employees trust to the Officers trust on salary exceeding the statutory limit fixed by the Employees Provident Fund and Miscellaneous Act, 1952, have been considered violative of the Act. The authorities had attached one of the Company's bank accounts and had recovered an amount of Rs. 2.75 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 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.

	<b>As at</b> <b>Year ended</b> <b>31.03.2016</b> <b>Rs. lacs</b>	As at Year ended 31.03.2015 <u>Rs. lacs</u>
<b>NOTE 29 -</b> Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	<b>4463.26</b>	2692.74
	<b>Year ended</b> <b>31.03.2016</b> <b>Rs. lacs</b>	Year ended 31.03.2015 <u>Rs. lacs</u>

**NOTE 30 - The amount of exchange differences (net):**

debited to the consolidated statement of profit and loss is	<b>122.00</b>	521.17
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**NOTE 31 - Expenditure on research and development:**

(a) Charged to the statement of profit & loss	<b>809.85</b>	721.00
(b) Capitalized to fixed asset	-	5.79

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**
**NOTE 32 - Segment Reporting**

The Company has a single reportable business segment namely bearings for the purpose of Accounting Standard 17 on Segment Reporting. Geographical Segment information is given as follows:

	<b>Within India</b>	<b>Outside India</b>	<b>Total</b>
	<b>Rs. lacs</b>	<b>Rs. lacs</b>	<b>Rs. lacs</b>
Revenue from operations	<b>53791.59</b> (50751.75)	<b>13702.10</b> (16279.12)	<b>67493.69</b> (67030.87)
Total Assets	<b>52024.23</b> (55142.42)	<b>21172.42</b> (18312.34)	<b>73196.65</b> (73454.76)
Additions to fixed assets	<b>3297.68</b> (5285.26)	<b>98.76</b> (688.19)	<b>3396.44</b> (5973.45)

**Footnote:**

Figures in brackets are in respect of the previous year.

**NOTE 33 - Related Party Disclosures where control exists:**
**A) Name of the related party and nature of relationship:**

Sr.no	Nature of relationship	Names of related parties
(a)	Individual having substantial interest in the voting power and the power to direct by agreement, the financial and operating policies of the Company.	Mr. T. S. Sahney, Executive Chairman
(b)	Key management personnel	Ms. H. S.Zaveri, Managing Director
		Mr. S. C. Rangani, Executive Director & Company Secretary
(c)	Director in a subsidiary Company	Mr. S. C. Rangani (Director in SNL bearings Limited)
		Mr. Sumit Mitra (Director in NRB Bearings Europe, GmbH)
(d)	Executive Director in a subsidiary Company	Mr. A.S. Kohli (NRB Bearings (Thailand) Limited)
(e)	A firm where executive chairman is a partner	New Indo Trading Company
(f)	A Company wherein Mr. T. S. Sahney, Executive Chairman and Ms. H. S. Zaveri, Managing Director are directors and shareholders having Management Control.	NRB Industrial Bearings Limited

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**
**B) Related Party Transactions:**

Name of the related parties	Nature of transaction	Volume of transactions Rs. lacs	Receivable As at 31.03.2016 Rs. lacs	Payable As at 31.03.2016 Rs. lacs
NRB Industrial Bearings Limited	Sale of raw materials	<b>98.23</b> (137.91)	<b>258.66</b> (1240.18)	- (-)
	Purchase of raw materials	- (6.77)		
	Inter Corporate deposit given	- (605.00)		
	Inter Corporate deposit repayment received	<b>972.00</b> (-)		
	Interest received on Inter Corporate deposit	<b>73.56</b> (118.31)		
	Bad debts written off	- (138.14)		
	Guarantee given by NRB Bearings Ltd.	- (-)		<b>2630.22</b> (5169.45)
Mr. T. S. Sahney	Remuneration	<b>154.97</b> (174.98)	- (-)	<b>45.98</b> (52.07)
Ms. H. S. Zaveri	Remuneration and Directors fees	<b>284.67</b> (232.52)	- (-)	<b>45.98</b> (43.35)
Mr. S. C. Rangani	Remuneration and Directors fees	<b>79.03</b> (72.35)	- (-)	- (-)
Mr. A S Kohli	Remuneration	<b>22.14</b> (22.32)	- (-)	- (-)
Mr. Sumit Mitra	Remuneration	<b>88.46</b> (64.88)	- (-)	- (-)
New Indo Trading Company	Service charges paid	<b>5.00</b> (5.00)	- (-)	<b>1.23</b> (1.23)

**Footnotes:**

- (i) Figures in brackets are in respect of previous year.
- (ii) No amounts pertaining to related parties have been provided for as doubtful debts. Further, no amounts have either been written off or written back during the year except as disclosed above.

Year ended <b>31.03.2016</b> Rs. lacs	Year ended 31.03.2015 Rs. lacs
---	--------------------------------------

**NOTE 34 - Lease Rentals**

The group has taken certain vehicles on operating lease. Lease rentals charged to the consolidated statement of profit and loss for the year ended 31.3.2016 aggregated Rs. 75.39 lacs (for the year ended 31.03.2015: Rs. 73.13 lacs). The minimum lease payments to be made in future as at the year end are as follows:

(i) For a period not later than one year	<b>53.83</b>	37.98
(ii) For a period later than one year and not later than five years	<b>99.88</b>	31.74
(iii) For a period later than five years	-	-

**NOTE 35 - Value used in calculating Earnings Per Share**

(i) Profit after tax (Rs. in lacs)	<b>4199.78</b>	5323.09
(ii) Number of Equity Shares	<b>96922600</b>	96922600
(iii) Par value per share (Rs.)	<b>2</b>	2
(iv) Earnings per share - Basic and diluted (Rs.)	<b>4.33</b>	5.49

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**
**NOTE 36 - Financial and Derivative Instruments**

i) Forward Exchange Contracts entered into by the Company that are outstanding as at 31st March, 2016:

<u>Currency</u>	<u>Amount in foreign currency</u>	<u>Buy/Sell</u>	<u>Cross Currency</u>
USD	<b>1,458,770</b> (-)	<b>Buy</b> (-)	<b>INR</b> (-)
USD	<b>2,744,000</b> (4,958,000)	<b>Sell</b> (Sell)	<b>INR</b> (INR)
EURO	<b>787,750</b> (1,892,750)	<b>Sell</b> (Sell)	<b>INR</b> (INR)

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

ii) Interest rate swaps to hedge against fluctuations in interest rate changes: No. of contracts: 2 (as at 31.3.2015: 2)

iii) Foreign currency exposures that have not been hedged by a derivative instrument or other wise outstanding as at 31.03.2016:

<u>Purpose</u>	<u>Currency</u>	<u>Amount</u>	<u>Equivalent Rs. lacs as at Year end Year end</u>
a) Amount receivable in foreign currency :			
Export of goods	USD	<b>8,234,482</b> (5,305,677)	<b>5459.11</b> (3323.98)
	EURO	<b>8,033,404</b> (5,895,082)	<b>6028.30</b> (3986.23)
	THB	<b>4,754,238</b> (3,295,324)	<b>89.56</b> (63.48)
Balance with government authorities	EURO	<b>2,228,576</b> (1,289,068)	<b>1673.22</b> (871.72)
b) Amounts payable in foreign currency :			
Import of goods	JPY	<b>93,698,022</b> (99,886,161)	<b>553.66</b> (520.81)
	EURO	<b>568,016</b> (111,841)	<b>426.58</b> (75.15)
	USD	<b>540,357</b> (614,059)	<b>358.25</b> (384.77)
	CHF	<b>84,778</b> (213,888)	<b>58.23</b> (138.27)
	THB	<b>11,092,388</b> (12,176,432)	<b>208.95</b> (234.56)
Capital Imports	EURO	- (4,000)	- (2.71)
Loans payable	USD	<b>14,718,272</b> (28,080,151)	<b>9764.84</b> (17596.49)
	THB	<b>56,400,000</b> (57960819)	<b>1062.41</b> (1116.53)
	EURO	<b>1,770,000</b> (7,410,128)	<b>1328.92</b> (5012.95)

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



**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**
**NOTE 37 - Employee Benefits :**
**1 Defined Contribution plans**

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

	Year ended <b>31.03.2016</b>	Year ended 31.03.2015
	<u>Rs. lacs</u>	<u>Rs. lacs</u>
(i) Employer's Contribution to Provident Fund	<b>342.85</b>	336.87
(ii) Employer's Contribution to Family Pension Fund	<b>153.25</b>	133.27
(iii) Employer's Contribution to Superannuation Fund	<b>120.14</b>	120.71
(iv) Employer's Contribution to Social Security Fund	<b>32.35</b>	47.45

**2 Defined Benefit plans**

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

		<b>Rs. lacs</b>	
Sr. No.	Particulars	2015 - 16	2014 - 15
(i)	Components of employer expenses		
	a) Current Service cost	<b>141.34</b>	112.96
	b) Interest cost	<b>218.68</b>	219.04
	c) Expected return on plan assets	<b>(201.77)</b>	(198.06)
	d) Actuarial Losses/ (Gains)	<b>227.50</b>	99.54
	<b>Total expenses recognised in the Statement of Profit and Loss</b>	<b>385.75</b>	233.48
(ii)	Actual Contribution and Benefit Payments for year		
	a) Actual benefit payments	<b>198.69</b>	201.53
	b) Actual Contributions	<b>215.46</b>	134.04
(iii)	Change in Defined Benefit Obligations (DBO) during the year		
	a) Present Value of DBO at the beginning of the year	<b>2744.79</b>	2345.47
	b) Current Service cost	<b>141.34</b>	112.96
	c) Interest cost	<b>218.68</b>	219.04
	d) Actuarial Losses/ (Gains)	<b>170.05</b>	268.85
	e) Benefits paid	<b>(198.69)</b>	(201.53)
	<b>Present Value of DBO at the end of the year</b>	<b>3076.17</b>	2744.79
(iv)	Change in Fair Value of Assets during the year		
	a) Plan assets at beginning of the year	<b>2532.37</b>	2232.49
	b) Expected return on plan assets	<b>201.77</b>	198.06
	c) Actuarial (Losses)/ Gains	<b>(57.45)</b>	169.31
	d) Actual Company contributions	<b>215.46</b>	134.04
	e) Fair Value of benefits paid	<b>(198.69)</b>	(201.53)
	<b>Fair value of plan assets at the end of year</b>	<b>2693.46</b>	2532.37
(v)	Contribution expected to be paid next year	<b>348.34</b>	254.11
(vi)	Actuarial Assumptions		
	a) Discount Rate	<b>7.86% - 7.79%</b>	7.95% - 7.99%
	b) Expected rate of return on Plan assets	<b>7.86% - 7.79%</b>	7.95% - 7.99%
	c) Salary escalation	<b>6% - 10%</b>	6% - 10%
	d) Mortality Table	<b>Indian Assured Lives Mortality (2006-08) Ultimate</b>	Indian Assured Lives Mortality (2006-08) Ultimate
	e) Attrition rate	<b>2% - 10%</b>	2% - 10%
(vii)	The major categories of plan assets - Insurer Managed Funds	<b>100%</b>	100%

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

Particulars	Rs. lacs				
	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012
(viii) Net asset/(liability) recognised in balance sheet					
a) Defined Benefit Obligation	<b>(3076.17)</b>	(2744.79)	(2345.47)	(2191.21)	(1855.27)
b) Fair Value of Plan assets	<b>2693.46</b>	2532.37	2232.49	1820.66	1331.35
c) <b>Net asset/(liability) recognised in balance sheet</b>	<b>(382.71)</b>	(212.42)	(112.98)	(370.55)	(523.92)
d) Experience adjustment arising on :					
1) Plan Liabilities [ Losses / (Gains) ]	<b>135.72</b>	59.61	98.33	67.91	117.57
2) Plan Assets [ (Losses) / Gains ]	<b>(57.45)</b>	169.31	(16.47)	(51.98)	(37.70)

**Footnotes:**

- (i) The expected rate of return on plan assets is based on the average long term rate of return expected on investments of the fund during the estimated term of obligation.
- (ii) The assumption of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion, increment and other relevant factors.
- (iii) The discount rate is based on prevailing market yield of Government of India security as at the Balance sheet date for the estimated term of the obligation.

**b) Compensated Expenses**

- (i) Compensated Expenses recognised in the statement of profit and loss for the year, under employee benefit expense, is Rs. 171.06 lacs (for the year ended 31.03.2015 : Rs. 208.81 lacs).

(ii) Actuarial Assumptions used:

	As at 31.03.2016	As at 31.03.2015
a) Discount Rate	<b>7.86% - 7.79%</b>	7.95% - 7.99%
b) Expected rate of return on Plan assets	<b>7.86% - 7.79%</b>	7.95% - 7.99%
c) Salary escalation	<b>6% - 10%</b>	6% - 10%
d) Mortality Table	<b>Indian Assured Lives Mortality (2006-08) Ultimate</b>	Indian Assured Lives Mortality (2006-08) Ultimate
e) Attrition rate	<b>2% -10%</b>	2% - 10%

**NOTE 38 -**

Pursuant to the notification issued by the Central Government extending the applicability of amendment to Accounting Standard 11 on 'The Effects of Changes in Foreign Exchange Rates' upto March 31, 2020, which provides an option for adjustment of foreign exchange gain / loss arising on long term foreign currency borrowings against the carrying value of related fixed assets, the Company has continued to exercise the option and has adjusted exchange loss aggregating Rs. 503.90 lacs (for the year ended 31.03.2015 : Rs. 389.35 lacs) against the carrying value of fixed assets. The balance amount, based on aforesaid adjustments, of plant and machinery to be amortised, as at the year-end, aggregates Rs. 1639.76 lacs (Previous year Rs. 1309.82 lacs)

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

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**NOTE 39 -**

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

**Signature to Notes**

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

**T. S. Sahney**  
Executive Chairman

**H. S. Zaveri**  
Managing Director &  
President

**S. C. Rangani**  
Executive Director &  
Company Secretary

**Uday Khanna**

**Tashwinder Singh**

**A. A. Gowariker Ashank Desai**

Directors

**Tanushree Bagrodia**  
Chief Financial Officer

**Mumbai : 24th May, 2016**



**NRB BEARINGS LTD.**

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

**ATTENDANCE SLIP**

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

Name of Shareholders

DP ID\*/CLIENT ID/FOLIO NO.

Address of Shareholders

NO. OF SHARES

I hereby record my presence at the **51<sup>st</sup> ANNUAL GENERAL MEETING** of the Company held on Tuesday, August 23, 2016 at 11:00 a.m. at M C Ghia Hall, K Dubash Marg, Mumbai 400 001.

Signature of Shareholder/Proxy

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

**PROXY FORM**



**NRB BEARINGS LTD.**

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

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

I/We being the members of \_\_\_\_\_ shares of NRB Bearings Limited, hereby appoint:

- 1) \_\_\_\_\_ of \_\_\_\_\_ having e-mail ID \_\_\_\_\_ or failing him
- 2) \_\_\_\_\_ of \_\_\_\_\_ having e-mail ID \_\_\_\_\_ or failing him
- 3) \_\_\_\_\_ of \_\_\_\_\_ having e-mail ID \_\_\_\_\_ or failing him

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **51<sup>st</sup> ANNUAL GENERAL MEETING** of the Company, to be held on Tuesday, August 23, 2016 at 11:00 a.m. at M C Ghai Hall, K Dubash Marg, Mumbai 400 001 and at any adjournment thereof in respect of such resolutions as are indicated overleaf:

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

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

Resolutions	For	Against
1. Consider and adopt Audited Financial Statements, Reports of the Board of Directors and Auditors.		
2. To confirm payment of interim dividend as final dividend for the FY 2015-16.		
3. Reappointment of Mr. D. S. Sahney who retires by rotation.		
4. Ratification of Appointment of Auditors & fixing their remuneration.		
5. Appointment of Mr. Ashank D Desai as an Independent Director.		

Signed \_\_\_\_ day of \_\_\_\_ 2016

Signature of Shareholder

Affix  
revenue  
stamp

\_\_\_\_\_  
Signature of first Proxy

\_\_\_\_\_  
Signature of second Proxy

\_\_\_\_\_  
Signature of third Proxy

**Notes:**

- 1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.**
- 2. A Proxy need not be a member of the Company.**
- A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- \*\*4.** This is only optional. Please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
- In the case of jointholders, the signature of any one holder will be sufficient, but names of all the jointholders should be stated.

## FINANCIAL HIGHLIGHTS

Rs. in lacs

Year Ended	31.03.12	31.03.13	31.03.14	31.03.15	31.03.16
<b>Sales (Net)</b>					
Domestic	47016.12	44606.38	44633.61	48773.04	51666.62
Exports	7054.55	12250.00	13585.00	15484.17	13484.28
<b>Sales Total</b>	<b>54070.67</b>	<b>56856.38</b>	<b>58218.61</b>	<b>64257.21</b>	<b>65150.90</b>
Operating Profit (EBITDA)	10797.13	10233.15	10517.54	11836.95	10743.47
Profit Before Tax	6886.72	5504.54	5471.58	7418.94	6382.00
Tax (Net)	2058.05	800.97	1653.47	2212.48	1784.00
Profit After Tax	4828.67	4703.57	3818.11	5206.46	4598.00
Retained Earnings	2584.79	2786.07	2580.97	3503.59	2964.84
Dividend	1938.45	1647.68	1066.15	1453.84	1356.92
Tax on dividend	305.43	269.82	170.99	249.03	276.24
Earnings per share (FV Rs.2)	4.98	4.85	3.94	5.37	4.74
Dividend %	100	85	55	75	70
Shareholders' Funds	24484.41	21085.70	23666.67	27170.26	30135.40
Funds Employed	41996.59	31511.45	35336.05	39515.96	42481.10
Fixed Assets (Gross)	47758.83	46580.34	52320.15	51256.86	54528.26
Fixed Assets (Net)	22702.06	20855.92	23560.89	22256.66	22736.57
Fixed Asset Turnover (times)	2.38	2.73	2.47	2.89	2.87
Net Current Assets	14378.55	5762.08	6910.66	12206.46	10863.67
Working Capital Turnover (times)	3.76	9.87	8.42	5.26	6.00
Shareholder Nos	10008	10920	9494	10330	9706
Employee Nos	1653	1574	1593	1571	1670

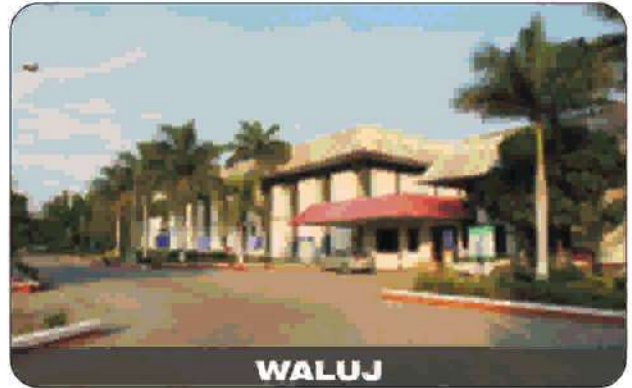
Fixed Asset Turnover - Net sales/Net Fixed Assets at year end

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

# NRB PLANTS



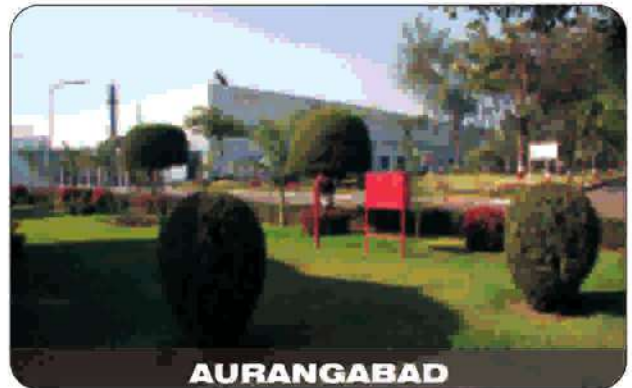
**THANE**



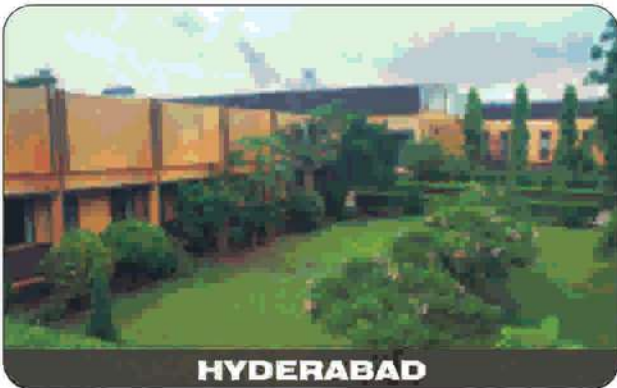
**WALUJ**



**JALNA**



**AURANGABAD**



**HYDERABAD**



**RANCHI**

