

**NRB**  
**INDUSTRIAL**



**3rd Annual Report  
2012 - 2013**

**NRB INDUSTRIAL BEARINGS LTD**

**MOVING THE WHEELS OF INDUSTRY**

## 3rd ANNUAL REPORT 2012-2013

<b>Chairman</b>	: Mr. Trilochan Singh Sahney
<b>Managing Director</b>	: Mr. Devesh Singh Sahney
<b>Directors</b>	: Mrs. Harshbeena Sahney Zaveri Mr. Pankaj Madhav Baliga Mr. Shailesh Rajnikant Sheth Mr. Daljit Lilaram Mirchandani
<b>Company Secretary</b>	: Ms. Neha Solanki
<b>Auditors</b>	: Deloitte Haskins & Sells
<b>Solicitors</b>	: Wadia Ghandy & Co.
<b>Bankers</b>	: Standard Chartered Bank
<b>Registered and Corporate Office</b>	: 15, Dhannur, 2nd Floor, Sir P. M. Road, Fort, Mumbai, Maharashtra-400001. Phone: 22-21704206, Fax: 22-22704207
<b>Works</b>	: B-18, Five Star, MIDC Area, D-Zone, Shendra, Aurangabad – 431201.
<b>Registrar &amp; Share Transfer Agent</b>	: Universal Capital Securities Pvt. Ltd. (Formerly known as M/s. Mondkar Computer Pvt. Ltd.) 21, Shakil Niwas, Mahakali Caves Road, Andheri (East), Mumbai 400 093. Tel: 022-2836 66 20, 28207203-05 Fax: 022-2836 9704, 28207207

## CONTENTS

<b>Particulars</b>	<b>Page No.</b>
AGM Notice .....	03
Directors' Report .....	06
Management Discussion & Analysis .....	10
Corporate Governance Report .....	11
Auditor's Report .....	24
Balance Sheet as at 31st December 2013 .....	28
Profit & Loss Account for the Fifteen months period ended 31st December 2013 .....	29
Cash Flow Statement for the Fifteen months period ended 31st December 2013 .....	30
Schedules to the Accounts.....	32

## AGM NOTICE

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

Notice is hereby given that the 3rd Annual General Meeting of the Members of NRB Industrial Bearings Limited will be held on Friday, 11th April, 2014 at 11 A.M. at MC Ghia Hall, Kalaghoda, Fort, Mumbai-400001, to transact the following business as:

### **ORDINARY BUSINESS:**

1. To receive, consider, approve and adopt the Audited Balance Sheet as on 31st December, 2013, Cashflow Statement and Profit and Loss Account for the 15 months period ended on that date and the Report of the Directors and Auditors thereon.
2. To appoint Mr. Trilochan Singh Sahney who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors of the Company and fix their remuneration.

### **Item No.1: Adoption of Audited Balance Sheet and the Profit and Loss Account:**

To consider and if thought fit, to pass with or without modification(s), the following resolution as ORDINARY RESOLUTION:

“RESOLVED THAT the Audited Balance Sheet as on 31st December, 2013 and the Statement of Profit & Loss Account for the fifteen months period ended on that date as placed before the meeting along with Directors’ Report and Auditors’ Report thereon, be and are hereby adopted.”

### **Item No.2: To re-appoint Trilochan Singh Sahney as Director.**

To consider and if thought fit, to pass with or without modification(s), the following resolution as ORDINARY RESOLUTION:

“RESOLVED THAT Pursuant to the provision of Section 255 and 256 of the Companies Act, 1956, Articles of Association of the Company and other applicable provisions, if any, Mr. Trilochan Singh Sahney retires by rotation at the AGM and being eligible re-appointed as a director of the Company.”

### **Item No.3: To appoint Auditor of the company and fix their remuneration.**

To consider and if thought fit, to pass with or without modification(s), the following resolution as ORDINARY RESOLUTION:

“RESOLVED THAT pursuant to the provisions of Section 225 and other applicable provisions, if any, of the Companies Act, 1956, M/s. Deloitte Haskins & Sells, Chartered Accountants (Registration No: ICAI117365W), Mumbai, be and is hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting upto the conclusion of the next Annual General Meeting, to audit the accounts of the Company for the financial 15 months period ended 2014-15 at a remuneration to be fixed by the Board of Directors on the recommendation of the Audit Committee of Directors.”

**SPECIAL BUSINESS:****Item No.4 : Increase The Borrowing Limit to Rs. 150 Crores :**

To consider and if thought fit, to pass with or without modification(s), the following resolution as SPECIAL RESOLUTION:

"RESOLVED THAT the consent of the Company be and is hereby accorded to the Board of Directors under section 180(1)(c) of the Companies Act, 2013 and other applicable provisions, if any, including any statutory modifications or re-enactments thereof and in supersession of all the earlier resolutions passed in this regard, to borrow any sum or sums of money from time to time notwithstanding that the money and monies to be borrowed together with monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in ordinary course of business) may exceed the aggregate of the paid-up capital and free reserves of the Company, provided, that the total amount so borrowed shall not exceed Rs.150 Crores (Rupees One Hundred and Fifty Crores only).

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto, and to sign and execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution."

**By Order of the Board of Directors  
For NRB Industrial Bearings Limited**

Sd/-

**Neha Solanki  
Company Secretary**

**Place: Mumbai**

**Date: 28th February, 2014**

**Notes :**

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself/herself. Such a proxy need not be a member of the Company.
2. The enclosed proxy form, if intended to be used, should be returned duly filled, stamped and authenticated at the Registered Office of the Company not less than 48 hours before the scheduled time of the Meeting
3. The Register of Members and Share Transfer Books of the Company will remain closed from 3rd April, 2014 to 11th April, 2014 (both days inclusive).
4. Members are requested to inform immediately any change in their registered address to the Company at its registered office.
5. The shares of the Company are being traded compulsorily in the demat form only. Members who still hold the shares of the Company in the physical form are advised to have their holdings dematerialized in their own interest through authorized depository participant.
6. Members are requested to bring their copies of Annual Report to the meeting.
7. Corporate Members are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the meeting.
8. The Ministry of Corporate Affairs (MCA) by circular number 17/2011, 18/2011 dated April 21, 2011 and April 29, 2011 respectively permitted companies to send official documents to the share holders electronically as part of its green initiative in corporate governance. Recognizing the spirit of the circular issued by MCA, we are sending documents including notice convening general meetings, annual reports in electronic form to the email address provided by you to your depositories.
9. The Members who hold shares in physical form are requested to intimate/update their email address to the Company/Registrar and Share Transfer Agent. Members are requested to further note that they will be entitled to be furnished, free of cost, the physical copy of the documents sent by e-mail, upon receipt of a requisition from them, any time, as a member of the Company and also requested to notify immediately any change in their address to their Depository Participants (DP's) or the Registrar and Share Transfer Agent of the Company.

10. Disclosures as per Clause 49 of the Listing Agreement for appointment/reappointment of Directors, brief particulars of Directors being appointed/re-appointed as under:

<b>Particulars</b>	Re-appointment of Director
<b>Name</b>	TRILOCHAN SINGH SAHNEY
Brief profile	
<b>Brief profile of Director and nature of his expertise in functional areas</b>	<b>Directorships/Committee Memberships in other companies</b>
<ul style="list-style-type: none"> <li>• <b>Trilochan Singh Sahney</b> He is a Post-Graduate having secured his degree of Master of Arts from University School of Economics and Sociology, Bombay. He is an Alumni of International Institute of Management Development - Lausanne (Switzerland) Mr. T S Sahney is Founder, Managing Director and later Chairman of NRB Bearings Ltd. He possesses vast experience in Bearings Industries in India and Abroad. He is well travelled within India and Abroad.</li> <li>• <b>Member – Executive Committee:</b></li> <li>• Indo French Chamber of Commerce &amp; Industry (Past Vice-President);</li> <li>• Indo German Chamber of Commerce;</li> <li>• Textile Machinery Manufacturers Association (India) (TMMA); and</li> <li>• Ball &amp; Roller Bearing Manufacturers Association of India (BRBMA) - (Past President).</li> </ul>	<ul style="list-style-type: none"> <li>i. NRB Bearings Limited</li> <li>ii. NRB-IBC Bearings Private Limited</li> <li>iii. Needle Roller Bearings Company Private Limited</li> <li>iv. Indo- German Chamber of Commerce</li> <li>v. Indo-French Chamber of Commerce and Industry</li> </ul>

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.**

**Item No.4:**

The Company is making efforts to make the Company's position in terms of profit and overall growth strong by taking various steps, and therefore, in order to meet the fund requirement of the Company for long term, the Company may require to borrow from time to time and the existing approved limit may likely to be insufficient in near future and it is therefore, recommended to enhance the borrowing limits of the Company upto Rs. 150 Crores (Rupees One Hundred and Fifty Crores Only).

As per Section 180(1)(c) of the Companies Act, 2013, borrowings (apart from temporary loans obtained from the Company's bankers in ordinary course of business) by the Company beyond the aggregate of the paid up capital of the company and its free reserve requires approval from the shareholders of the Company.

Considering the above your Directors recommend resolutions to the Shareholders to be passed as "Special Resolution".

None of the Directors and any key managerial personnel and their relatives is interested in the Resolution.

**By Order of the Board of Directors  
For NRB Industrial Bearings Limited**

Sd/-

**Neha Solanki  
Company Secretary**

**Place: Mumbai  
Date: 28th February, 2014**

**DIRECTORS' REPORT**

To,  
The Members,  
NRB Industrial Bearings Limited,  
Mumbai

Your Directors are presenting the 3rd Annual Report and Audited Statement of Accounts for the Fifteen Months period ended 31st December, 2013.

**1. FINANCIAL RESULTS**

<b>Particulars</b>	<b>For the Period From 01.10.2012 to 31.12.2013 Rs. Lacs</b>	<b>For the Period From 01.04.2012 30.09.2012 Rs. Lacs</b>
Sales & Other Income	<b>3,154.97</b>	-
EBITDA	<b>(1,041.46)</b>	(0.27)
<b>Less :</b>		
Provision For :		
• Depreciation	<b>693.47</b>	-
• Interest	<b>688.90</b>	-
• Tax	<b>(106.12)</b>	-
Profit/ Loss After Tax	<b>(2,316.90)</b>	(0.27)
Surplus brought forward	<b>(1.70)</b>	(1.43)
Profit available for appropriation	-	-
Transfer to General Reserve		
Balance Carried Forward	<b>(2,318.60)</b>	(1.70)

**2. FINANCIAL/OPERATION PERFORMANCE REVIEW:**

The Company had started its operation and has during the year under review, recorded a turnover of Rs.3001.87 lacs. Further, the Company has incurred loss after tax of Rs.2,316.90 lacs.

Your company originally the Industrial Bearings Division was demerged from NRB Bearings Limited on October 1, 2012. Machinery and equipment engaged in production of certain types of Industrial Bearing was shifted from the NRB Bearings Plants. Transfer and installation of these machines was completed by March 2013. Many of the old machines need to be refurbished and this process would be completed in next six months.

Production of Ball and Cylindrical Roller Bearings as also setting up modern tool room, metrology and R & D facilities, has commenced with latest state of art machinery and equipment mainly imported from Europe and installed.

The company has recruited young and talented workforce with ITI qualified workman for machine and other operation engineer for operational/supervision. Practical training about product and processes has also been imparted at the company's Learning Centre.

During the period, business environment remained difficult and operating in such an environment was challenging. The economy has grown at a very slow rate leading to low production and low investment for expansion or new ventures. Distributors are carrying large stocks, leading to lower off - take.

This difficult and challenging environment has resulted into operating losses.

We however, are optimistic for the coming financial period of 15 months, ending 31st March, 2015. We are enlarging our customer base and offering of new products both within India and in overseas. The global economy is steadily growing and surge in demand is expected to result in improved sales turnover and better profitability.

**3. DIVIDEND:**

Considering the loss made, the Directors of your Company do not recommend any dividend for the period under review.

**4. LISTING OF SHARES:**

The shares of the company were listed on National Stock Exchange Limited (NSE) and Bombay Stock Exchange (BSE) and got trading permission effective from 9th April, 2013.

**5. EXTENSION OF ACCOUNTING YEAR:**

The Company got the permission to extend the financial year from the Registrar of Company for three months and extend it up to 31st March 2014 (i.e in aggregate by 6(six) months). The Board of Directors decided to keep the accounting year of 15(fifteen) months starting from 1st October, 2012 and ending on to 31st, December, 2013. As a consequences of the said change the figures in statement of profit and loss figures for current year are of fifteen months ending 31st December, 2013, whereas the comparative figures for previous year are for 6(six) months ending 30th September, 2012.

**6. DIRECTORS:**

In accordance with the provisions of Companies Act, 1956 and the Articles of Association of the Company, Mr. Trilochan Singh Sahney retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

Further, during the period under review, three additional Directors Mr. Shailesh Rajnikant Sheth, Mr. Pankaj Madhav Baliga, and Mr. Daljit Lilaram Mirchandani were appointed on 31st October, 2012. However, on 14th February, 2014, Mr. Daljit Lilaram Mirchandani resigned from Directorship of the company. The Board placed on record its appreciation of the valuable contribution made by Mr. Daljit Lilaram Mirchandani at the Board meeting held and his guidance and conduct of the Audit Committee meetings during his tenure as Chairman of the Audit Committee.

**7. SUBSIDIARY COMPANY :**

The Company had one wholly owned Subsidiary namely NRB-IBC Bearing Pvt. Limited, which ceased to be the wholly owned subsidiary of the company w.e.f. 9th December, 2013. Therefore the Statement specified in Section 212 of the Companies Act, 1956 relating to Subsidiary Companies are not attached to this report and also the Audited Consolidated financial statements, which form part of the Annual Report as required by the Listing Agreement with the stock exchanges are also not attached.

**8. DIRECTORS' RESPONSIBILITY STATEMENT:**

In accordance with the provisions of Section 217(2AA) of the Companies Act, 1956, your Directors state and confirm as under:

- a) That in the preparation of the annual accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- b) That appropriate accounting policies have been selected and applied consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year as on 31st December, 2013 and the profit of the Company for that period;
- c) That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- d) That the annual accounts have been prepared on a going concern basis.

**9. MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT:**

Management Discussion and Analysis Report as required under Clause 49(F) of the Listing Agreement is annexed hereto as Annexure-I and forms part of Directors' Report.

**10. CORPORATE GOVERNANCE & COMPLIANCE CERTIFICATE:**

A detailed report on corporate governance of the Company as required under Clause 49(VI) of the Listing Agreement is enclosed as Annexure-II. A Practicing Company Secretary has certified compliance with requirement of corporate governance in relation to clause 49 of the Listing Agreement.



**11. PUBLIC DEPOSITS:**

Your Company has neither invited nor accepted any deposits from public within the meaning of the Companies (Acceptance of Deposits) Rule, 1975, during the last Financial Period.

**12. AUDITORS:**

M/s. Delloitte Haskins & Sells, Chartered Accountants, Mumbai, the Statutory Auditors, retire at the conclusion of ensuing Annual General Meeting and have confirmed their eligibility and willingness to accept the office if reappointed.

They have furnished a certificate stating that their re-appointment would be within the limits specified under section 224(IB) of the Companies Act, 1956.

The product "Bearings" is subject to cost audit under the Central Government Rules. M/s Nanabhoy & Co., Cost Accountants, Mumbai have been appointed as the Cost Auditors for period ending 31st March, 2015.

**13. AUDITORS' REPORT:**

The Auditors' Report to the members together with Audited Accounts for the Fifteen months period ended 31<sup>st</sup> December, 2013 and notes thereon are attached, which are self-explanatory except on the given below matters on which they have drawn attention to:

- (i) Note 41 to the Financial Statement: The Company has paid and debited to the Statement of Profit and Loss, managerial remuneration of Rs. 79.51 lacs to the Managing Director which is subject to the approval of the Central Government.

*\* The Board noted that the requisite application has already made to the Central Government in this behalf and is confident that the same will be favorably considered as the scheme of Demerger provided that the terms and conditions of the employees joining from the Demerging company would be on the terms not less favorable than their previous employment.*

- (ii) Note 45 of the Financial Statements: The Company had placed Inter Corporate Deposit with the company covered under Section 295 of the Companies Act, 1956 without obtaining previous approval of the Central Government. The Company will be making an application to the Central Government for approval of the deposit placed.

**\*\*** The Board noted that the Inter corporate Deposit was placed for a short period of 30 days out of temporary surplus funds available with the company. The Inter corporate Deposit has been repaid with the interest on the due date.

**14. PARTICULARS OF EMPLOYEES:**

Information as per section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended is as follows:

Name	Mr. Devesh Singh Sahney
Date of Birth	17.11.1968
Qualification	Bachelors of Arts degree (Business Administration & Economics) from Richmond College, London and Master in Business Administration (General Management) from the Asian Institute of Management (Philippines)
Experience	21 Years
Director Since	May 2001
Date of Commencement of Employment	1st October, 2012
* Remuneration	Rs. 79.51 Lacs
Last Employment	NRB Bearings Limited

\* Remuneration includes the basic salary and allowances.

**15. PERSONNEL:**

The employer-employee relations throughout the year were very cordial. The company enjoys a healthy working atmosphere that inspires the employees to put their best foot forward in achieving a high-sustainable growth. The Directors also wish to place on record the support and confidence reposed in the management by the employees. Total quality in every sphere of activities, employee training and development continues to be on the top priority of your management.

**16. RESEARCH AND DEVELOPMENT:**

Since the market scenario and technologies are changing rapidly, Research and Development (R&D) is important to ensure that company increases its market share. The company always attempts to use the latest and advanced technology in production process. Keeping pace with the technological developments, the company keeps on adding sophisticated equipments with focus on automation to minimize manual intervention in the manufacturing process thereby ensuring better quality of the final products.

**17. INDUSTRIAL RELATIONS:**

During the year the company maintained cordial relations with the workmen's unions at plants.

**18. SAFETY, HEALTH AND ENVIRONMENT:**

The company committed for establishing and maintaining a safe working environment that promotes the health and performance of all our employees as well as taking active measures to protect the environment. The commitment to the environment extends beyond legal compliance requirements and initiatives are underway across the company's locations to minimize the consumption of natural resources and reducing waste and emissions and include greening programmes, rainwater harvesting, vermiculture, treatment plants, etc.

Safety is accorded the highest priority by 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 on an ongoing basis. Several training programmes and communication tools have been put in place. Special initiatives are being taken up such as mock drills, up gradation of Fire protection systems, encouraging reporting of near-miss incidents. All plants are striving to achieve "Accident Reduction".

**19. CORPORATE SOCIAL RESPONSIBILITY:**

Your company firmly believes in "inclusive growth"- improving the quality of life of the people we touch and in communities where we operate. However, the company has not undertaken any work in this area, being the first year of operation with focus on project implementation.

**20. FOREIGN EXCHANGE EARNINGS AND OUTGO:**

a) Foreign Exchange Earnings	Rs. 542.80 Lacs
b) Foreign Exchange Outgo	
- CIF value of imports of raw material and other goods	Rs. 213.04 Lacs
- foreign travel	Rs. 13.98 Lacs

**21. ACKNOWLEDGEMENT:**

Your Directors look to the future with confidence and place on record their appreciation for the co-operation and assistance received from investors, customers, business associates, bankers, vendors as well as regulatory and government authorities. Your Directors also thank the employees at all levels who, through their dedication, co-operation, support and smart work have enabled the Company to implement the project and commercial production in good time.

**By Order of the Board of Directors  
For NRB Industrial Bearings Limited**

**Sd/-  
Devesh Singh Sahney  
Managing Director**

**Place: Mumbai  
Date: 28<sup>th</sup> February, 2014**

---

---

## ANNEXURE-I

### MANAGEMENT DISCUSSION AND ANALYSIS

#### 1. Business review :

Your company is engaged in the manufacture and sale of Ball and Roller Bearings for industrial applications. The focus industrial segments being-

- Textile machinery
- Industrial Gear Boxes
- Paper
- Packaging
- Electricals
- Agriculture
- Cement
- Automation
- Material handling
- Metals
- Bottling/Canning Plants

During the period, business environment remained difficult and operating in such an environment was challenging. The economy has grown at a very slow rate leading to low production and low investment for expansion or new ventures. Distributors are carrying large stocks, leading to lower off - take.

We are enlarging our customer base and offering of new products both within India and in overseas. The global economy is steadily growing and surge in demand is expected to result in improved sales turnover and better profitability.

#### 2. Opportunities and Threats:

##### (a) Opportunities ;

Your company has the largest range of bearing products and sizes in the country. It is the only bearing company fully engaged in production and sale industrial bearings in the country.

Our product quality is comparable to leading global bearings manufactures. We deliver to large Original Equipment Manufacturers. We export sizable volume of our bearings, into export market mainly in Europe, Germany, Austria, Italy, UK and Spain.

During the coming Financial period of 15 months, ending 31st March, 2015. We are enlarging our customer base

##### (b) Threats ;

Competitions from global leaders for high end industrial applications and from China and SME's in India for low end applications.

Spurious/counterfeit supplies which constitute fair proportion in the market. This is low cost and unsafe in use. Legal process is too slow to halt their distribution and growth.

#### 3. Internal Control Systems:

The company has in place adequate systems of internal control and documented procedures covering all financial and operating functions. Process 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.

#### 4. Human Resource:

We have set up a Learning Centre, within our premises at Shendra. It provides dual knowledge theoretical in class room and practical on the machine in the production area. Most of our machines operators and Engineers have been trained in learning centre and this process continuing for retraining.

We are committed to providing avenues for career development and growth opportunities to our people and keeping their motivation level high.

#### 5. 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

## ANNEXURE-II

### Corporate Governance Report

#### 1. The Company's philosophy on code of Corporate Governance:

NRB Industrial Bearings Limited (NIBL) believes on building long lasting and mutually beneficial relationship based on integrity, ethics and trust in all respect of our business, to meet the expectation of all stakeholders and society at large, it is essential to achieve long-term corporate goals and to enhance stakeholder values with sustainable development. As a matter of fact, there is no such universal model of a corporate governance code to be adopted by any Organization by adopting only in paper but it lies in day to day functioning and in the heart & blood of the Core management team of the Company, whose direction and guidance is necessary for the implementation thereof. The Company have well organised team with optimum balance of Executive/Non-Executive and Independent Directors. Transparency and accountability are the two basic tenets of Corporate Governance.

Corporate Governance has been a high priority for us both in letter and in spirit. Our commitment to ethical and lawful business conduct is a fundamental shared value of our Board of Directors, senior management personnel and employees and is critical to the Company's success. Our standards for business conduct provide that we will uphold ethical and legal standards vigorously as we pursue our financial objectives. We believe that good governance brings about sustained corporate growth and long-term benefits for stakeholders.

In line with the nature and size of operations of the Company, the Corporate Governance framework in NIBL is based on the following main principles:

- Constitution of Board of Directors of appropriate composition and balance, comprising of an ideal mix of independent and non independent directors, all persons with the highest degree of integrity and professionalism, who discharge their responsibility in the best interests of the company.
- Insistence on a complete adherence to a Code of Business Conduct and Ethics for Directors and Senior Management.
- Ensuring a timely and accurate flow of information at various organizational levels in general and to the Board and its various committees in particular.
- Independent verification of the Company's financial reporting systems and safeguarding integrity thereof.
- A sound system of risk management and internal controls with adequate safeguards and alarm systems.
- Compliance with all applicable laws, rules and regulations, not only in letter but also in their spirit.
- Fair and equitable treatment of all its stakeholders, including employees and shareholders.

The company is in full compliance with the requirements of clause 49 of the Listing Agreement with the Indian Stock Exchanges, the disclosure are as follows.

#### A. Board of Directors:

##### (i) Composition:

The Board's strength is six members, as follows:

Particulars	Non - Executive Chairman	Non Executive Director	Executive Directors	Non-executive directors/ Independent Director	Total Strength
Number	One	One	One	Three	Six
Name	Trilochan Singh Sahney	Harshbeena Sahney Zaveri	Devesh Singh Sahney	1. Daljit Lilaram Mirchandani 2. Pankaj Madhav Baliga 3. Shailesh Rajnkant Sheth	

All directors including Non-executive Directors are professionally competent.

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

Name of Director	DIN	Category	Board meeting held during the year			No. of Directships on 31.12.2013		Last AGM Attended (Yes/No)	Number of committee positions held in other public companies
			Held	Attended	%	Chairmanship	Membership		
Pankaj Madhav Baliga	00002864	Non Executive and Independent	8	7	87.5	NIL	1	No	2
*Daljit Lilaram Mirchandani	00022951	Non Executive and Independent	8	6	75	NIL	6	No	5
Trilochan Singh Sahney	00003873	Chairman, Non Executive	8	7	87.5	1	1	Yes	NIL
Harshbeena Sahney Zaveri	00003948	Non Executive	8	8	100	1	2	Yes	2
Devesh Singh Sahney	00003956	Executive	8	8	100	1	1	Yes	NIL
Shailesh Rajnikant Sheth	00041713	Non Executive and Independent	8	5	62.5	NIL	3	No	4

\* Mr. Daljit Lilaram Mirchandani has resigned from the Directorship of the Company w.e.f 14th February, 2014.

• **Shareholding in the Company:**

Sr.	Name of Director	No. of Shares held	%
1	Devesh Singh Sahney	914700	3.77
2	Harshbeena Sahney Zaveri	1124496	4.64
3	Trilochan Singh Sahney	2929101	12.09
4	Trilochan Singh Sahney (Trust)	9438910	38.95

• **Details of Locked in shares held in the Company:**

Name	No. of Shares held	%
Trilochan Singh Sahney (Trust)	2359727	9.74

The Board of Directors is constituted with appropriate combination of Independent, Non-Independent directors as per clause 49 of the Listing Agreement with the Stock Exchanges.

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

Other Directorships do not include Alternate Directorships, Directorships of Private Limited companies, Section 25 Companies and of Companies incorporated outside India.

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

**(ii) Procedure/Board Meetings:**

The Board of the Company, as also the various specialized committees constituted by the Board, their meeting held as disclosed herein during the period from 01/10/2012 to 31/12/2013 i.e. the period of fifteen months as the financial year which has been granted/approved by the Registrar of Companies (ROC).

The maximum interval between any two meetings was not more than the limit specified in Companies Act 1956 and listing agreement. The Board met eight times during the period as on:

on 4th October, 2012, 31st October, 2012, 6th February 2013, 13th March, 2013, 28th June 2013, 08th July, 2013, 12th August 2013 and 12th November 2013.

A detailed Agenda folder is sent to each Director in advance of Board and Committee meetings. To enable the Board discharge its responsibilities effectively.

The dates of meeting were generally decided well in advance, enabling the Director to keep the day reserved for the meeting.

**(iii) Attendance of Directors:**

The overall attendance of Directors was 91%. The attendance of Managing Director was 100%.

**iv) Profile of Directors:**

Brief Profile of Directors and nature of their expertise in functional areas	Directorships/Committee Memberships in other companies
<p><b>1. Trilochan Singh Sahney</b>            He is a Post-Graduate having secured his degree of Master of Arts from University School of Economics and Sociology, Bombay. He is an Alumni of International Institute of Management Development - Lausanne (Switzerland)</p> <p>Mr. Trilochan Singh Sahney is Founder, Managing Director and later Chairman of NRB Bearings Ltd. He posses vast experience in Bearings Industries in India and Abroad. He is well travelled within India and Abroad.</p> <p><b>Member – Executive Committee:</b></p> <ul style="list-style-type: none"> <li>• Indo French Chamber of Commerce &amp; Industry (Past Vice-President)</li> <li>• Indo German Chamber of Commerce;</li> <li>• Textile Machinery Manufacturers Association (India) (TMMA).</li> <li>• Ball &amp; Roller Bearing Manufacturers Association of India (BRBMA) - (Past President).</li> </ul>	<ul style="list-style-type: none"> <li>i. NRB Bearings Limited</li> <li>ii. NRB-IBC Bearings Private Limited</li> <li>iii. Needle Roller Bearings Company Private Limited</li> <li>iv. Indo- German Chamber of Commerce</li> <li>v. Indo-French Chamber of Commerce and Industry</li> </ul>
<p><b>2. Devesh Singh Sahney- Managing Director.</b>            2005- Program for Management Development (Harvard Business School, (Comprehensive Leadership Course)            2003-(Executive) Masters in Business Administration, With a concentration in General Management; from the Asian Institute of Management (Philippines).            1992-Bachelor in Business Administration and Economics With a double concentration in Financial Accounting and International Business; from Richmond University,London.</p> <p><b>Experience:</b>            1992-Bachelor in Business Administration and Economics. With a double concentration in Financial Accounting and International Business; from Richmond University, London.</p> <p><b>Recognition or awards</b></p> <ul style="list-style-type: none"> <li>• After his Bachelors graduation from UK, Devesh worked with Larsen &amp; Tubro(Bombay) in the Finance department, L&amp;T is a technology, engineering, construction and manufacturing company; one of the largest and most respected companies in India's private sector. Followed by working with Credit Lyonnais, French Bank in Bombay in various departments.</li> <li>• He had won a Special Award for Leadership and gave the Valedictorian Speech during the graduation ceremony at Philippines.</li> </ul>	<ul style="list-style-type: none"> <li>i. Sant Sahney Private Limited</li> <li>ii. Hanwantbir Investment Company Private Limited</li> <li>iii. Trilochan Investments Company Private Limited</li> <li>iv. Devinder Investments Company Private Limited</li> <li>v. NRB Bearings Limited (Full Fledged Public Co)</li> <li>vi. Schneeberger India Private Limited (date of cessation: 10/09/2013)</li> <li>vii. NRB-IBC Bearings Private Limited</li> <li>viii. Imedia Electronics Distribution Llp</li> </ul>

<p><b>3. Harshbeena Sahney Zaveri</b></p> <p>She has graduated from magna cum Laude with Honours from Wellesley College, USA. She has 26 years of experience in the industry at NRB Bearings Ltd where she has held positions in the areas of Corporate Planning, Purchase and Imports, Marketing.</p> <p>In December 2005, she was awarded the best CEO by the Quality circle Forum of India for her contribution for TPM and the Quality movement. In 2009 she received from Women Leaders in India (WIL) award as Leader in Manufacturing Sector. She has also been ranked amongst most powerful women in Indianbusiness by various magazines during 2011 and 2013.</p> <p>She also holds the respected position of president and member of various organizations across the Globe.</p> <p>She created the strategic plan for NRB to become a supplier to global OEMs and the company has now become a front runner in the Indian and global markets with supplies to the world's foremost automotive companies in the European and American markets. Exports currently constitute over 25% of the turnover of the company.</p> <p>In addition to her organizational responsibilities she is actively engaged with the Ball and Roller Bearing Manufacturers Association (BRBMA) as Past President and Executive Committee Member, Automotive Component Manufacturer's Association of India (ACMA) as Executive Committee Member, CII as Executive Member of Western Region Council and Maharashtra State Council, TPM Club in India as Board Member, Indo American Chamber of Commerce (IACC)as Member of Western India Council and Wellesley College, USA, Business Leadership Council as Member of President's International Committee</p>	<ul style="list-style-type: none"> <li>i. Trilochan Investments Company Private Limited</li> <li>ii. Needle Roller Bearing Company Private Limited</li> <li>iii. Devinder Investments Company Private Limited</li> <li>iv. NRB Bearings Limited</li> <li>v. SNL Bearings Limited</li> <li>vi. Hanwantbir Investment Company Private Limited</li> <li>vii. Automotive Component Manufacturers Association Of India</li> <li>viii. First Engineering Technologies Private Limited</li> <li>ix. NRB-IBC Bearings Private Limited</li> </ul>
<p><b>4. Daljit Lilaram Mirchandani</b></p> <p>Educational/Qualification:</p> <p>BE (Electrical Engineering), from the Birla Institute of Technology, Ranchi.</p> <p>Summary of Experience:</p> <p>1971-90: He joined Jointed Shivaji Works Ltd (SWL) as a Sales Manager in 1971.</p> <p>1980-83 Pratibha Advertising :Chief Executive of Pratibha Advertising, an in-house agency of the Kirloskar Group.</p> <p>1983-97 Kirloskar Oil Engines Ltd. (KOEL): Joined KOEL, the flagship company of the Kirloskar Group, in 1983 as Vice -President Marketing. Initial years went in making the company Customer focused through change in internal structures and channels to market.</p> <p>In 1987 was promoted to Executive Vice President, and made responsible for the operations of the company.</p> <p>In 1991, the Government of India took the first steps towards liberalizing the Indian economy and integrating it more closely into the global economy. This threw up a number of opportunities and challenges to Indian industry.</p> <p>1998 - 2008: Chairman and Managing Director Ingersoll Rand India: Over the ten years managed the growth of businesses and change in the business portfolio to align with Global needs.</p> <p>He also has Served on Advisory Boards and Statutory boards of Indian and MNC.</p> <p>In 2011 he has established Gyan Prakash Foundation to develop frugal and asset light interventions for improving the learning levels of children enrolled in Primary Government Schools in rural India.</p>	<ul style="list-style-type: none"> <li>i. Ingersoll-Rand (India) Limited</li> <li>ii. Punjab Tractors Limited</li> <li>iii. Praj Industries Limited</li> <li>iv. Srei Infrastructure Finance Limited</li> <li>v. Mahindra Cie Automotive Limited</li> <li>vi. Quippo Energy Private Limited</li> <li>vii. Civilia India Educational Programmes Private Limited</li> <li>viii. Mahindra Ugine Steel Company Limited</li> <li>ix. Mahindra Sanyo Special Steel Private Limited</li> <li>x. GMR Sports Private Limited (ceased w.e.f 15/10/2012)</li> </ul>

<p><b>5. Pankaj Madhav Baliga</b>  Educational/Qualification:  Massachusetts Institute of Technology –MIT, Cambridge, USA Spurs Fellow, MIT  In 1970 IIM Ahmadabad ( Masters in Business Administration)  1968 Bachelor of Engineering from NIT, Durgapur.  Summary of Experience:</p> <ul style="list-style-type: none"> <li>• Independent Director on the Board of D-Link (India)Ltd.</li> <li>• Also he have served on the Board of the top Companies including TATA Consultancy Ltd, The Indian Hotel Co. Ltd, City &amp; Industrial Development Corporation of Maharashtra Ltd (CIDCO)</li> </ul>	<ul style="list-style-type: none"> <li>i. Smartlink Network Systems Limited</li> <li>ii. The Indo-Italian Chamber of Commerce and Industry</li> <li>iii. Anzbai (Mumbai) Business Forum</li> </ul>
<p><b>6. Shailesh Rajnikant Sheth</b>  Educational/Qualification:</p> <ul style="list-style-type: none"> <li>• Secondary School Certificate, St. Xavier’s Boys’ Academy, Mumbai, 1963</li> <li>• Bachelor of Commerce, Sydenham College of Commerce and Economics, Mumbai, 1967.</li> <li>• Post-Graduate Diploma in Business Administration (M.B.A.) Indian Institute of Management (IIM), Ahmedabad, 1969.</li> </ul> <p>Summary of Experience</p> <ul style="list-style-type: none"> <li>• 1969-1973 with Guest Keen Williams Ltd., Calcutta</li> <li>• 1973 to 1993, in Perfect Machine Tools (PMT) Group of Companies</li> <li>• Joint Managing Director- Perfect Machine Tools Co. Ltd., Mumbai (1982-93)</li> <li>• Joint Managing Director - PMT Machine Tool Automatics Ltd., Pune (1982-93) (Formerly, an Indo German Joint Venture “Traub India Ltd.”)</li> <li>• Director - PMT Metrology &amp; Electronics Ltd., Mumbai (1984-1993)</li> <li>• Director - PMT Machinery &amp; Engineering Exports Co. P. Ltd., (1982-1993)</li> </ul>	<ul style="list-style-type: none"> <li>i. Simtools Private Limited (ceased w.e.f. 22/03/2007)</li> <li>ii. Proart Promotions Private Limited</li> <li>iii. Josts Engineering Comapny Limited</li> <li>iv. Endress + Hauser (India) Private Limited (ceased w.e.f. 15/01/2009)</li> <li>v. Bharat Fritz Werner Limited</li> <li>vi. Birla Precision Technologies Limited (ceased w.e.f. 17/10/2013)</li> <li>vii. Birla Machining &amp; Toolings Limited</li> <li>viii. A.T.E. Enterprises Private Limited</li> <li>ix. A.T.E. Private Limited</li> <li>x. Endress and Hauser (India) Automation Instrumentation Private Limited (ceased w.e.f. 02/02/2009)</li> <li>xi. KNF Pumps+Systems (India) Private Limited</li> <li>xii. Indian Machine Tool Manufacturers Association</li> </ul>

Note : The full experience/profile of the above Directors are with the company.

**(vi) Remuneration of directors:**

The details of remuneration package of Directors are tabled below:

Name of Director	Sitting fees	Commision on profits	Salary and Perquites	Total
PANKAJ MADHAV BALGA	80,000	0	0	80,000
DALJIT LILARAM MIRCHANDANI	65,000	0	0	65,000
SHAILESH RAJNIKANT SHETH	60,000	0	0	60,000
TRILOCHAN SINGH SAHNEY	0	0	0	0
HARSHBEENA SAHNEY ZAVERI	70,000	0	0	70,000
DEVESH SINGH SAHNEY	0	0	79,51,141	79,51,141

\*During the period Company has not paid any commission to Non-Executive directors.

Period of tenure of Managing Director (Mr.D.S.Sahney) : For a period of 5 years w.e.f.01.10.2012 to 30.9.2017, through Board Resolution dated 4th October 2012 & Members Resolution at Annual General Meeting held on 15th October, 2012. The Company has paid and debited to the Statement of Profit and Loss, managerial remuneration of Rs. 79.51 lacs to the Managing Director which is subject to the approval of the Central Government.Application in this respect has been moved to the Central government

No severance fees are payable to the above.



**2. Audit Committee :**

With a view to ensuring compliance with the various requirements under the Companies Act, 1956 and Clause 49 of the Listing Agreement, your Company constituted the Audit Committee in August, 2013. Mr. Daljit Lilaram Mirchandani, had been elected Chairman of the Audit Committee at the meeting of the Board held on 12th August, 2013 with the two other members.

The Members of the Committee have fair knowledge of project finance, accounts and company law. The committee held 2 (two) meetings during the year, which were attended by its members.

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. Reviewing with the management, performance of statutory and internal auditors, and the adequacy of internal control systems and the internal audit functions, recommending to the board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees, discussing with internal auditors any significant findings and follow up thereon and related party transactions, reviewing the Management Discussion and Analysis of financial condition and result of operations. The Committee acts as a link between the management, external and internal auditors and the Board of Directors of the company.

The Committee 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 292(A) of the Companies Act, 1956.

Attendance of Members  
at the Meetings of the Audit Committee held during the period

Members	Mr. Daljit Mirchandani (Chairman)- Member	Mr. Shailesh Sheth (NE & ID)- Member	Mr. Pankaj Baliga (NE & ID)- Member
<b>Date of Meeting</b>			
12-Aug-13	Not Attended	Attended	Attended
12-Nov-13	Attended	Attended	Attended
Total meeting held	2	2	2
Total Attendance	1	2	2
Attendance in percentage	50%	100%	100%

The Meetings are also attended by the Executive Director, & CFO and other if any invited by the Committee.

The Company Secretary acts as the Secretary of the Audit Committee.

Note: Here NE & ID means Non Executive and Independent Director

**3. Shareholders'/Investors' Grievances & Share Transfer Committee of Directors:**

The Shareholders / Investors Grievance Committee need to be set up with the objective of consideration and speedy disposal of shareholders' and investors' queries and complaints. The Committee constituted with the following members:

Sr. No	Name of Members	Designation/Category
1	Mr. Pankaj Madhav Baliga	Chairman of the Committee.
2	Mr. Shailesh Rajnikant Sheth	Independent Director ( Member)
3	Mr. Devesh Singh Sahney	Managing Director (Member)

The shareholders of the Company are serviced by the In-house Investor Service Department and the Share Transfer Agent- M/s. Universal Capital Securities Pvt. Ltd., having address at 21, Shakil Niwas, Opp. Satyasaibaba Temple, Mahakali Caves Road, Andheri (East), Mumbai, Maharashtra-400093, The transfers received by the Company are processed and transferred on a monthly basis. All requests for dematerialisation of shares are likewise processed and confirmation thereof is normally communicated to the investors and Depository participants within 15 days of receipt thereof. The Committee also monitors redressal of investors' grievances including the matters as described below:

- Share transfer applications
- Issue of share certificates as well as duplicate share certificates
- Other connected matters and queries.

As required by the Stock Exchanges, the Company has appointed Ms. Neha Solanki, Company Secretary, as the Compliance Officer to monitor the share transfer process and liaison with the regulatory authorities.

**Attendance of the Members at the Meetings of the  
Shareholders/Investors' Grievances Committee of Directors held during the period.**

Members	Meetings held	Meetings Attended
Mr. Pankaj Baliga	2	2
Mr. Shailesh Sheth	2	2
Mr. D.S Sahney	2	2

**\* Overall attendance: 100%**

**4. General Body Meetings:**

The First AGM of the Company was held on 4th September, 2012 at 10.00 A.M. At its Registered Office, Dhannur, 15 Sir P.M.Road, Mumbai 400 001.

Particulars/Matters	Whether Special/Ordinary Resolution
Appointment of auditor Deloitte Haskins & Sells Contractor, Chartered Accountants,	Ordinary
Increase of Authorised Capital from Rs.5,00,000 increased to Rs. 50,000,000 divided into 2,50,00,000 equity shares of Rs.2/- each.	Ordinary

Last AGM i.e Second Annual General Meeting was held on 15<sup>th</sup> October 2012 at 11.00 am at Dhannur, 15, Sir P.M.Road, Fort, Mumbai – 1

Particulars	Subject Matter/Reason	Whether Special/Ordinary Resolution
Appointment of Mr. Devesh Singh Sahney as Managing Director under Section 269 read with Schedule XIII of the Companies Act 1956	The appointment/remuneration agreed are not as per the past B of the Section II of the Schedule XIII of the Act. Therefore, an application seeking the approval of the Central Government.	Special
Borrowing Power and limit under section 293 (1)(d)	Power has been conferred for Company to borrow from time to time any sum or sums of money which together with the monies already borrowed by the Company subject to maximum ceiling of Rs. 100 Crore.	Ordinary
Section 293 (1)(a)	Power confirmed by members to to hypothecate, pledge, mortgage and/or in any way charge all or any of the movable and/or immovable properties and assets and the whole or substantially the whole of the undertaking of the Company	Ordinary
Section 372 A of the Act, for Inter corporate Loan, Deposit, Guarantee	Members accorded their consent to the Board for inter-corporate loan, guarantee, deposit in excess of the limit as prescribed in the Act, subject to maximum ceiling of Rs.100 Crore.	Special

Special resolutions passed in respect of appointment of Mr. Devesh Singh Sahney as a Managing Director of the Company. The appointment/remuneration agreed are not as per the past B of the Section II of the Schedule XIII of the Act. Therefore, an application seeking the approval of the Central Government has been made.

No postal ballot was conducted during the period. As on date the company does not have any proposal to pass any special resolution by way of postal ballot.

No Extra Ordinary General Meeting held during the period.

#### 5. Disclosures:

Neither the Company nor any of its subsidiaries has entered into any transaction of material nature that may have a potential conflict with interests of the Company or of its subsidiaries, with any of the Directors or their relatives during the period. 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 decided that the implementation of a whistle blower policy could be subject to misuse and therefore, has not established the whistle blower policy.

However, employees are free to report to Management or the Audit Committee on any matter concerning unethical behaviour or violation of the Company's code of Conduct.

#### 6. Means of Communication:

The Company has an active, running Website, where all the 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 website [www.nrbindustrialbearings.com](http://www.nrbindustrialbearings.com) and which 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 Economic Times) and vernacular newspapers (Maharashtra Times).

The Website is designed in terms of clause 49 of the Listing Agreement.

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 e-mail ID is [investorscare@nibl.in](mailto:investorscare@nibl.in).

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

#### 7. Listing of the Company:

The Company is listed on the National Stock Exchange and also on the Bombay Stock Exchange.

Stock Exchange	ISIN	Stock Code	Website	Date of Listing
National Stock Exchange	INE047001014	NIBL	<a href="http://www.nseindia.com">www.nseindia.com</a>	09th April 2013
Bombay Stock Exchange	INE047001014	535458	<a href="http://www.bseindia.com">www.bseindia.com</a>	09th April 2013

#### 8. General Shareholder Information:

The mandatory information is including various additional information of interest to investors is voluntarily furnished in the section on investor information in this report.

#### 9. Green Initiative:

As a responsibility towards environment the Company welcomes the Green Initiative as step taken by the MCA for the dissemination of information through the electronic mode of delivery of documents. The Company is being using the Company's website and other electronic media for the purpose.

#### 10. Practising Company Secretaries Certificate on Corporate Governance:

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

**11. Non mandatory recommendations:**

- a. **Chairman of the Board** : The Company has Non Executive Chairman; therefore, clause (a) of non-mandatory requirements is not applicable.
- b. **Independent Directors' tenure not exceeding 9 years**: Tenure of All the Independent Directors do not exceeds, in the aggregate, a period of nine years, on the Board of a company.
- c. **Remuneration Committee**: The Company does not have a Remuneration Committee at this stage. However, in due time the Company will be constituting the same.
- d. **Nomination Committee**: The Company does not have a Nomination Committee at this stage. However, in due time the Company will be constituting the same.
- e. **Quarterly/Half yearly results to shareholders**: The company forwards quarterly/half yearly results to all its shareholders by way of publication in the newspaper and also on the website of the Company and can be mailed to investor if they have registered their email.

**f. Investor information:**

Year ending date	:	October 1, 2012 to December 31, 2013.
Date of AGM	:	11th April, 2014
Place	:	At MC Ghia Hall in Kalaghoda, Fort, Mumbai-400001.
Time	:	11.00 AM
Dates of Book Closure	:	3rd April, 2014 to 11th April, 2014 (both days inclusive)
Dividend	:	No Dividend proposed to declare.

**g. Investor Inquiries & Correspondence:**

Ms. Neha Solanki (Company Secretary & Compliance Officer)  
NRB Industrial Bearings Limited  
15, Dhannur, Sir P.M.Road, Mumbai 400 001  
Email ID - investorscare@nibl.in

**h. Audit Qualifications:**

We draw attention to

- (i) Note 41 to the Financial Statements. As stated in the Note, the Company has paid and debited to the Statement of Profit and Loss, managerial remuneration of Rs. 79.51 lacs to the Managing Director which is subject to the approval of the Central Government.
- (ii) Note 45 of the Financial Statements. As stated in the Note the Company had placed Inter Corporate Deposit with the company covered under section 295 of the Companies Act, 1956 without obtaining previous approval of the Central Government. The Company will be making an application to the Central Government for approval of the deposit placed.

In Auditors opinion is not qualified in respect of these matters.

- a. Annual Listing Fees: For the period has been paid.
- b. Stock Price Data: Monthly High and Low closing quotation of shares traded at National Stock Exchange of India Limited and Bombay Stock Exchange are as follows:

Year-2013	National Stock Exchange			
	In Rs.			
Months	Open	High	Low	Close
Apr-13	8.2	9.8	7.8	8.1
May-13	8.45	11.15	8.45	9.45
Jun-13	9.45	10	7.45	7.8
Jul-13	7.8	8.6	6.95	7
Aug-13	6.7	7.7	6.65	7.5
Sep-13	7.15	10	7.15	8.55
Oct-13	8.2	9.8	7.8	8.1
Nov-13	8.85	10.15	7.15	7.5
Dec-13	7.2	8.25	6.95	7

Sources : www.nseindia.com

Bombay Stock Exchange			
In Rs.			
Open	High	Low	Close
5.35	7.77	5.35	7.77
8.85	11.72	8.56	9.89
9.4	9.94	7.13	7.5
7.49	9.08	6.62	6.65
6.5	7.77	5.71	7
7.2	10.54	7.2	9.38
9	9.5	6.49	7.01
7	7.87	5.88	7.36
7.57	8.71	6.24	6.99

Source: www.bseindia.com

**i. Shareholding Pattern as on 31/12/2013:**

S.No.	Category	No. of shares	Total No. of Shares held in Dematerialized Form	% of Shareholding
(A)	Promoters	17548021	17548021	72.42
(B)	Public Shareholding			
(a)				
i.	Foreign Institutional Investors	1910049	1910049	7.88
ii.	Mutual Funds/ UTI	849100	847350	3.50
iii.	Financial Institutions/ Banks	1450	1450	0.01
(b)	Non-Institution			
i.	Bodies Corporate	1776968	1775968	7.33
ii.	Individuals	2079576	1934634	8.58
iii.	Clearing Member	22527	22527	0.09
iv.	Any Other (NRIs/ OCBs)	42859	42000	0.18
v.	Foreign Nationals	100	100	0.01
Total (B)		6682629	6534078	27.58
Grand Total (A+B)		24230650	24082099	100.00

**j. Shares Transfer System:**

The shareholders of the Company are serviced by the in-house investor service department and the share transfer agent- M/s. Universal Capital Securities Pvt. Ltd., having address at 21, Shakil Niwas, Opp. Satyasaibaba Temple, Mahakali Caves Road, Andheri (East), Mumbai, Maharashtra-400093, The transfers received by the Company are processed and transferred on a monthly basis. All requests for dematerialisation of shares are likewise processed and confirmation thereof is normally communicated to the investors and depository participants within 15 days of receipt thereof. All requests received by the Company/ RTA for Dematerialization/ Rematerialization/ Transfer are disposed off expeditiously. Share Certificates duly endorsed are issued/ transferred to all those shareholders, who opt for shares in the physical form.

**k. Dematerialization of Shares:**

The Company's Equity Shares are eligible for dematerialization. The Company has signed agreements with both the depositories namely NSDL and CDSL. The shareholders may therefore hold Company's share in electronic mode. The Company's ISIN No. for both the depositories is INE047O01014.

**l. Outstanding GDRs/ADRs/Warrants etc. :**

The Company has no outstanding GDRs/ADRs/Warrants as on 31/12/2013.

**m. Quarterly/Half yearly results to shareholders:**

The company forwards Quarterly / half yearly results to all its shareholders by way of publication in the newspaper and also on the website of the Company and can be mailed to investor if they have registered their email.

**n. Registrar and Share Transfer Agent:**

Universal Capital Securities Pvt. Ltd.,  
21, Shakil Niwas, Opp. Satyasaibaba Temple, Mahakali Caves Road,  
Andheri (East), Mumbai, Maharashtra-400093  
Tel: +91 (22) 2820 7203-05 / 2825 7641  
Fax: +91 22 2820 / 7207  
Email: info@unisec.in  
Website : www.unisec.in

**o. CFO/CEO Certification:**

The Certification on financial reporting and internal control is given by the Chairman, a Managing Director and the Chief Financial Officer (CFO) as per the clause 49. They also certify the quarterly financial results while placing the financial results before the Board.

**p . Compliance of Code of Conduct:**

Your Company has laid down a Code of Conduct for all Board Members and senior Management as stipulated in Clause 49I(D) of the Listing Agreement. All Board Members and the Senior Management Personnel have affirmed their compliance with the said Code of Conduct for the financial year ended 31st December, 2013. The declaration signed by Mr. D.S. Sahney, Managing Director is given hereunder: -

**Declaration under Clause 49 1 (D) with Code of Conduct**

As per the requirements of Clause 49 of the Listing Agreement with the Stock Exchanges, the Company has laid down a Code of Conduct for its Board of Directors and Senior Management.

I, Devesh Singh Sahney, Managing Director of the Company confirm the compliance of this Code of Conduct by all the members of the Board and Senior Management Personnel.

**By Order of the Board of Directors  
For NRB Industrial Bearings Limited**

Sd/-

**Devesh Singh Sahney**  
Managing Director

Place : Mumbai  
Date : 28th February, 2014

## CEO/ CFO CERTIFICATION

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

- a. We have reviewed financial statements and the cash flow statement for the period ended 31st December 2013 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 period;
  - (ii) Significant changes in accounting policies during the period and that the same have been disclosed in the notes to the financial statements; and
  - (iii) There are no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

For NRB Industrial Bearings Ltd

**Devesh Singh Shaney**  
Managing Director

**R. G Mehendale**  
CFO

Date : 28th February, 2014

Place: Mumbai

**Practising Company Secretaries Certificate to the members of NRB Industrial bearings Limited on Compliance of the condition Corporate Governance for the year ended 31st December, 2013, under Clause 49 of the Listing Agreement with relevant Stock Exchange.**

To  
The Members  
NRB INDUSTRIAL BEARINGS LTD  
Mumbai

We have examined the compliance of conditions of Corporate Governance by NRB INDUSTRIAL BEARINGS LTD ("the Company"), for the Fifteen months period ended on 31st December 2013, (extended financial year) as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

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

**For AJS & ASSOCIATES**  
**Practicing Company Secretaries**

**M. No.: 32696**  
**CP No.: 12028**  
**Date : February, 25, 2014**  
**Place : Mumbai**

**Sd/-**  
**(A.J. SHARMA)**



## INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF

**NRB INDUSTRIAL BEARINGS LIMITED**

### Report on the Financial Statements

We have audited the accompanying financial statements of **NRB INDUSTRIAL BEARINGS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st December, 2013 the Statement of Profit and Loss and the Cash Flow Statement for the period 1st October 2012 to 31st December 2013, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these 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 Standards notified under the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13st September 2013 of the Ministry of Corporate Affairs) and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, 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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st December, 2013;
- (b) in the case of the Statement of Profit and Loss, the loss of the Company for the period ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the period ended on that date.

### Emphasis of Matter

We draw attention to

- (i) Note 41 to the Financial Statements. As stated in the Note, the Company has paid and debited to the Statement of Profit and Loss, managerial remuneration of Rs. 79.51 lacs to the Managing Director which is subject to the approval of the Central Government.
- (ii) Note 45 of the Financial Statements. As stated in the Note the Company had placed Inter Corporate Deposit with the company covered under section 295 of the Companies Act, 1956 without obtaining previous approval of the Central Government. The Company will be making an application to the Central Government for approval of the deposit placed.

Our opinion is not qualified in respect of these matters.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
  - (a) We have 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 Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Act (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs).
  - (e) On the basis of the written representations received from the directors as on 31st December, 2013 taken on record by the Board of Directors, none of the directors is disqualified as on 31st December, 2013 from being appointed as a director in terms of Section 274(1) (g) of the Act.

**For DELOITTE HASKINS & SELLS**

Chartered Accountants  
(Firm Registration No. 117365W)

U. M. Neogi  
Partner  
(Membership No.30235)

**Mumbai : February, 28 2014**

## ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

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

- (i) Having regard to the nature of the Company's business/activities/results during the year, clauses (vi), (x), (xii), (xiii), (xiv), (xv), (xviii), (xix) and (xx) of paragraph 4 of the Order are not applicable to the Company.
- (ii) In respect of its fixed assets:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
  - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - (c) Although major part of the fixed assets has been disposed off during the year, in our opinion and according to the information and explanations given to us, the ability of the Company to continue as a going concern is not affected.
- (iii) In respect of its inventories:
  - (a) As explained to us, the inventories, except goods in transit, have been physically verified during the year by the Management at reasonable intervals.
  - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
  - (c) In our opinion and according to the information and explanations given to us, the Company has generally maintained proper records of its inventories and material discrepancies were noticed on physical verification.
- (iv) (a) In respect of unsecured loans, granted by the Company to parties, covered in the Register maintained under Section 301 of the Companies Act 1956, according to the information and explanations given to us:
  - (a) The Company has granted loan of Rs. 100,000,000 to one party during the year. At the year-end, the outstanding balance of such loan granted was Rs. Nil and the maximum amount involved during the year was Rs. 100,000,000 (number of parties one).
  - (b) The rate of interest was lower than the prevailing bank rate, however other terms and conditions of such loan are, in our opinion, prima facie not prejudicial to the interest of the Company.
  - (c) The receipts of principal amounts and interest have been regular.
- (b) In respect of unsecured loans, taken by the Company from parties covered in the Register under Section 301 of the Companies Act, 1956, according to the information and explanations given to us:
  - (a) The Company has taken interest free loans aggregating Rs. 100,100,000 from one party during the year. At the year-end, the outstanding balance of such loans taken aggregated Rs. 100,100,000 (number of party one) and the maximum amount involved during the year was Rs. 100,100,000 (number of party one).
  - (b) The terms and conditions of such loans are, in our opinion, prima facie not prejudicial to the interests of the Company.
  - (c) The payments of principal amounts are not due as of the year end.
- (v) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is generally an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.

- (vi) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:
- (a) The particulars of contracts or arrangements referred to in Section 301 that needed to be entered in the Register maintained under the said section have been so entered.
  - (b) Where each of such transaction is in excess of Rs. 5 lakhs in respect of any party, the transactions have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time, other than certain purchases which are of a special nature for which comparable quotations are not available and in respect of which we are, therefore, unable to comment and a loan given referred to in paragraph (iv) (a) above where the rate of interest was lower than the bank rate.
- (vii) In our opinion, the internal audit functions carried out during the year by a firm of Chartered Accountants appointed by the Management have been commensurate with the size of the Company and the nature of its business.
- (viii) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that, prima facie, the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (ix) According to the information and explanations given to us in respect of statutory dues:
- (a) The dues of Income-tax and Sales tax, have not been regularly deposited during the year with the appropriate authorities, however the delays in deposit have not been serious. The Company has generally been regular in depositing other undisputed statutory dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
  - (b) There were no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31st December, 2013 for a period of more than six months from the date they became payable.
  - (c) There are no dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess which have not been deposited as on 31st December, 2013 on account of any dispute.
- (x) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks.
- (xi) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were obtained, other than temporary deployment pending application.
- (xii) In our opinion and according to the information and explanations given to us, and on an overall examination of the Balance Sheet of the Company as at 31st December 2013, we report that funds raised on short-term basis have, prima facie, not been used during the period for long- term investment.
- (xiii) To the best of our knowledge and according to the information and explanations given to us, no fraud by or on the Company has been noticed or reported during the period.

**For DELOITTE HASKINS & SELLS**

Chartered Accountants

(Firm Registration No. 117365W)

U. M. Neogi

Partner

(Membership No.30235)

**Mumbai : February 28, 2014**

**BALANCE SHEET AS AT 31ST DECEMBER, 2013**

	Note No.	Rs.lacs	As at 31.12.2013 Rs.lacs	As at 30.09.2012 Rs.lacs
<b>I. EQUITY AND LIABILITIES</b>				
<b>(1) Shareholders' Funds</b>				
(a) Share Capital	3	484.61		5.00
(b) Reserves and Surplus	4	3,381.56		(1.70)
			<b>3,866.17</b>	3.30
<b>(2) Non-Current Liabilities</b>				
(a) Long term borrowings	5	5,711.89		-
(b) Deferred tax liabilities (Net)	6	-		-
(c) Long term provisions	7	35.72		-
			<b>5,747.61</b>	
<b>(3) Current Liabilities</b>				
(a) Short term borrowings	8	2,914.93		-
(b) Trade payables	9	1,909.75		2.46
(c) Other current liabilities	10	4,233.72		0.83
(d) Short-term provisions	11	6.61		-
			<b>9,065.01</b>	3.29
<b>Total</b>			<b>18,678.79</b>	<b>6.59</b>
<b>II. ASSETS</b>				
<b>(1) Non-current assets</b>				
(a) Fixed assets				
(i) Tangible assets	12	10,937.29		-
(ii) Intangible assets	12	45.51		-
(iii) Capital work-in-progress		-		5.87
		<b>10,982.80</b>		5.87
(b) Non-current investments	13	420.00		-
(c) Long term loans and advances	14	205.93		-
(d) Other non current assets	15	763.48		-
			<b>12,372.21</b>	5.87
<b>(2) Current assets</b>				
(a) Inventories	16	1,927.87		-
(b) Trade receivables	17	770.63		-
(c) Cash and cash equivalents	18	46.70		0.72
(d) Short-term loans and advances	19	1,148.46		-
(e) Other current assets	20	2,412.92		-
			<b>6,306.58</b>	0.72
<b>Total</b>			<b>18,678.79</b>	<b>6.59</b>

See accompanying notes forming part of the financial statements

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

For and on behalf of the Board of Directors

**T. S. Sahney**  
Chairman

**D. S. Sahney**  
Managing Director

**Uday Neogi**  
Partner

**R. G. Mehendale**  
GM Finance & Accounts

**Neha Solanki**  
Company Secretary

Mumbai: 28th February, 2014

**STATEMENT OF PROFIT AND LOSS FOR THE FIFTEEN MONTHS ENDED 31ST DECEMBER, 2013**

	Note No.	For the Period From 01.10.2012 to 31.12.2013		For the Period From 01.04.2012 to 30.09.2012	
		Rs. Lacs	Rs. Lacs	Rs. Lacs	Rs. Lacs
I.	21	3,312.71		-	
		310.84		-	
			3,001.87		-
II.	22		153.10		-
III.			<u>3,154.97</u>		<u>-</u>
IV.					
	23A		1,536.49		-
	23B		(541.40)		-
	24		1,023.70		-
	25		688.09		-
	12		693.47		-
	26		2,370.49		0.27
			<u>5,770.84</u>		<u>0.27</u>
V.			(2,615.87)		(0.27)
VI.	27		192.85		-
VII.			<u>(2,423.02)</u>		<u>(0.27)</u>
VIII.					
			-		-
		(106.12)	(106.12)		-
IX.			<u>(2,316.90)</u>		<u>(0.27)</u>
	39		(9.56)		(0.11)

See accompanying notes forming part of the financial statements

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

For and on behalf of the Board of Directors

**T. S. Sahney**  
Chairman

**D. S. Sahney**  
Managing Director

**Uday Neogi**  
Partner

**R. G. Mehendale**  
GM Finance & Accounts

**Neha Solanki**  
Company Secretary

Mumbai: 28th February, 2014

**CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST DECEMBER, 2013**

	For the Period From 01.10.2012 to 31.12.2013		For the Period From 01.04.2012 to 30.09.2012	
	Rs. Lacs	Rs. Lacs	Rs. Lacs	Rs. Lacs
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>				
<b>LOSS BEFORE TAX</b>		<b>(2,423.02)</b>		<b>(0.27)</b>
Adjustments for:				
Depreciation/amortisation	<b>693.47</b>		-	
Foreign exchange loss/(gain) - unrealised	<b>(56.18)</b>		-	
Finance cost	<b>688.09</b>		-	
Dividend income	<b>(36.35)</b>		-	
(Profit)/loss on sale of current investment in joint venture	<b>(241.31)</b>		-	
Provision for doubtful debts	<b>7.31</b>		-	
Interest Income	<b>(45.50)</b>	<b>1,009.53</b>	-	-
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES AND OTHER ADJUSTMENTS</b>		<b>(1,413.49)</b>		<b>(0.27)</b>
Changes in working capital:				
Adjustment for (increase)/ decrease in operating assets				
- Trade receivables	<b>(344.44)</b>		-	
- Short-term loans and advances	<b>(519.11)</b>		-	
- Long-term loans and advances	<b>(44.59)</b>		-	
- Other current assets	<b>(108.45)</b>		-	
- Inventories	<b>(519.50)</b>		-	
Adjustment in increase/(decrease) in operating liabilities				
- Trade payables	<b>1,264.83</b>		2.11	
- Other current liabilities and provisions	<b>613.45</b>	<b>342.19</b>	0.79	2.90
<b>CASH GENERATED (USED IN) / FROM OPERATIONS</b>		<b>(1,071.30)</b>		<b>2.63</b>
Direct taxes paid		<b>(5.40)</b>		-
<b>NET CASH FLOW (USED IN) / FROM OPERATING ACTIVITIES (A)</b>		<b>(1,076.70)</b>		<b>2.63</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>				
Purchase of fixed assets (including adjustments on account of capital advances)		<b>(3,044.21)</b>		<b>(5.87)</b>
Sale of fixed assets		<b>13.76</b>		-
Advance against assignment of certain Rights		<b>455.00</b>		-
Purchase of fixed assets related to the Project referred to in Note 43		<b>(2,069.15)</b>		-
Sale of current investments in joint venture		<b>252.56</b>		-
Dividend income from joint venture		<b>36.35</b>		-
Interest Income		<b>49.20</b>		-
<b>NET CASH (USED IN) INVESTING ACTIVITIES (B)</b>		<b>(4,306.49)</b>		<b>(5.87)</b>

**CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST DECEMBER, 2013**

	For the Period From 01.10.2012 to 31.12.2013		For the Period From 01.04.2012 to 30.09.2012	
	Rs. Lacs	Rs. Lacs	Rs. Lacs	Rs. Lacs
<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>				
Proceeds from long term borrowings		952.49		-
Proceeds from short term borrowings		2,908.62		-
Repayment of long term borrowings		(1,003.42)		-
Finance cost paid (exclude Rs. 135.40 lacs relating to the Project referred to in Note 43 to the Financial Statements)		(694.73)		-
<b>NET CASH FROM FINANCING ACTIVITIES (C)</b>		<b>2,162.96</b>		<b>-</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)</b>		<b>(3,220.23)</b>		<b>(3.24)</b>
Cash and cash equivalents as at the beginning of the year		0.72		3.96
Transfer under the Scheme (Refer Note 1)		3,266.21		-
Cash and cash equivalents as at the end of the period		<b>46.70</b>		<b>0.72</b>

**Note:**

- (i) The Cash flow for the period has been determined after considering all the assets and liabilities pertaining to the Industrial Bearings Undertaking, transferred under the Scheme referred to in Note 1 of the Financial Statements. The Consideration for the transfer and vesting of the Industrial Bearings Undertaking of NRB, has been discharged by way of equity shares issued as stated in that Note.
- (ii) Cash Flow from investing activities exclude investment in NRB-IBC Bearings Private Limited of Rs. 415 lacs which has been made by adjusting consideration receivable on sale of fixed assets relating to the Project referred to in Note 43 of the Financial Statements.

- (iii) Cash and cash equivalents at the end of the year comprises:

Cash in Hand	0.17	0.05
Balances with banks		
In current accounts	46.53	0.67
	<b>46.70</b>	<b>0.72</b>

- (iv) Figures for the previous periods have been regrouped / restated where necessary to conform to the current period's classification.

See accompanying notes forming part of the financial statements.

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

For and on behalf of the Board of Directors

**T. S. Sahney**  
Chairman

**D. S. Sahney**  
Managing Director

**Uday Neogi**  
Partner

**R. G. Mehendale**  
GM Finance & Accounts

**Neha Solanki**  
Company Secretary

Mumbai: 28th February, 2014



**1. Corporate Information:**

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

The Company is engaged in the business of manufacturing and selling of all types of industrial bearings.

The Scheme of Arrangement (the Scheme) for the transfer of Industrial Bearings Undertaking of NRB Bearings Limited (NRB) to the Company under section 391 to 394 read with section 100 to 103 of the Companies Act, 1956 was sanctioned by the Hon'ble High Court of Judicature, Bombay on 24th August 2012. The Scheme, which has become operative from 25th September, 2012 upon filing of the certified copies of the Orders of the Hon'ble High Court with the Registrar of Companies is effective from 1st October, 2012 (the Appointed Date).

Pursuant to the Scheme, with effect from the Appointed date the Industrial Bearings Undertaking of NRB is transferred and vested in the Company as a going concern, with all its assets, liabilities, properties, rights, benefits and interest therein subject to existing charges thereon.

In terms of the Scheme, in consideration of the transfer and vesting of the Industrial Bearings Undertaking of NRB, in respect of every 4 equity shares of Rs. 2 each, held by the shareholders of NRB, 1 equity share of Rs. 2 each fully paid up aggregating 24,230,650 equity shares have been issued and allotted on 31st October, 2012, to the shareholders of NRB whose names appeared in the Register of Members, as on 25th October, 2012, being the record date.

All the staff, workmen and employees of Industrial Bearings Undertaking of NRB in service as on 1st October, 2012 have become staff, workmen and employees of the Company without any break in their service.

In terms of the Scheme, the Company recorded all the assets and liabilities pertaining to the Industrial Bearings Undertaking, at the respective book values appearing in the books of NRB as on the Appointed Date. The Company credited to its share capital account, the aggregate face value of the equity shares issued by it pursuant to the Scheme. The difference of Rs. 5,700.16 lacs being excess of net assets and the amount credited as share capital after adjusting the cancellation of existing share capital of the Company held by NRB has been credited to Capital Reserve. The equity shares allotted have been listed on the Bombay Stock Exchange and the National Stock Exchange on 9th April, 2013.

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

The financial statements are prepared under historical cost convention on an accrual basis and are in accordance with the requirements of the Act and comply with the Accounting Standards notified under the Act, (which continue to be applicable in respect of section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs). The accounting policies adopted in preparation of the financial statements are consistent with those followed in the previous period.

**ii. Use of estimates**

The preparation of the financial statements, in conformity with the generally accepted accounting principles, requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimates are recognized in the period in which the results are known/materialized.

**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.

---

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

---

**(b) Depreciation/amortization****i. Tangible Assets**

- a. Leasehold land is amortised over the remaining period of the lease.
- b. Depreciation on other tangible fixed assets has been provided on the straight line method, in the manner and at the rates prescribed in Schedule XIV to the Companies Act, 1956.

**ii. Intangible Assets**

Computer software is amortised on straight line method over the estimated useful life of 6 years.

**(c) Also see Note 2(xi) below.****iv. Impairment**

The carrying values of assets at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.

**v. Foreign currency transactions**

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction. Foreign currency monetary items (other than derivative contracts) of the Company, outstanding at the balance sheet date are restated at the period-end rates. Exchange differences arising on settlement / restatement of foreign currency monetary assets and liabilities of the Company are recognised as income or expense 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.

**viii. Sale of products**

Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales exclude sales tax and value added tax.

**ix. Other Income**

Interest income is 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 period in which the related service is rendered.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

## (b) Long term benefits:

## (i) Defined Contribution Plans :

## 1. Provident and Family Pension Fund

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

## 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 quarterly contributions at 15% of employees' eligible salary. Superannuation scheme is classified as Defined Contribution Plan as the Company has no further obligations beyond making the contribution.

The Company's contributions to Defined Contribution Plans are charged to the statement of profit and loss as 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 Trust established for the purpose has arrangement with insurance company (currently HDFC Standard Life Insurance Company Limited) for future payments of gratuities on behalf of the Trust. The Company accounts for gratuity benefits based on an independent actuarial valuation as at the period 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. Borrowing costs**

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset is added to the cost of the assets.

**xii. Operating Lease**

Lease, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased asset during the lease term, is classified as operating lease. Operating lease payments and receipts are recognised as an expense and income respectively in the Statement of Profit and Loss on a straight-line basis over the lease term.

---

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

---

**xiii. Taxation**

Taxation expenses comprise current tax and deferred tax.

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

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 substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets are reviewed at each Balance Sheet date for their reliability.

**xiv. Provisions and Contingencies**

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. Contingent assets are not recognised in the financial statements

**xv. 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.

**xvi. Derivative Contracts**

The Company enters into derivative contracts in the nature of foreign currency swaps, currency options, forward contracts with an intention to hedge its existing assets and liabilities and firm commitments. Premium / discount on forward exchange contracts, which are not intended for trading or speculation purposes, are amortised over the period of the contracts if such contracts relate to monetary items as at the balance sheet date. All other derivative contracts are marked-to-market and losses are recognised in the Statement of Profit and Loss. Gains arising on the same are not recognised on grounds of prudence.

**xvii. Current / Non-Current Assets and Liabilities:**

Assets are classified as current when it satisfies any of the following criteria:

- a) it is held primarily for the purpose of being traded;
- b) it is expected to be realised within twelve months after the reporting date; or
- c) it is Cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

All other assets are classified as non-current.

Liabilities are classified as current when it satisfies any of the following criteria:

- a) it is held primarily for the purpose of being traded;
- b) it is due to be settled within twelve months after the reporting date; or
- c) the company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

All other liabilities are classified as non-current.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**NOTE 3 - Share Capital**

	As at 31.12.2013 Rs. lacs	As at 30.09.2012 Rs. lacs
Authorised:		
25,000,000 (as at 30.09.2012 - 25,000,000) equity shares of Rs. 2 each	<u>500.00</u>	<u>500.00</u>
Issued, subscribed and fully paid up:		
24,230,650 (as at 30.09.2012 - 250,000) equity shares of Rs. 2 each fully paid up	<u>484.61</u>	5.00
Per balance sheet	<u>484.61</u>	<u>5.00</u>

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

	For the Period From 01.10.2012 to 31.12.2013		For the Period From 01.04.2012 to 30.09.2012	
	Number of shares	Rs. Lacs	Number of shares	Rs. Lacs
Shares outstanding at the beginning of the year	<u>250,000</u>	<u>5.00</u>	250,000	5.00
Less: Shares cancelled under the Scheme (Refer Note 1)	<u>250,000</u>	<u>5.00</u>	-	-
Add: Shares issued under the Scheme (Refer Note 1)	<u>24,230,650</u>	<u>484.61</u>	-	-
Shares outstanding at the end of the year	<u>24,230,650</u>	<u>484.61</u>	<u>250,000</u>	<u>5.00</u>

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

Particulars	As at 31.12.2013		As at 30.09.2012	
	Number of shares	% of holding	Number of shares	% of holding
<b>Equity shares:</b>				
Trilochan Singh Sahney	2,929,101	12.09	-	-
Trilochan Singh Sahney Trust 1 [held by a trustee (Trilochan Singh Sahney) in his individual name]	9,438,910	38.95	-	-
ICICI Prudential Life Insurance Company Limited	1,353,478	5.59	-	-
NRB Bearings Ltd (Including held by nominees)	-	-	250,000	100.00

**(iii) 24,230,650 shares allotted during the period as fully paid up in Consideration of transfer and vesting of Industrial Bearings Undertaking of NRB in the Company pursuant to the Scheme referred to in Note 1.**

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

- a) The Company has only one class of equity shares having a face value of Rs. 2 each. Every member shall be entitled to be present, and to speak and vote and upon a poll the voting right of every member present in person or by proxy shall be in proportion to his share of the paid-up equity share capital of the Company.
- b) The Company in General Meeting may declare dividend to be paid to members according to their respective rights, but no dividend shall exceed the amount recommended by the Board, but the Company in General Meeting may declare a smaller dividend.
- c) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts.

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

	Rs. Lacs	As at 31.12.2013 Rs. Lacs	Rs. Lacs	As at 30.09.2012 Rs. Lacs
<b>Capital reserve</b>				
Opening balance	-		-	
Add: On account of the Scheme (Refer Note 1)	<u>5,700.16</u>		-	
Closing balance		<u>5,700.16</u>		-
<b>Surplus in the Statement of Profit and Loss:</b>				
Opening balance	(1.70)		(1.43)	
Add: Loss for the period	<u>(2,316.90)</u>		<u>(0.27)</u>	
Closing balance		<u>(2,318.60)</u>		(1.70)
Per balance sheet		<u><u>3,381.56</u></u>		<u><u>(1.70)</u></u>

**NOTE 5 - Long Term Borrowings**

<b>Term Loans</b>				
<b>From Bank</b>				
Secured	8,090.82		-	
Less: Current maturities of long-term debt (Refer Note 10)	<u>(2,387.46)</u>		-	
		<u>5,703.36</u>		-
<b>From Others</b>				
Secured	10.29		-	
Less: Current maturities of long-term debt (Refer Note 10)	<u>(1.76)</u>		-	
		<u>8.53</u>		-
Per balance sheet		<u><u>5,711.89</u></u>		<u><u>-</u></u>

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

- (a) Rs. 7,162.37 lacs (Previous year Rs. Nil) secured by exclusive first charge over immovable fixed assets (leasehold land and buildings thereon) of the Company and its movable plant & machinery, furniture & fixture and other movables at Shendra (near Aurangabad). The term loan is repayable in remaining 12 equal quarterly installments by November 2016. Interest rate swap taken to convert floating interest rate of LIBOR + 300 bps under the loan agreement into fixed interest rate of 6.45% p.a.
- (b) Rs. 928.45 lacs (Previous year Rs. Nil) to be secured by security stated in (a) above. The term loan is repayable by September 2018 in 14 equal quarterly installments commencing from June 2015 and carries floating interest rate of LIBOR + 350 bps. The present rate of interest is 3.74% .

**Term loan from Others**

- (a) Secured by hypothecation of a vehicle. The term loan is repayable in remaining 57 equal monthly installments by September, 2018 .The present rate of interest is 10.71% .

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

**NOTE 6 - Deferred Tax Asset /(Liability)**

	Deferred tax asset / (liability) as at 01.10.2012	Transfer under the Scheme *	Credit/ (charge) for the period	Deferred tax asset / (liability) as at 31.12.2013
Nature of timing difference				
<b>Deferred tax liability</b>				
Depreciation	-	(139.43)	(535.18)	(674.61)
Sub - total		(139.43)	(535.18)	(674.61)
<b>Deferred tax assets</b>				
Provision for doubtful debts	-	11.29	1.72	13.01
Provision for compensated absence	-	22.02	(8.94)	13.08
Disallowable u/s 43 B	-	-	13.00	13.00
Disallowable u/s 35DD - Scheme Expenses	-	-	8.98	8.98
Business loss **	-	-	626.54	626.54
Sub - total	-	33.31	641.30	674.61
Per balance sheet		(106.12)	106.12	-

\* Refer Note 41

\*\* Recognised to the extent of balance in deferred tax liability net of other deferred tax assets.

**NOTE 7 -Long Term Provisions**

	As at 31.12.2013 Rs. Lacs	As at 30.09.2012 Rs. Lacs
Provisions for employee benefits:		
Compensated absences	35.72	-
Per balance sheet	35.72	-

**NOTE 8 - Short Term Borrowings**

**Secured**

<b>i) Loan repayable on demand</b>		
From Bank	893.78	-
<b>ii) Other short term borrowings</b>		
From Bank	1,020.15	-
<b>Unsecured</b>		
<b>i) Loans from director:</b>		
Unsecured - Interest free	1,001.00	-
Per balance sheet	2,914.93	-

**Footnotes:**

**(i) Loans repayable on demand from bank**

Secured by first exclusive charge on all present and futures stock and book debts of the Company. The present interest rate is 12.5% p.a.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**(ii) Other Short term borrowings**

- (a) Rs. 513.60 lacs (Previous year Rs. Nil) secured by security stated in footnote (i) above. The present interest rate is 12.5%.
- (b) Rs. 506.55 lacs (Previous year Rs. Nil) secured by security stated in footnote (i) above. The present interest rate is in the range of 3% - 4% p.a.

**NOTE 9 - Trade Payables**

	<b>As at</b> <b>31.12.2013</b> <b>Rs. Lacs</b>	<b>As at</b> <b>30.09.2012</b> <b>Rs. Lacs</b>
<b>Trade payables (see Footnote)</b>		
- due to micro and small enterprises	-	-
- due to others	<b>1,909.75</b>	2.46
Per balance sheet	<b><u>1,909.75</u></b>	<u>2.46</u>

**Footnote:**

Based on the details regarding the status of the suppliers obtained by the company, there is no supplier covered under the Micro, Small and Medium Enterprises Development Act, 2006 (the Act). This has been relied upon by the auditors.

**NOTE 10 - Other Current Liabilities**

Current maturities of long-term debt (Refer Note 5)	2,389.21	-
Interest accrued but not due on borrowings	74.47	-
<b>Other Payables</b>		
- Payables on purchase of fixed assets	673.22	-
- Statutory remittances (Contribution to PF, Profession Tax , Withholding tax, Service Tax, VAT, Excise Duty etc.)	554.70	0.83
- Advance received from customers	28.63	-
- Advance against assignment of certain Rights ( Refer Note 42)	455.00	-
- Others - Premium on Call Spread	58.49	-
Per balance sheet	<b><u>4,233.72</u></b>	<u>0.83</u>

**NOTE 11 - Short Term Provisions**

Provision for employee benefits:

- Compensated absences	6.61	-
	<b><u>6.61</u></b>	<u>-</u>



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**
**NOTE 12 - Fixed assets**

Rs. lacs

Description	GROSS BLOCK - AT COST				DEPRECIATION / AMORTISATION					NET BLOCK
	Balance As at 01.10.12	Transfer under the Scheme*	Additions	Deductions	Balance As at 31.12.13	Balance As at 01.10.12	For the period	On Deductions/ Amortisation	Balance As at 31.12.13	As at 31.12.13
<b>A. Tangible Assets</b>										
Leasehold land										
Own Use	-	650.62	30.35	-	680.97	-	10.15	-	10.15	670.82
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Given under operating lease	-	91.43	-	-	91.43	-	1.20	-	1.20	90.23
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
		742.05	30.35	-	772.40	-	11.35	-	11.35	761.05
		(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Buildings and flats										
Own Use	-	22.81	3,132.88	-	3,155.69	-	125.57	-	125.57	3,030.12
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Given under operating lease	-	-	307.11	-	307.11	-	8.37	-	8.37	298.74
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
		22.81	3,439.99	-	3,462.80	-	133.94	-	133.94	3,328.86
		(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Leasehold Improvement	-	2.00	135.39	-	137.39	-	2.73	-	2.73	134.66
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Plant and equipment										
Own Use	-	721.55	5,494.16	-	6,215.71	-	439.34	-	439.34	5,776.37
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Given under operating lease	-	-	83.62	-	83.62	-	7.70	-	7.70	75.92
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
		721.55	5,577.78	-	6,299.33	-	447.04	-	447.04	5,852.29
		(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Furniture and fixtures										
Own Use	-	0.18	206.38	-	206.56	-	15.69	-	15.69	190.87
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Given under operating lease	-	-	2.50	-	2.50	-	0.20	-	0.20	2.30
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
		0.18	208.88	-	209.06	-	15.89	-	15.89	193.17
		(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Office equipments										
Own Use	-	12.79	105.76	-	118.55	-	12.96	-	12.96	105.59
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Given under operating lease	-	-	0.79	-	0.79	-	0.04	-	0.04	0.75
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
		12.79	106.55	-	119.34	-	13.00	-	13.00	106.34
		(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Electrical installations										
Own Use	-	-	559.13	-	559.13	-	51.95	-	51.95	507.18
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Given under operating lease	-	-	36.09	-	36.09	-	3.35	-	3.35	32.74
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
		-	595.22	-	595.22	-	55.30	-	55.30	539.92
		(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Vehicles	-	6.88	28.94	13.76	22.06	-	2.70	1.64	1.06	21.00
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
<b>Sub Total (A)</b>	<b>-</b>	<b>1,508.26</b>	<b>10,123.10</b>	<b>13.76</b>	<b>11,617.60</b>	<b>-</b>	<b>681.95</b>	<b>1.64</b>	<b>680.31</b>	<b>10,937.29</b>
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
<b>B. Intangible Assets</b>										
Computer Software	-	-	57.03	-	57.03	-	11.52	-	11.52	45.51
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
<b>Sub Total (B)</b>	<b>-</b>	<b>-</b>	<b>57.03</b>	<b>-</b>	<b>57.03</b>	<b>-</b>	<b>11.52</b>	<b>-</b>	<b>11.52</b>	<b>45.51</b>
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
<b>Total (A) + (B) Per balance sheet</b>	<b>-</b>	<b>1,508.26</b>	<b>10,180.13</b>	<b>13.76</b>	<b>11,674.63</b>	<b>-</b>	<b>693.47</b>	<b>1.64</b>	<b>691.83</b>	<b>10,982.80</b>
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)

**Footnote:**

\* Refer Note 1

Previous period figures are indicated in brackets

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**
**NOTE 13 - Non Current Investments**

	As at 31.12.2013 Rs. Lacs	As at 30.09.2012 Rs. Lacs
<b>Trade</b>		
Investments in equity instruments		
- Of associate		
Unquoted		
NRB-IBC Bearings Private. Limited		
42,00,000 (as at 30.09.2012 Nil) equity shares of		
Rs. 10 each fully paid-up	420.00	-
Per balance sheet	<u>420.00</u>	<u>-</u>
Aggregate amount of unquoted investments	420.00	-

**Footnote:**

Investment in 50,000 equity shares of Rs. 10/- each fully paid up of NRB-IBC Bearings Private Limited (NIBC) was transferred to the Company under the Scheme referred to in Note 1 and accordingly NIBC became subsidiary of the Company from 1st October, 2012. On NIBC issuing equity shares to the Company and to others on 9th December, 2013 NIBC has ceased to be the subsidiary.

**NOTE 14 - Long Term Loans and Advances**

(Unsecured, considered good)

Capital advance	161.34	-
Security deposits	44.59	-
Per balance sheet	<u>205.93</u>	<u>-</u>

**NOTE 15 - Current Investments**

Others

- Exchange loss on long term loan covered under call spread option	763.48	-
Per balance sheet	<u>763.48</u>	<u>-</u>

**NOTE 16 - Inventories**

(at lower of cost and net realisable value)

Raw materials	329.85	-
Goods in Transit	<u>-</u>	<u>-</u>
Work-in-progress	428.58	-
Finished goods	1,110.04	-
Stores and spares	59.40	-
Per balance sheet	<u>1,927.87</u>	<u>-</u>

**Footnotes:**
**i) Raw Materials Comprise of:**

Steel	116.48	-
Rings	98.37	-
Roller	29.06	-
Components	75.69	-
Packing Material	10.25	-
TOTAL	<u>329.85</u>	<u>-</u>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

ii) <b>Work-in-Progress Comprise of:</b>			
Bearings	69.10	-	
Roller	108.23	-	
Rings	206.90	-	
Manufactured components	44.35	-	
TOTAL	<u>428.58</u>	<u>-</u>	
iii) <b>Finished Goods Comprise of:</b>			
Ball & roller bearings	1,066.70	-	
Rings	43.34	-	
TOTAL	<u>1,110.04</u>	<u>-</u>	

**NOTE 17 -Trade Receivables**

	As at 31.12.2013 Rs. Lacs	As at 30.09.2012 Rs. Lacs
Trade receivables outstanding for a period exceeding six months from the date they are due for payment:		
Secured, considered good	-	-
Unsecured, considered good	151.35	-
Unsecured, considered doubtful		
*(includes transferred under the Scheme (Refer Note 1) Rs. 34.78 lacs)	<u>*42.09</u>	-
	193.44	-
Provision for doubtful debts	<u>42.09</u>	-
	151.35	-
Other trade receivables:		
Secured, considered good	-	-
Unsecured, considered good	<u>619.28</u>	-
	619.28	-
Per balance sheet	<u>770.63</u>	<u>-</u>

**NOTE 18 - Cash and Cash Equivalent**

Cash on hand	0.17	0.05
Balances with banks:		
- In current accounts	46.53	0.67
Per balance sheet	<u>46.70</u>	<u>0.72</u>

**NOTE 19 - Short Term Loans and Advances**

(Unsecured, considered good)		
Others		
Advance to suppliers	83.27	-
CENVAT/ Service tax	1,016.70	-
Gratuity fund	24.86	-
Prepaid expenses	16.93	-
Income taxes paid	5.40	-
Others	1.30	-
Per balance sheet	<u>1,148.46</u>	<u>-</u>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**
**NOTE 20 - Other Current Assets**

	As at 31.12.2013 Rs. Lacs	As at 30.09.2012 Rs. Lacs
Receivable from related party (Refer Note 43)	2,026.74	-
Exchange loss on long term loan covered under call spread option	381.74	-
Export benefits	4.44	-
Per balance sheet	<u>2,412.92</u>	<u>-</u>

**NOTE 21 - Revenue from operations**

	For the Period From 01.10.2012 to 31.12.2013		For the Period From 01.04.2012 to 30.09.2012	
	Rs. Lacs	Rs. Lacs	Rs. Lacs	Rs. Lacs
Sale of products		3,208.05		-
Other operating revenues:				
Agency Commission	68.16		-	
Sale of scrap	11.52		-	
Export incentives	9.17		-	
Job work charges	0.81		-	
Service Charges	15.00		-	
		<u>104.66</u>		-
		<u>3,312.71</u>		-
Less: Excise Duty		310.84		-
Per statement of profit and loss		<u>3,001.87</u>		<u>-</u>

**Revenue from operations comprise of:**

Ball & roller bearings	2,731.84	-
Roller	77.30	-
Manufactured components	88.07	-
	<u>2,897.21</u>	-
Other operating revenues	104.66	-
Total	<u>3,001.87</u>	<u>-</u>

**NOTE 22 - Other income**

Rent	68.90	-
Interest Income	45.50	-
Dividend Income	36.35	-
Other	2.35	-
Per statement of profit and loss	<u>153.10</u>	<u>-</u>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**NOTE 23A - Cost of materials consumed**

	For the Period From 01.10.2012 to 31.12.2013		For the Period From 01.04.2012 to 30.09.2012	
	Rs. Lacs	Rs. Lacs	Rs. Lacs	Rs. Lacs
Opening Stock		-		-
Add: Transfer of inventory under the Scheme (Refer Note 1)		322.86		-
Add: Purchases		1,543.48		-
		<u>1,866.34</u>		-
Less: Closing stock		329.85		-
Per statement of profit and loss		<u>1,536.49</u>		-
<b>Materials consumed comprise of:</b>				
Steel		254.70		-
Rings		374.60		-
Roller		256.32		-
Components		578.71		-
Packing Material		72.16		-
Total		<u>1,536.49</u>		-

**NOTE 23B - Changes in inventories of finished goods, work-in-progress**

Opening stock		-		-
Transfer under under the Scheme (Refer Note 1)				-
Work - in - progress	411.10			-
Finished goods	<u>586.12</u>	997.22	-	-
Closing stock				-
Work - in - progress	(428.58)		-	-
Finished goods	<u>(1,110.04)</u>	<u>(1,538.62)</u>	-	-
Per statement of profit and loss - Net (increase) / decrease		<u>(541.40)</u>		-

**NOTE 24 - Employee benefit expenses**

Salaries and wages (net of write back of provision for leave encashment transferred under the Scheme Rs 41.78 lacs)		915.78		-
Contribution to provident fund and other funds		50.77		-
Staff welfare		57.15		-
Per statement of profit and loss		<u>1,023.70</u>		-

**NOTE 25 - Finance costs**

Interest Expenses		665.62		-
Other borrowing costs		22.47		-
Per statement of profit and loss		<u>688.09</u>		-

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

	For the Period From 01.10.2012 to 31.12.2013		For the Period From 01.04.2012 to 30.09.2012	
	Rs. Lacs	Rs. Lacs	Rs. Lacs	Rs. Lacs
<b>NOTE 26 - Other expenses</b>				
Consumption of stores and spare parts		354.92	-	-
Power and fuel		343.43	-	-
Rent		30.29	-	-
Repairs and maintenance -				
Buildings	0.73		-	-
Plant and machinery	175.75		-	-
Others	78.11		-	-
		254.59		-
Insurance		15.23	-	-
Rates and taxes		11.33	-	-
Travelling and conveyance expense		96.51	-	-
Printing and stationary		13.70	-	-
Freight & forwarding		57.74	-	-
Business promotion		26.86	-	-
Legal & professional expenses		103.99		0.02
Auditors' remuneration (see Footnote below)		22.23		0.22
Foreign exchange fluctuation (gain) / loss		93.40		-
Premium on Call Spread Option		457.63		-
Provision for doubtful debts		7.31		-
Director sitting fees		2.75		-
Security charges		29.79		-
IT related expenses		73.36		-
Bank charges		7.85		-
Excise duty on closing stock		281.82		-
Miscellaneous expenses		85.76		0.03
Per statement of profit and loss		2,370.49		0.27
<b>Footnote:</b>				
<b>Details of Auditors' remuneration:</b> (excluding service tax)				
Audit fees		18.50		0.22
Taxation matters		3.50		-
Others		0.15		-
Out of pocket expenses		0.08		-
Total		22.23		0.22
<b>NOTE 27 - Exceptional items</b>				
Profit on sale of current investment in joint venture Company Schneeberger India Pvt Ltd (Refer Note 44)		241.31		-
Expenses relating to transfer and vesting of Industrial earing Undertaking (Referred to in Note 1)		(48.46)		-
		192.85		-

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**NOTE 28 - Contingent Liabilities not provided for:**

	As at 31.12.2013 Rs. Lacs	As at 30.09.2012 Rs. Lacs
a) Bank guarantees		
- To Indian Custom Department	55.00	-
- To Maharashtra Pollution Control Board	2.00	-

**NOTE 29 - Commitments**

1. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	607.96	-
2. Other commitment		
- Premium payable for remaining period of Call Spread Option Contract.	618.53	-

**NOTE 30 - Value of imported and indigenous materials consumed**

	For the Period From 01.10.2012 to 31.12.2013		For the Period From 01.04.2012 to 30.09.2012	
	Rs. Lacs	%	Rs. Lacs	%
Imported	59.01	4	-	-
Indigenous	1,477.48	96	-	-
<b>TOTAL</b>	<b>1,536.49</b>	<b>100</b>	<b>-</b>	<b>-</b>

**NOTE 31 - Value of imported and indigenous stores & spare parts consumed**

Imported	30.33	9	-	-
Indigenous	324.59	91	-	-
<b>TOTAL</b>	<b>354.92</b>	<b>100</b>	<b>-</b>	<b>-</b>

	For the Period From 01.10.2012 to 31.12.2013 Rs. lacs	For the Period From 01.04.2012 to 30.09.2012 Rs. lacs
--	--	--

**NOTE 32 - CIF value of imports**

i) Capital Goods (Includes purchased for the Project referred to in Note 43, Rs. 1,918.05 lacs)	5,138.28	-
ii) Raw materials and components	147.04	-
iii) Stores & spares	66.00	-

**NOTE 33 - Expenditure in foreign currency**

i) Foreign travel	13.98	-
ii) Interest expense	*562.49	-
*(excluding Rs 135.40 lacs relating to the Project referred to in Note 43)		
iii) Premium on long term loan covered under Call Spread Option	*457.63	-
*(excluding Rs 104.01 lacs incurred for NRB - IBC Bearings Private Limited referred to in Note 43)		

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

	For the Period From 01.10.2012 to 31.12.2013 Rs. lacs	For the Period From 01.04.2012 to 30.09.2012 Rs. lacs
<b>NOTE 34 - Earnings in foreign exchange:</b>		
i) Export of goods calculated on F.O.B basis	477.22	-
ii) Agency commission	65.58	-

**NOTE 35 - Financial and Derivative Instruments**

i) Call spread option entered into by the company outstanding as at 31.12.2013:

Currency	Amount in foreign currency	Buy/Sell	Cross currency
USD	11,571,429	Buy	INR
	(-)	(-)	(-)

This Call Spread Option Contract is 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: 1 (as at 30.9.2012: Nil)
- iii) Foreign currency exposures that have not been hedged by a derivative instrument or other wise outstanding as at 31.12.2013:

	Currency	Amount Rs. Lacs	Equivalent as at period end
a) Amount receivable in foreign currency :			
Receivables	EURO	263,709.64	225.11
		(-)	(-)
	USD	43,495.12	26.92
		(-)	(-)
	GBP	4,316.29	4.40
		(-)	(-)
Advance to Supplier	EURO	60,327.50	51.50
		(-)	(-)
	JPY	3,941,250.00	23.24
		(-)	(-)
b) Amounts payable in foreign currency :			
Payables	EURO	88,009.65	75.12
		(-)	(-)
	CHF	3,557.32	2.48
		(-)	(-)
	JPY	554,253.34	3.27
		(-)	(-)
Advance from Customer	EURO	7,540.69	6.43
		(-)	(-)
	USD	5,358.00	3.32
		(-)	(-)
c) Term Loan from Bank	USD	1,500,000.00	928.45
		(-)	(-)

iv) Figures in brackets are the corresponding figures in respect of the previous period.



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**NOTE 36 - Details of Employee Benefits as required by the Accounting Standard - 15 "Employee Benefits" are as follows**

1) Defined contribution plans :

Contribution to Defined Contribution Plans, recognised in the statement of profit and loss for the period, under employee benefit expense,

	<b>For the Period From 01.10.2012 to 31.12.2013 Rs. lacs</b>	<b>For the Period From 01.04.2012 to 30.09.2012 Rs. lacs</b>
i) Employer's Contribution to Provident Fund	<b>29.04</b>	-
ii) Employer's Contribution to Family Pension Fund	<b>17.45</b>	-
iii) Employer's Contribution to Superannuation Fund	<b>22.18</b>	-

2) Defined Benefit Plans : (Funded)

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

The Company has an obligation towards gratuity, a funded defined benefit retirement plan covering eligible employees. The plan provides for lump sum payment to vested employees at retirement, death while in employment or on termination of the employment of an amount equivalent to 15 days salary, as applicable, payable for each completed year of service, without any payment ceiling. Vesting occurs upon completion of five years of service.

Particulars	For the Period From 01.10.2012 to 31.12.2013 Rs. Lacs	For the Period From 01.04.2012 to 30.09.2012 Rs. Lacs
i) Components of employer expenses		
a) Current Service cost	8.52	-
b) Interest cost	9.28	-
c) Expected return on plan assets	(10.63)	-
d) Actuarial Losses/ (Gains)	(16.04)	-
<b>Total expenses recognised in the Statement of Profit and Loss</b>	<b>(8.87)</b>	-
ii) Actual contribution and benefit payments for the period		
a) Actual benefit payments	(8.34)	-
b) Actual Contributions	7.09	-
iii) Net asset/(liability) recognised in the Balance Sheet		
a) Fair Value of plan assets at the end of the period	98.53	-
b) Present Value of defined benefit obligation	73.67	-
<b>Net assets/(liability) recognised on the Balance Sheet</b>	<b>24.86</b>	-
iv) Change in Defined Benefit Obligations (DBO) during the period		
a) Present Value of DBO at the beginning of the current period	-	-
b) Transferred under the Scheme	89.99	-
c) Current Service cost	8.52	-
d) Interest cost	9.28	-
e) Actuarial Losses/ (Gains)	(25.78)	-
f) Benefits paid	(8.34)	-
<b>Present Value of DBO as at the end of the period</b>	<b>73.67</b>	-

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

v) Change in Fair Value of Assets during the period		
a) Plan assets at beginning of the period	-	-
b) Transferred under the Scheme	98.89	-
c) Expected return on plan assets	10.63	-
d) Actuarial (Losses)/ Gains	(9.74)	-
e) Actual Company contributions	7.09	-
f) Benefits paid	(8.34)	-
<b>Plan assets as at the end of the period</b>	<b>98.53</b>	-
vi) Actuarial Assumptions		
a) Discount Rate	9.50%	-
b) Expected rate of return on Plan assets	8.70%	-
c) Salary escalation	8.00%	-
d) Mortality Table	Indian Assured Lives (2006-08) Ultimate	-
e) Attrition rate	4.00%	-
vii) Composition of plan assets		
-Insurer Managed Funds	100%	-
viii) Experience Adjustments		
a) Defined Benefit Obligation	73.67	-
b) Fair Value of Plan assets	98.53	-
c) Funded status [surplus / (deficit)]	24.86	-
d) Experience adjustment arising on :		
1) Plan Liabilities [ Losses / (Gains) ]	(12.96)	-
2) Plan Assets [ (Losses) / (Gains)]	(9.74)	-

**Footnotes:**

- (i) There were no employees in the previous period and hence disclosure under Accounting Standard 15 was not applicable.
- (ii) 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.
- (iii) The assumption of future salary increases, considered in actuarial valuation, takes into account inflation, seniority, promotion, increment and other relevant factors.
- (iv) The discount rate is based on the benchmark rate yield of government of India security as at the Balance sheet date.

**NOTE 37 - Disclosure under Accounting Standard 18 - "Related Parties"**

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

<b>Reno</b>	<b>Nature of relationship</b>	<b>Names of related parties</b>
(a)	Subsidiary	NRB IBC Bearings Private Limited up to 08.12.2013
(b)	Entity on which the Company can exercise significant influence	NRB IBC Bearings Private Limited from 09.12.2013
(c)	A Joint Venture	Schneeberger India Private Limited upto 10.09.2013
(d)	Key Management Personnel (KMP)	Mr. D. S. Sahney, Managing Director
(e)	A Company over which relatives of KMP are able to exercise significant influence.	NRB Bearings Limited NRB Bearings (Thailand) Limited SNL Bearings Limited

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

Name of the related parties	Nature of Transactions	Volume of Transactions For the Period From 01.10.2012 to 31.12.2013 Rs. Lacs	Receivable as at 31.12.2013 Rs. Lacs	Payable as at 31.12.2013 Rs. Lacs
NRB Bearings (Thailand) Limited	Sale of raw materials	10.09 (-)	3.27 (-)	- (-)
NRB Bearings Limited	Purchase of Raw material	242.40 (-)	- (-)	1,005.17 (-)
	Purchase of Fixed Assets	132.77 (-)	- (-)	- (-)
	Commission received	2.58 (-)	- (-)	- (-)
	Advance against assignment of certain Rights	455.00 (-)	- (-)	455.00 (-)
	ICD given	1,000.00 (-)	- (-)	- (-)
	ICD received	1,000.00 (-)	- (-)	- (-)
	Interest received on ICD	6.48 (-)	- (-)	- (-)
	Guarantee to third party for loan taken by the company, outstanding as at the year end	8,090.82 (-)	- (-)	- (-)
	Sale of Semi Finished Material	54.08 (-)	- (-)	- (-)
NRB IBC Bearings Private Limited (Subsidiary upto 08.12.13)	Payments made/expenses incurred on behalf of related party	206.33 (-)	- (-)	- (-)
	Rent Income	60.82 (-)	(-) (-)	- (-)
	Investment in equity shares (equity contribution in kind)	415.00 (-)	- (-)	- (-)
	Sale of Fixed Assets (net of liabilities transferred Rs. 694.14 lacs relating to fixed assets)	2,337.73 (-)	- (-)	- (-)
	Sale of Semi Finished Material	43.05 (-)	- (-)	- (-)
	Rendering of services	1.64 (-)	- (-)	- (-)
	Service Charges	16.85 (-)	- (-)	- (-)
NRB IBC Bearings Private Limited (Entity on which the Company can exercise significant influence from 09.12.13)	Payments made/expenses incurred on behalf of related party	30.41 (-)	- (-)	- (-)
	Rent Income	1.53 (-)	- (-)	- (-)
	Sale of Semi Finished Material / Services	4.33 (-)	22.57 (-)	- (-)
	Recoverable for sale of fixed assets and expenses.	- (-)	2,026.74 (-)	- (-)
Mr. D. S. Sahney	Remuneration	79.51 (-)	- (-)	- (-)
Schneeberger India Private Limited (Joint venture upto 10.09.13)	Rent income	6.56 (-)	- (-)	- (-)
	Dividend Received	36.35 (-)	- (-)	- (-)
SNL Bearings Limited	Purchase of Fixed Assets	31.70 (-)	- (-)	- (-)

**Footnote:**

- i) Figures in brackets are in respect of the previous period.
- 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 period.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**NOTE 38 - Disclosure under Accounting Standard 19 - " Leases"**

**1) Lease Expense**

- (a) The company has taken vehicle and residential premises on operating lease. Lease rental charged to the statement of profit and loss for the period ended 31.12.2013 Rs. 30.29 lacs (includes minimum lease payment of Rs. 9.45 Lacs for the non - cancellable period upto February, 2013)
- (b) (i) Under some agreements, refundable interest free deposit have been given and contain a provision for renewal.
- (ii) The agreements provide for early termination by either party with a notice period which varies from 1 month to 6 months.

**2) Lease Income**

The Company has entered into lease agreements for certain portion of its factory and office premises including furniture and fixtures, electrical installation, etc. During the period, Rs. 68.90 Lacs recognised as rental income in the Statement of Profit and Loss. The agreement existing as at the year end provide for increase in rent after 3 years and contain renewal clause. The agreement provide for termination prior to the expiry of the term, as per mutual understanding of the parties or due to breach of terms and conditions as mentioned in the agreements.

**NOTE 39 - Disclosure under Accounting Standard 20 - " Earnings per shares"**

(i) Profit after tax (Rs. in lacs)	<b>(2,316.90)</b>	(0.27)
(ii) Number of Equity Shares	<b>24,230,650</b>	250,000
(iii) Par value per share (Rs.)	<b>2</b>	2
(iv) Earnings per share - Basic and diluted (Rs.)	<b>(9.56)</b>	(0.11)

**NOTE 40 - Disclosure under Accounting Standard 17 - " Segment Reporting"**

The operations of the Company fall within a single primary segment viz. Industrial bearings.

**NOTE 41 - Managerial Remuneration**

Mr. Devesh Singh Sahney was appointed as Managing Director of the Company w.e.f 1st October,2012 vide resolution passed by the Board of Directors in its meeting held on 4th October, 2012 in which the Board also approved the remuneration. Members of the Company in its Annual General Meeting held on 15th October, 2012 approved the said appointment and remuneration.

The Central Government has approved the appointment of the Managing Director on 14th February, 2014 for which an application was made by the Company on 10th February, 2014. The Company's application to the Central Government made on 10th February, 2014 for the approval of remuneration to the Managing Director is pending for approval. Accordingly the remuneration of Rs 79.51 lacs to the Managing Director paid and debited to the Statement of Profit and Loss is subject to the approval of the Central Government. Pending such approval the Managing Director holds the remuneration paid in trust for the Company.

**NOTE 42 - Advance against assignment of certain Rights**

In terms of the seperate Memorandum of Understanding entered into on 1st November, 2013 with NRB Bearings Limited, the Company has agreed,

- (i) to assign its leasehold rights in the plot of land at Aurangabad admeasuring 576 sq.mtrs. with building structure thereon admeasuring 144 sq.mtrs. of built up area for a consideration of Rs. 270 lacs subject to approval of the relevant Government Authorities, and
- (ii) to grant exclusive rights to use 700 Sq. ft.of carpet area situated on the 3rd Floor of Building Dhannur at Mumbai, for a consideration of Rs. 185 Lacs Pending approval of the relevant Government Authorities/ completion of certain regulatory procedures, the aggregate amount of Rs. 455 Lacs received has been considered as advance and included under Note 10.

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

NRB Bearings Ltd (NRB) had entered into a Joint Venture agreement in the year 2011 with IBC Industrial Bearings and Components AG, Switzerland to form a joint venture Company for manufacture of Angular Contact Bearings. Pending formation of the joint venture company, the Project was started in 2011 by NRB as a part of Industrial Bearings Undertaking and Loan of USD 2.5 Million was availed for the Project. In terms of the Scheme referred to in Note 1, Industrial Bearings Undertaking of NRB which included the said Project was transferred and vested in the Company. The Project of Angular Contact Bearings was completed in December, 2013 and Assets pertaining to the Project having aggregate cost of Rs. 3,031.87 lacs (including capitalised interest on the Loan) were sold to NRB IBC Bearings Pvt. Ltd (NIBC). Also, liabilities of Rs. 694.14 lacs outstanding relating to machineries purchased were transferred. Further, premium of Rs. 104.01 lacs on Call Spread Option Contract relating to the loan referred to above has been debited to NIBC. The amount of Rs. 2,026.74 lacs recoverable as at the year end on this account is included in Note 20 - Other current assets. The Loan availed continues to be in the books of the Company.

**NOTE 44**

Pursuant to the Scheme of Arrangement referred to in Note 1 investment in 112,500 equity shares of Rs. 10 each aggregating to Rs. 11.25 Lacs in joint venture, Schneeberger India Private Limited was transferred to the Company on 1st October, 2012.

In terms of the Share Purchase Agreement with Schneeberger Holding AG the above equity shares were sold for a consideration of Rs. 252.56 lacs on September 10, 2013. The profit on sale of Rs. 241.31 lacs is included in Note 27 - Exceptional items.

**NOTE 45**

During the month of October, 2012 the Company had placed Inter - Corporate Deposit of Rs. 10 Crores with NRB Bearings Limited, the Company covered under section 295 of the Companies Act, 1956 without obtaining previous approval of the Central Government as required under the said section. The deposit has been repaid by NRB Bearings Limited during November, 2012. The Company will be making an application to the Central Government for approval of the deposit placed.

**NOTE 46**

Consequent to the transfer and vesting of the Industrial Bearings Undertaking of NRB Bearings Limited to the Company in terms of the Scheme referred to in Note 1, the financial statements of the Company include the operations of the Industrial Bearings for the fifteen months period ended 31 December 2013 and therefore are strictly not comparable with the figures of the previous period ended 30 September 2012. The figures for the previous period have been regrouped / restated where necessary to conform to the current period's classification.

Signatures to Notes 1 to 46 which form an  
integral part of the financial statements

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

**T. S. Sahney**  
Chairman

**D. S. Sahney**  
Managing Director

**R. G. Mehendale**  
GM Finance & Accounts

**Neha Solanki**  
Company Secretary



**NRB**  
**INDUSTRIAL**

## **NRB INDUSTRIAL BEARINGS LTD**

**Regd. Office :**

Dhannur, 2nd Floor, 15, Sir P. M. Road, Fort, Mumbai-400001

**Zonal Office:**

404, 'A' wing, Mittal Tower's, 47 (6), M. G. Road, Bengaluru - 560 001, India.  
Tel: 9180 - 2532 3510 / 11, 2532 3519 • Fax: 9180 - 2532 3513

**Plant:**

B-18, Five Star MIDC Area, D-Zone, Shendra, Aurangabad - 431 201, India.  
Tel: 0240 - 2622180 • Fax: 0240 - 2485835