

NRB
INDUSTRIAL



**7th Annual Report
2017-18**

MOVING THE WHEELS OF INDUSTRY

Founders of NRB Industrial Bearings Ltd.



Mr. Trilochan Singh Sahney
Chairman

Mr. Devesh Singh Sahney
Managing Director

VISION

To be the leader in Friction Management in every market we serve, to the betterment of our customers, employees and shareholders.

MISSION

To create constant value for our customers and supply chain partners enabling long term growth while maximizing shareholder value.

7th ANNUAL REPORT

2017-2018

Board Of Directors	:	Mr. Trilochan Singh Sahney - Chairman (Non-Executive) Mr. Devesh Singh Sahney - Managing Director Mrs. Harshbeena Sahney Zaveri - Director (Non-Executive) Mr. Manish Choksi - Independent Director Mr. Gaurav Motwane - Independent Director Mr. Ashish Chugani - Independent Director
Key Managerial Personnels	:	Mr. Devesh Singh Sahney - Managing Director Mr. Ratnakar G. Mehendale - Chief Financial Officer Mrs. Ratika Gandhi - Company Secretary and Compliance Officer
Bankers	:	Standard Chartered Bank Bank of Maharashtra
Statutory Auditor	:	Deloitte Haskins and Sells
Internal Auditor	:	Sharp and Tannan (Goa)
Solicitor	:	Khaitan and Co.
Registered Office	:	2nd floor, Dhannur building, 15, Sir P.M. Road, Fort, Mumbai – 400 001, Maharashtra, India Tel. : 022-22704206 Fax.: 022-22704207
Factory Premises	:	B-18, Five Star, M.I.D.C Area, D-Zone, Shendra, Aurangabad – 431 154 Maharashtra, India Tel. : (0240) 2629100 Fax.: 022-22704207
Registrar and Transfer Agents	:	Universal Capital Securities Pvt. Ltd. (Formerly known as: M/S. Mondkar Computers Pvt. Ltd.) 21, Shakil Niwas, Mahakali Caves Road, Andheri (East), Mumbai – 400 093 Tel.: 022-28207203/05, 28257641
Website	:	www.nrbindustrialbearings.com
CIN	:	L29253MH2011PLC213963
GST No.	:	27AADCN5657L1ZY
Email Address	:	investorcare@nibl.in

CONTENTS

Sr. No	Particulars	Page Nos.
1.	Letter to the Shareholders	03
2.	Annual General Meeting Notice	04
3.	Director's Report	07
4.	Management Discussion and Analysis Report	29
5.	Corporate Governance Report	33
6.	Auditors Report	43
7.	Balance Sheet Statement	48
8.	Statement of Profit and Loss	49
9.	Cash flow Statement.....	50
10.	Notes to Financial Statements	53
11.	Auditors Report (Consolidated).....	94
12.	Balance Sheet Statement (Consolidated)	97
13.	Statement of Profit and Loss (Consolidated)	98
14.	Cash flow Statement (Consolidated).....	99
15.	Notes to Financial Statements (Consolidated)	102
16.	Proxy Form.....	143

LETTER TO THE SHAREHOLDERS

Dear Shareholder,

Every year brings its share of events that take us by surprise and shake up the global economy, Year 2017-18 was no different.

Let me give you a canvas of Global and Indian economy update. In 2016, we experienced a turbulence in Global economy, however in 2017 we observed momentum of the economy. Global economic activity is picking up with a long-awaited cyclical recovery in investment and manufacturing, World trade has risen from 3.1% in 2016 to 3.5% in 2017, it is forecasted to further grow to 3.6 % in 2018.

In India , the bearing industry is on a positive growth trend. This rise is the result of the bearings market in India being very dynamic and competitive, with an emphasis on the importance of innovation and new technology, labour and infrastructural developments. The manufacturing Industry in India is touted to grow exponentially and is essential in the Indian economy as it aids in creating employment opportunities, improving income, boosting development and growth.

Elevation in heavy, general, automotive and other industries has encouraged the growth of the bearings sector in India. We foresee, that the emphasis on rural and agricultural development, continued investment in infrastructure, implementation of Goods and Service Tax and waning negative impact of demonetisation will lead to growth in demand of Bearings and other Industrial products in FY 2018-19.

The Union budget 2018 proved to be pro-development and presents a great opportunity to catapult the manufacturing sector into a high growth trajectory. It also highlights the Indian government's strong focus towards boosting the economy and push towards infrastructure development and connectivity.

Your Company continues to increase its market share in all Business Segments, which strengthens our position in the industrial market. In 2017-18, we have grown by 4 % compared to the previous year. We have focused on increasing the number of customer and market reach in all three verticals i.e. OEM, Distribution and Exports.

"Customer First" is the motto of our organisation and it is imbedded into all our strategic initiatives. We pride ourselves in offering customized bearing solutions.

To increase customer satisfaction we have focused on product range expansion during the year, adding 80 plus new products for both generic and segment/application specific.

We would also like to share that company has been certified with International certification on Environment, Health and Safety Management - OSHAS: ISO18001, ISO14001 and International Quality Certification- ISO 9001:2015.

As part of our regional growth strategy, we successfully participated in several Engineering Exhibitions in regions like Raipur, Indore, Ahmedabad and Ludhiana as well as International Exhibitions. This helps to create brand awareness in these regions along with penetration in growing segments like Metal, Machine Tools, Agriculture, Industrial electrical and Textile.

Now your Company is focusing on Digital marketing as one of its tools for brand awareness and creating visibility.

As an organization, we are working towards our goal to be the leader in Friction Management in every market we serve. We still have many milestones to achieve, but we never lose sight of our vision. For me, this means one thing in particular that we have an array of opportunities to increase the value of our Company by adapting to market changes and requirement of our Customers, Employees and Business partners and for you, our shareholders.

Thank you for your belief in NRB Industrial Bearings Limited and for being a Shareholder.

Warm Regards,

Devesh Singh Sahney
Managing Director
DIN : 00003956

AGM NOTICE

To,
The Members
NRB Industrial Bearings Limited

Notice is hereby given that the **Seventh Annual General Meeting of the members of NRB Industrial Bearings Limited will be held on Thursday, 02nd August, 2018 at 11.00 a.m. at M. C. Ghia Hall, K. Dubash Marg, Mumbai – 400 001 to transact following business:**

ORDINARY BUSINESS:**1. To receive, consider and adopt:**

- a. the Audited Financial Statements of the Company for the financial year ended March 31, 2018, together with the Reports of the Board of Directors and the Auditors thereon; and
 - b. the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2018, together with the Report of the Auditors thereon.
2. To appoint a Director in place of Mr. Devesh Singh Sahney (DIN No: 00003956) who retires by rotation at this Annual General meeting and being eligible, has offered himself for re-appointment.
3. Appointment of Auditors:

To consider and if thought fit, to pass with or without modification (s), the following resolution as an **Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification (s) or re-enactment (s) thereof, for the time being in force) approval of the Shareholders be and is hereby accorded to appoint Deloitte Haskins and Sells, Chartered Accountants, (Registration Number: 117365W) as Statutory Auditors of the Company for a term of 5 (five) consecutive years from the conclusion of this Annual General Meeting until the conclusion of Twelfth Annual General Meeting, on such remuneration plus out-of-pocket expenses as may be mutually agreed upon between the Board of Directors and the Auditors.”

BY THE ORDER OF THE BOARD OF DIRECTORS,

Ratika Gandhi,
Company Secretary and Compliance Officer
(ACS: 29732)
Mumbai, May 29, 2018

NOTES :

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME OF THE MEETING.**
2. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company **A PROXY APPOINTED BY A MEMBER HOLDING MORE THAN 10 PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS SHALL NOT ACT AS PROXY FOR ANY OTHER MEMBER.**
3. Members/ Proxies should bring the attendance slips duly filled-in for attending the meeting and deliver the same at the entrance of the meeting place. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.
4. The Securities Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the Securities Market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their DEMAT accounts. **Members holding the shares in physical form can submit their PAN details to the Company.**

Members who wish to receive email of Documents (Notices of General Meeting/Postal Ballot, Annual

Reports, Share holders communications/documents, etc.) and have not registered their email address for receiving the same shall give their Positive consent to receive such documents in electronic mode.

Members are requested to inform and update their Depository Participants (DP) their updated email addresses in order to receive all the updates and correspondences from the COMPANY.

5. Members may also note that the **Notice of Seventh Annual General Meeting and Annual Report 2017-18** will also be available on the Company's website: www.nrbindustrialbearings.com for download.

- (i) The Register of members and Share Transfer Books of the Company shall remain closed from **27th July, 2018–2nd August, 2018** (both days inclusive) for Annual General Meeting purposes.
- (ii). **Members are requested to send all communications relating to Equity Shares, change of address etc. to the Registrar and share transfer agents at the following address:**

UNIVERSAL CAPITAL SECURITIES PVT. LTD.

(Formerly Known as M/s. Mondkar Computers Pvt. Ltd.)
 21, Shakil Niwas, Mahakali Caves Road,
 Andheri (East), Mumbai – 400 093
 Tel.: 022-2820 7203-05, 022-2836 6620
 Fax – 022-28369704, 022-28207207
 Email: investorcare@nibl.in

If the shares are held in electronic form, then change of address and change in Bank Accounts etc. should be communicated to the respective shareholder's depository participants.

- (iii). Voting through electronic means:

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on **30th July, 2018 from 9.00 a.m. and ends on 01st August, 2018, till 5.00 p.m.** During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of **26th July, 2018** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

- c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for "NRB Industrial Bearings Limited" on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option

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

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password and enter the details as prompted by the system.

(xviii) **SHAREHOLDERS CAN ALSO CAST THEIR VOTE USING CDSL'S MOBILE APP M-VOTING AVAILABLE FOR ANDROID BASED MOBILES. THE M-VOTING APP CAN BE DOWNLOADED FROM GOOGLE PLAY STORE. APPLE AND WINDOWS PHONE USERS CAN DOWNLOAD THE APP FROM THE APP STORE AND THE WINDOWS PHONE STORE RESPECTIVELY ON OR AFTER 30TH JUNE 2016. PLEASE FOLLOW THE INSTRUCTIONS AS PROMPTED BY THE MOBILE APP WHILE VOTING ON YOUR MOBILE.**

(xix) **Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to **www.evotingindia.com** and register themselves as Corporates.

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to **helpdesk.evoting@cdslindia.com**.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com

By the Order of the Board of Directors,

Ratika Gandhi,
Company Secretary and Compliance officer
(ACS: 29732)

Mumbai, May 29, 2018

Registered Office:

2nd Floor Dhannur building,
15, SIR P.M. Road, Fort,
Mumbai – 400 001.
CIN: L29253MH2011PLC213963
Tel: 022-45417500, Fax No: 22704207
Email Id: investorcare@nibl.in
Website: www.nrbindustrialbearings.com

DIRECTOR'S REPORT

To,
The Members,
NRB Industrial Bearings Limited,
Mumbai – 400 001

The directors submit annual report of NRB Industrial Bearings Limited (the "Company" or "NIBL") along with the audited financial statements for the financial year (FY) ended March 31, 2018. Consolidated performance of the Company and its associates, has been referred to wherever required.

1. Financial Overview:

a . A summary of the Company's Financial Performance during the Financial Year:

(Rs. in Lakhs)

Particulars	2017-18	2016-17
Total Revenue for the Year	4612.81	4396.20
Profit/(Loss) before Depreciation, Exceptional Items and Taxes	(1153.38)	(1074.24)
Depreciation and Amortization Expenses	892.28	891.87
Profit/(Loss) before Exceptional Item	(2045.66)	(1966.11)
Exceptional Item	-	-
Profit/(Loss) before Tax	(2045.66)	(1966.11)
Tax expenses	NIL	NIL
Other Comprehensive Income	11.92	(13.30)
Total Comprehensive Income	(2057.58)	(1952.81)
Other Equity	287.62	169.81
EPS		
- Basic	(8.44)	(8.11)
- Diluted	(8.44)	(8.11)

This report of Directors along with its Annexures, Management Discussion and Analysis Report, Corporate Governance Report, Financial Statements along with their Notes are prepared for the period April 1, 2017 to March 31, 2018 (hereinafter referred as financial year).

b. Transfer to Reserves:

No amount has been transferred to reserves, due to accumulated losses.

c. Dividend:

Your Directors do not recommend dividend for the period under review due to losses made during the year

d. Transfer of Unclaimed Dividend to Investor Education and Protection Fund:

Not applicable as the Company has not declared any dividend in past and neither during the year under review.

e. Public Deposits:

Company has not accepted any public deposit and as such no amount on account of principle or interest on deposit from public was outstanding as on the date of the balance sheet.

f. Disclosure of orders passed by Regulators or Courts or Tribunal:

No significant and material orders have been passed by any Regulators or Courts or Tribunals which can have an impact on the going concern status and the Company's operations in future

g. Material changes and commitment if any affecting the financial position of the Company occurred between the ends of the Financial Year to which this financial statements relate and the date of the report:

There was no material changes and commitments affecting the financial position of the Company occurred between the Financial Year to which this financial statements relate on the date of this report.

2. Operations Overview Overall:

a) Company's Performance:

Your Company's turnover stood at Rs. 4469.27 lakhs for the financial year ended March 31, 2018 as against Rs. 4279.49 lakhs in the previous year. Company registered the growth of 4 % over previous year.

Domestic Industrial market is showing positive growth in terms of demand for engineering products. The first half of 2017-18 was subdued, however; demand in industrial market started improving in second half of the financial year resulting in growth.

Export market continues to grow, Export turnover of your Company for the financial year was Rs. 1216.67 lakhs as against previous year Rs. 986.97 lakhs resulting in growth of 23%.

Operational Overview:

The global economy in 2017 was moderate. However, the year 2018-19 promises healthy growth of Indian economy which will support the core industrial growth leading to increase in demand of your company's products and expected to accelerate growth in domestic and export market.

First half of 2017-18 was affected due to demonetization effect and GST introduction which was stabilized in second half of the year, this led to increase in demand for Industrial products. Industrial manufacturers in India are looking at digitalizing their vertical and horizontal value chain from product development and purchasing to manufacturing, logistics and services.

Apart from investing in new product development, Industrial market is moving to Product and Service offerings. While the focus continues on penetrating the domestic market, Indian manufacturers are also looking forward to reach global market by Sales growth and identifying new geographies.

Your company has world class manufacturing facility with fully equipped Research and Development Center for new product development in order to meet the competitive industrial market requirements.

As per government policy, more focus on localized critical product under "Make in India", your Company has enlarged the product range in variety of bearings to expand the range and fulfill the requirement of industrial customers.

Service to customers is a critical component for overall business growth in both OEM and Distribution business. Industrial OEM segment is very competitive with on time delivery requirements. Expectations from the supplier is to carry inventory and supply Just in Time (JIT). We are aligning our internal processes to meet customers expectations.

The focused segments in OEM business are Textile, Machine tool, Material handling, Industrial Electrical, Industrial Gear Box and Jute segment. Your company has taken steps forward with key account management approach and segment wise strategies to improve market share in all above key OEM segments.

We are expanding the distribution network, in order to reach each potential industrial markets. Your company has initiated the Sub-distribution model to ensure the availability of products to all the potential customers on time.

During the year, we have focused on segments such as Agriculture, Jute, Textile, Metal, Cement, Mining and Paper and Pulp to explore new avenues of business.

Your Company organized its 5th Dealer Symposium in April 2018, with event theme "**Accelerating Growth**". The Symposium helps strengthening the partnership and create synergy between the Company and Distribution partners. High performing distributors were recognised and felicitated in Dealer Symposium.

This year your company is specifically focusing on "Brand building". Expanding the product range with developing the new products based on customer demand, enlarge scope of serving the customers to their satisfaction and introducing "E-commerce business model".

Your company has participated in exhibitions both at a domestic and international level.

Your Company has implemented Customer Relationship Management (CRM) for managing customer's interactions. We have successfully implemented GST during the period under review.

c) **Quality Assurance:**

Your company is certified with ISO 9001:2015, ISO 14001:2015, OHSAS 18001:2007 (EHS). This international certification has enhanced the level of customer confidence. Our focus is on minimizing environmental impacts and provide safe and healthy working environment. In order to prevent injury and occupational health hazard, the company provides training to employees, contractual personnel, vendors and service providers for effective implementation of EHS requirement.

Your Company focused on strengthening the internal processes for minimizing rejections and improving customer satisfactions by implementing failure prevention control.

As part of the Environmental management System, commitment to conserve resources, we have converted all street lights to LED lighting system resulting in power saving.

d) **Change in nature of business:**

The Company manufactures Bearings for Industrial applications.

There has been no change in the nature of business activities of the Company during the year under review.

e) **Share Capital:**

Members have approved in 6th Annual general meeting held on August 3, 2017 for issuance of 2,00,00,000 6% Redeemable, Cumulative, Non-convertible Preference shares of Rs.10/- each aggregating to Rs.20,00,00,000/- (Rupees Twenty crores only) for term of 5 years to Mr. Trilochan Singh Sahney under private placement.

Considering the existing financial position of the company, Company has accepted the proposal received from preference shareholder for variation in terms and conditions of issued Preference shares of the company.

Further the revised terms and conditions for entire issued 4,00,00,000 Preference shares were as mentioned below:

1. Rate of dividend shall be 2%
2. Tenure/ redemption period of Preference issue will be 10 years.

Hence, the existing paid up share capital of your Company as on 31st March, 2018 is Rs. 44,84,61,300/- divided into 2,42,30,650 Equity Shares of Rs. 2/- each and 4,00,00,000 Preference Shares of Rs. 10/- each.

3. **Directors and Key Managerial Personnel:**

- i. Pursuant to provision of section 149 of Companies Act, 2013 (the Act), Mr. Manish Choksi, (DIN No.: 00026496), Mr. Gaurav Motwane (DIN No.: 00746165) and Mr. Ashish Chugani (DIN No.:00009654) are the Independent Directors of the company and they