



10<sup>th</sup>  
Annual Report  
2020-21

MOVING THE WHEELS OF INDUSTRY



### **Vision •**

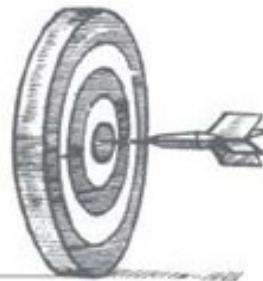
#### **We Aim for the Top**

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

### **• Mission**

#### **Innovation in the Field of Engineering**

To continuously create consistent value for our customers and supply chain partners that will maximize shareholder value and long-term earnings growth.



### **Our Values •**

- Flexibility and Adaptability
- Everyone is the MD of their Own Task
- No Compromise on Quality
- Loyalty & Transparency amongst all Stakeholders
- Customer First in All Actions
- Fun at Work
- Growth with Profits
- Keep it Simple



## **10<sup>th</sup> ANNUAL REPORT**

### **Financial Year 2020-21**

<b>Board Of Directors</b>	: Mr. Devesh Singh Sahney - Chairman and Managing Director Mrs. Aarti Devesh Sahney - Non Executive Director Mr. Nikhilesh Panchal - Independent Director Mr. Ashish Chhugani - Independent Director (Appointed w.e.f. June 16, 2020) Mr. Manish Choksi - Independent Director (Ceased to be Independent Director w.e.f. July 6, 2020) Mr. Gaurav Motwane - Independent Director (Resigned w.e.f. June 16, 2020) Mr. Samrat Zaveri - Additional Director (Appointed w.e.f. November 7, 2020)
<b>Key Managerial Personnels</b>	: Mr. Devesh Singh Sahney - Chairman and Managing Director Mrs. Gulestan Kolah - Chief Financial Officer Mrs. Ratika Gandhi - Company Secretary and Compliance Officer (Resigned w.e.f. February 11, 2021) Mrs. Sushama Kadam - Company Secretary and Compliance Officer (Appointed w.e.f. February 12, 2021)
<b>Bankers</b>	: Bank of Maharashtra
<b>Statutory Auditor</b>	: Deloitte Haskins & Sells LLP
<b>Internal Auditor</b>	: J. K. Delvadavala & Company
<b>Secretarial Auditor</b>	: AJS and Associates
<b>Registered Office</b>	: 2nd floor, Dhannur building, 15, Sir P.M. Road, Fort, Mumbai - 400 001, Maharashtra, India Tel. : 022-61207500
<b>Factory Premises</b>	: B-18, Five Star, M.I.D.C Area, D-Zone, Shendra, Aurangabad - 431 154 Maharashtra, India
<b>Registrar and Transfer Agents</b>	: Universal Capital Securities Pvt. Ltd. C 101, 247 Park, LBS Road, Vikhroli West, Mumbai – 400083. Tel.: +91 22 28207203-05, 49186178-79 Email: <a href="mailto:info@unisec.in">info@unisec.in</a>
<b>CIN</b>	: L29253MH2011PLC213963
<b>GST No.</b>	: 27AADCN5657L1ZY
<b>Website</b>	: <a href="http://www.nrbindustrialbearings.com">www.nrbindustrialbearings.com</a>
<b>Email Address</b>	: <a href="mailto:investorcare@nibl.in">investorcare@nibl.in</a>

## CONTENTS

<b>Sr. No</b>	<b>Particulars</b>	<b>Page Nos.</b>
1.	Letter to the Shareholders.....	3
2.	Annual General Meeting Notice .....	5
3.	Director's Report .....	21
4.	Management Discussion and Analysis Report .....	37
5.	Corporate Governance Report .....	42
6.	Independent Auditor's Report .....	61
7.	Balance Sheet Statement.....	68
8.	Statement of Profit and Loss.....	69
9.	Cash Flow Statement.....	70
10.	Notes to Financial Statements .....	73
11.	Independent Auditor's Report (Consolidated).....	110
12.	Balance Sheet Statement (Consolidated).....	116
13.	Statement of Profit and Loss (Consolidated).....	117
14.	Cash Flow Statement (Consolidated).....	118
15.	Notes to Financial Statements (Consolidated).....	121

## LETTER TO THE SHAREHOLDERS

**Dear Shareholders,**

The past year as brought extraordinary challenges to both the Global Economy and NRB Industrial Bearings. The global economy grappled due to the outbreak of Covid-19 Pandemic.

It has been the challenging year in terms of economic performance in India since 1950-51, with an estimated annual contraction of 8% in GDP, 2020-21. This degrowth can be attributed to the effects of the economic slowdown caused by the coronavirus pandemic and the cascading effect of lockdown restrictions domestically and globally.

The economy started recovering with the easing of restrictions post hard lockdown in the second quarter, which narrowed the contraction of GDP to 7.5 per cent. By end of December 2020 India's GDP re-entered the growth territory which was large improvement from a 24% GDP contraction in the first quarter to a 0.4% growth in the third quarter of the year.

The agriculture sector which is one of NIBL's target markets was the one of the minimally effected sector by the pandemic and is expected to grow at 3%.

The IMF has projected an impressive 12.5 per cent growth rate for India in 2021, while S&P Global Ratings has said the Indian economy is projected to grow at 11 per cent in the current fiscal. But 2021-22, unfortunately, isn't beginning well, with restrictions imminent on account of the ongoing second wave of infections, economic recovery seems to be sluggish. The devastating impact of the second and the deadlier Covid-19 wave is almost on the verge to hit the world economy once again. Growth prospects still remain highly uncertain with new virus mutations and the accumulating human toll raise concerns, even as growing vaccine coverage lifts sentiment. Until the virus spreads are contained, and a substantial proportion of the population has been vaccinated, it may take longer to return to sustained growth path. We hope the adequate availability and higher pace of vaccination turns out to be a key to a return to normalcy.

To tackle the evolving market dynamics, challenges and uncertainties, your company has been working on an agile strategy and is consistently working towards process efficiency and rapid action to address the new demand environment. Thanks to our disciplined management process, we continue to deliver strong and consistent performance even in the most challenging of conditions. Your company has registered 44% growth in FY 2020-21.

Your company is focused on customer growth metrics and has successfully added new OEMs and Distributors which contributed in the overall revenue. The current status of your company's new order book in the pipeline from both domestic and exports customers is vibrant and healthy. Your company's focus is to build a strong global brand, committed to our vision, mission and core values.

As you are aware our vision is to be the leader in Friction Management in every market we serve, for the betterment of our customers, employees and shareholders. And our mission is to continuously create consistent value for our customers and supply chain partners that will maximize shareholder value and long-term earnings growth. If you look deeper, you will find that our success and accomplishments are founded on our commitment to our shareholders.

During these critical times arising out of the second wave of Covid-19, our customers' business continuity is one of our key priorities. Our ability to adapt and rise to the call of our customers reflects a core dedication towards them. Your company wants to minimize service disruptions impacts to their business by delivering the highest levels of performance, availability and quality. Also your company strongly stands in solidarity with the nation and are continuing all efforts to support the affected.

***Note : The economic data numbers are taken from the articles published online by zeenews and hindustantimes.***



Your company has been closely monitoring the status of this second pandemic outbreak and its potential adverse impact on all of us. Our team is geared up to put up the robust contingency plan into action for business continuity. Our commitment to a better future – leading through all market conditions, ensuring business continuity and driving long-term sustainability – is something we are passionate about for NRB Industrial Bearings and our customers.

One of the pillars of success is our internal team. They are the ones who serve our customers and communities, build the technology, make the strategic decisions, manage the risks, determine our investments and drive innovation. Their safety and well-being is our top priority. Your company has implemented a number of preventative and precautionary actions to ensure employee safety and continued service of our customers.

Our hearts go out to all who have been impacted by the virus, with those who are sick, to whom we extend our heartfelt wishes for a full recovery. With great gratitude, we truly salute the selfless healthcare workers around the world who are on the front lines working tirelessly to care for people in need. We wish the world comes out from this disaster soon.

We are grateful to our clients for their trust, to our employees for their persistent efforts and to our stockholders for believing in our strategy and its potential for creation of value. We will do our utmost to realize that potential in 2021 - 22 and beyond.

I am certainly eager for the day when we can all see each other again, face-to-face. Until that time, please be safe and stay well.

Warm Regards,  
**Devesh Singh Sahney**  
**NRB Industrial Bearings Limited**  
Chairman and Managing Director  
(DIN : 00003956)

## AGM NOTICE

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

NOTICE IS HEREBY GIVEN THAT THE TENTH ANNUAL GENERAL MEETING ("AGM") OF THE MEMBERS OF NRB INDUSTRIAL BEARINGS LIMITED WILL BE HELD ON SATURDAY, AUGUST 21, 2021, AT 2.00 P.M. THROUGH VIDEO CONFERENCING BY WEBCAST FACILITY PROVIDED TO MEMBERS TO TRANSACT THE FOLLOWING BUSINESSES:

**Ordinary Business:**

1. To receive, consider and adopt:
  - a. the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2021, 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, 2021, together with the Report of the Auditors thereon.
2. To appoint a Director in the place of Mrs. Aarti Devesh Sahney (DIN: 08579914), who retires by rotation and being eligible, has offered herself for re-appointment.

**SPECIAL BUSINESS:**

**3. TO APPOINT MR. SAMRAT ZAVERI (DIN: 00374104) AS AN INDEPENDENT DIRECTOR:**

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

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the rules made thereunder read with Schedule IV to the Act and the Companies (Appointment and Qualifications of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement), 2015, including any statutory modification(s) or re-enactment thereof for the time being in force and pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors, Mr. Samrat Zaveri (DIN: 00374104), who was appointed as an independent director of the Company on November 07, 2020 holds office up to conclusion of this Annual General Meeting and have submitted a declaration that he meet the criteria for Independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for the term of 5 (five) consecutive years w.e.f November 07, 2020.

**RESOLVED FURTHER THAT** Mr. Devesh Singh Sahney (DIN: 00003956) and the Company Secretary of the Company be and are hereby severally authorised to do all such acts, deeds and things as may be necessary to give effect to the foregoing resolution, including but not limited to filing the necessary forms with the Registrar of Companies."

**4. TO APPROVE THE REMUNERATION OF MR. DEVESH SINGH SAHNEY (DIN : 00003956) CHAIRMAN AND MANAGING DIRECTOR OF THE COMPANY FOR THE PERIOD FROM OCTOBER 01, 2021 TO SEPTEMBER 30, 2022:**

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

**"RESOLVED THAT** pursuant to the provisions of Section 196, 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Schedule V of the Act (including any statutory modifications and re-enactment thereof for the time being in force), in supersession of the Board of Directors Resolution passed in its meeting dated November 7, 2020 and other applicable provisions, if any, (including any statutory modifications or re-enactment thereof for the time being in force) and pursuant to the recommendation of the Audit Committee and Nomination and Remuneration Committee and the consent of the Board of Directors at its meetings held on June 12, 2021, the consent of the members of the Company be and is hereby accorded for the payment of following remuneration to Mr. Devesh Singh Sahney (DIN: 00003956) as Managing Director of the Company, with effect from October 01, 2021 to September 30, 2022, as set out below:

- a) Basic Remuneration: Rs. 8,40,000/- p.m. at the discretion of the Board of Directors to increase the basic remuneration from time to time.

b) Cash allowance:

- i. House Rent Allowance - 50% - Rs. 4,20,000/- p.m.
- ii. Education allowances – Rs. 20,000/- p.m.
- iii. Other allowances – Rs. 18,000/- p.m.

c) Perquisites:

In addition to the Basic Salary the following perquisites will also be payable:

- i) Expenditure incurred by the Company on providing electricity shall be valued as per the Income Tax Rules, 1962;
- ii) Leave Travel Assistance : Once in a year, incurred in accordance with the rules specified by the Company, subject to a ceiling of Rs. 75,000/- p.a.;
- iii) Reimbursement of Medical : Self and Family at actuals;
- iv) Medical/Accident Insurance: As per rules of the Company;
- v) Club fees: Reimbursement of membership fees for up to 2 clubs;
- vi) Provision of Car(s) with driver and telephone at Residence will be considered as perquisites;
- vii) Contribution to Provident Fund, Superannuation Fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable, under the Income Tax Act, Gratuity payable will not exceed half a month's salary for each completed year of service; and

d) Commission – Such remuneration by way of Commission at the rate of 1% for each financial year, in addition to the above salary and perquisites calculated with reference to the net profit of the Company in a particular financial year, as may be determined by the Board of Directors of the Company based on the recommendation of the Nomination and Remuneration Committee at the end of each financial year.

**RESOLVED FURTHER THAT** the Board of Directors of the Company, on the recommendation of the Nomination and Remuneration Committee, shall be entitled to vary or increase the remuneration specified above during the period from October 01, 2021 to September 30, 2022 and to accept such modifications, amendments, limitations and/or conditions, to the extent the Board of Directors may deem appropriate, provided that such variation or increase, as the case may be, shall not exceed Rs. 300.00 lakh per annum.

**RESOLVED FURTHER THAT** any of the Directors, Chief Financial Officer and Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, matters, things and execute all such documents, instruments and writings as may be necessary, desirable or expedient for the aforesaid purpose, including filing of relevant forms with the Office of the Registrar of Companies in accordance with the provisions of the Companies Act, 2013 and the Rules made thereunder."

**5. TO APPROVE COMMISSION TO NON-EXECUTIVE DIRECTORS OF THE COMPANY**

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

**“RESOLVED THAT** pursuant to the provisions of Section 197, 198 and any other applicable provisions of the Companies Act, 2013 ('the Act') [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] and Regulation 17(6) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and pursuant to the recommendation of the Audit Committee and Nomination and Remuneration Committee and the consent of the Board of Directors at its meetings held on June 12, 2021, consent of the Company be and is hereby accorded for payment of commission to the Non-Executive Directors, including Independent Directors, of the Company (i.e., Directors other than the Managing Director) as may be decided by the Board from time to time with effect from financial year 2021-22, provided that the total commission payable to all Non- Executive Directors, including the Independent Directors during a financial year shall not exceed 0.25% of the net profits of the Company for that financial year as computed in the manner prescribed under Section 198 of the Act plus applicable taxes.

**RESOLVED FURTHER THAT** the above remuneration shall be in addition to fees payable to the Director(s) for attending the meetings of the Board or Committees thereof or for any other purpose whatsoever as may be decided by the Board of Directors.

**RESOLVED FURTHER THAT** Mr. Devesh Singh Sahney, Managing Director, Chief Financial Officer and Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, matters, things and execute all such documents, instruments and writings as may be necessary, desirable or expedient for the aforesaid purpose, including filing of relevant forms with the Office of the Registrar of Companies in accordance with the provisions of the Companies Act, 2013 and the Rules made thereunder."

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

**Sushama Kadam**  
Company Secretary & Compliance Officer  
(ACS: 29462)

**Registered Office:**

NRB Industrial Bearings Limited,  
15, Dhannur, Sir P. M. Road,  
Fort, Mumbai, Maharashtra-400001

**Place:** Mumbai

**Date :** June 12, 2021

**Notes :**

- 1) In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 and clarification circular No. 02/2021 dated January 13, 2021 issued by the Ministry of Corporate Affairs (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM.
- 2) An Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013, in respect of business to be transacted at the Annual General Meeting (AGM), as set out under Item No(s). 3 to 5 above and the relevant details of the Directors seeking appointment and re – appointment under Item No(s). 2 and 3 above as required by Regulation 26(4) and 36(3) of the SEBI Listing Regulations and as required under Secretarial Standards – 2 on General Meetings issued by the Institute of Company Secretaries of India is annexed thereto.

**3) Proxies:**

**The Annual general meeting for the FY 2020-21 will be held under VC/OAVM, where the physical attendances of members in such case has been dispensed with, there is no requirement of appointment of proxies. Accordingly the facility of appointment of proxies by members will not be available for such meeting and hence the Proxy Form and Attendance Slip are not annexed to this Notice. However in pursuance of section 112 and section 113 of the Companies Act, 2013, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting. Corporate Members are required to send, (before e-voting/ attending AGM) a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the AGM, pursuant to section 113 of the Act on the e-mail id investorcare@nibl.in and sanjog579@gmail.com.**

**4) Book Closure:**

The Register of Members and Share Transfer Books of the Company will remain **closed from Sunday, August 15, 2021 to Saturday, August 21, 2021 (both days inclusive)**.

SEBI vide its Circular No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018, amended Regulation 40 of SEBI Listing Regulations pursuant to which from April 1, 2019, onwards securities can be transferred only in dematerialized form. However, it is clarified that, members can continue holding shares in physical form. Transfer of securities in demat form will facilitate convenience and ensure safety of transactions for investors.

Members holding shares in physical form are requested to convert their holding(s) to dematerialized form to eliminate all risks associated with physical shares.

SEBI vide Press Release dated March 27, 2019 has clarified that the share transfer deed(s) once lodged prior to the deadline of March 31, 2019 and returned due to deficiency in documents submitted, may be relodged for transfer.

**5) The company has provided to the shareholders the facility of attending the meeting through video conferencing and e-voting pursuant to the important Circulars issued by the Ministry of Corporate Affairs ('MCA') clarifying the procedures/directives laid down to conduct Annual General meeting under Covid-19 circumstances for the FY 2020-21 :**

Sr. No	Circular No
1	General Circular No. 14/2020 dated April 8, 2020
2	General Circular No 17/2020 dated April 13, 2020
3	General Circular No. 20/2020 dated May 5, 2020
4	General Circular No. 02/2021 dated January 13, 2021

**6) Annual Report physical copies:**

- a) Pursuant to General Circular No. 02/2021 dated January 13, 2021 and the General Circular No. 20/2020 dated May 5, 2020, Para A(III) considering the current COVID-19 outbreak situation in the country and the difficulties involved in dispatching of Physical copies of Financial statements for the FY 2020-21 (including the Board Report, Auditors Report or other documents required to be attached therewith) such statement shall be sent only by email to the members and all other persons such entitled.
- (b) Notice by way of an advertisement is published in Financial Express all India circular (English language newspaper) and Mumbai Lakshdeep (Marathi language newspaper; principle vernacular language of the district where the company is registered) intimating the issue of Notice and copies of Financial Statements via. Email on their registered email ids.
- (c) In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020 and January 13, 2021, Notice of the AGM along with the Annual Report 2020-21 is being sent only through electronic mode to those Members whose email addresses are registered with the Company / Depositories upto the cut-off date i.e. Friday, July 23, 2021. Members may note that the Notice and Annual Report 2020-21 will also be available on the Company's website [www.nrbindustrialbearings.com](http://www.nrbindustrialbearings.com), websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively, and on the website of CDSL [www.evotingindia.com](http://www.evotingindia.com).

7) The shareholders who are holding shares in demat form and have not yet registered their e-mail IDs, are requested to register their e-mail IDs with their Depository Participant at the earliest, to enable the Company to use the same for serving documents to them electronically, hereinafter. Shareholders holding shares in physical form may kindly register their e-mail IDs with the Registrar & Share Transfer Agent by sending an e-mail at [info@unisec.in](mailto:info@unisec.in). The Annual Report of the Company and other documents proposed to be sent through e-mail would also be hosted on the Company's website [www.nrbindustrialbearings.com](http://www.nrbindustrialbearings.com).

8) Members willing to attend the Annual general meeting (AGM) are requested to email their details (Members who hold shares in dematerialized form are requested to email their Client ID and DP ID numbers for identification) for attending the Annual general meeting minimum 48 hours prior to the AGM. The Company shall make sure the necessary connectivity test prior to the AGM.

9) The details Pursuant to the Regulation 36(3) of the SEBI Listing Regulations read with Clause 1.2.5 of the Secretarial Standards-2 regarding the appointment, reappointment and approval of remuneration of Directors are annexed to this notice.

10) Members seeking any information with regard to the financial statements or any matter to be placed at the AGM, are requested to write to the Company on or before Friday, August 13, 2021 through email on [investorcare@nibl.in](mailto:investorcare@nibl.in). The same will be replied by the Company suitably.

- 11) As mandated by SEBI, effective April 01, 2019 except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in dematerialised mode with a depository. Accordingly, the Members of the Company were requested to open a demat account and submit physical securities to their DPs.
- 12) Members holding shares in physical form are requested to address all their correspondence including change of address, mandates etc. to the Registrar and Share Transfer Agents viz. Universal Capital Securities Private Limited, C 101, 247 Park, LBS Road, Vikhroli West, Mumbai -400 083, Tel.: +91 22 28207203-05, 49186178-79, Fax: +91 22 28207207. The Members holding shares in dematerialised form should approach their respective Depository Participants for the same.
- 13) SEBI vide its circular dated April 20, 2018 has mandated registration of Permanent Account Number (PAN) and Bank Account details for all security holders. Members holding shares in physical form are requested to submit a copy of their PAN card and Bank Account details to RTA/Company, by sending a duly signed letter along with self-attested copy of PAN card and original cancelled cheque bearing name of the member. In alternative, members are requested to submit a copy of bank passbook/statement attested by Bank. Members holding shares in demat form are requested to submit the aforesaid information to the respective depository participant. Since share of the Company are traded on the Stock Exchanges compulsorily in demat mode, shareholders holding shares in physical mode are strongly advised to get their shares dematerialised.
- 14) Members holding shares in physical form in identical order of names in more than one folio are requested to send to the Company or RTA, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be returned to such Members after making requisite changes thereon.
- 15) Members holding shares in single name are advised to avail the nomination facility by filing Form SH-13, as prescribed under the Act with the Company. Members holding shares in electronic mode may contact their respective depository participant for availing this facility.
- 16) Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
- 17) All documents referred to in the accompanying Notice and the Explanatory Statement, Registers and all other documents will be available for inspection in electronic mode during business hours on all days except Saturdays, Sundays and public holidays upto the date of the AGM. Members can inspect the same by sending an email to the Company at [investorcare@nibl.in](mailto:investorcare@nibl.in).
- 18) Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
- 19) The business set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Instructions and other information relating to e-voting are given in this Notice under Instruction for Members attending Meeting through VC/OAVM.
- 20) In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the Meeting.
- 21) Share transfer documents and all correspondence relating thereto, should be addressed to the Universal Capital Securities Private Limited, C 101, 247 Park, LBS Road, Vikhroli West, Mumbai – 400083, Registrars and Transfer Agent of the Company.
- 22) To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned DP and holdings should be verified.

**23) E-Voting:**

- a. In terms of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, as amended, and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide the e-voting facility (the “Remote e-voting”) to its Members holding Shares in physical or dematerialized form, as on the **cut-off date, being Saturday, August 14, 2021**, to exercise their right to vote by electronic means on any or all of the businesses specified in the accompanying Notice.

- b. The Company has engaged the services of Central Depository Services (India) Limited ("CDSL") as the Agency to provide e-voting facility.
- c. The Company have appointed Mr. Sanjog Naravankar, Practicing Company Secretary of SVN and Associates, Practicing Company Secretaries (ACS No. 37746), as the Scrutinizer for conducting the Remote e-voting and the voting process at the AGM in a fair and transparent manner and he has communicated his willingness to be appointed as such and will be available for same.
- d. Once the vote on a resolution is cast by a member, the member shall not be allowed to change it subsequently or cast the vote again.
- e. Voting rights shall be reckoned on the paid-up value of shares registered in the name of the member/ beneficial owner (in case of electronic shareholding) as on the **cut-off date i.e. Saturday, August 14, 2021**. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the Depositories as on the cut-off date only shall be entitled to vote. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only.
- f. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through **VC/OAVM will be made available to atleast 1000 members on first come first served basis**. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
- g. **The facility for joining the meeting shall be kept open at least 15 minutes before the time scheduled to start the meeting and shall not be closed till the expiry of 15 minutes after scheduled time of meeting.**
- h. The members present in the meeting through VC/OAVM facility and have not cast their vote on resolution through remote e-voting and are otherwise not barred from doing so, shall be allowed to vote through e-voting system in the meeting.
- i. The Scrutinizer, after scrutinizing the votes cast at the meeting, through remote e-voting and ballot, will not later than **48 hours of conclusion of the Meeting**, make a consolidated Scrutinizer's Report and submit the same to the Chairperson or any other person as authorized by the Chairperson. The results declared along with the consolidated Scrutinizer's Report shall be hosted on the website of the Company [www.nrbindustrialbearings.com](http://www.nrbindustrialbearings.com) and on the website of CDSL viz. [www.evotingindia.com](http://www.evotingindia.com). The results shall simultaneously be communicated to the Stock Exchanges.
- j. **Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e. Saturday, August 21, 2021.**
- k. Information and other instructions relating to e-voting are as under:
  - (i) The voting period begins **on Wednesday, August 18, 2021 at 10.00 a.m. and ends on Friday, August 20, 2021 at 5.00 p.m.** During this period shareholders of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date (record date) of Saturday, August 14, 2021 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
  - (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
  - (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

(iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	<ol style="list-style-type: none"> <li>1) Users of who have opted for CDSL's Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URLs for users to login to Easi / Easiest are <a href="https://web.cDSLindia.com/myeasi/home/login">https://web.cDSLindia.com/myeasi/home/login</a> or <a href="http://www.cDSLindia.com">www.cDSLindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting Menu. On clicking the e-voting menu, the user will be able to see his/her holdings along with links of the respective e-Voting service provider i.e. CDSL/ NSDL/ KARVY/ LINK INTIME as per information provided by Issuer / Company. Additionally, we are providing links to e-Voting Service Providers, so that the user can visit the e-Voting service providers' site directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cDSLindia.com/myeasi./Registration/EasiRegistration">https://web.cDSLindia.com/myeasi./Registration/EasiRegistration</a></li> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a link in <a href="http://www.cDSLindia.com">www.cDSLindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be provided links for the respective ESP where the e-Voting is in progress during or before the AGM.</li> </ol>
Individual Shareholders holding securities in demat mode with <b>NSDL</b>	<ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDeAS "Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/ideasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/ideasDirectReg.jsp</a></li> <li>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting</li> </ol>

Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants</b>	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider's website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
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**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL**

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

(v) Login method for e-Voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form.**

- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- 2) Click on "Shareholders" module.
- 3) 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. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

	<b>For Physical shareholders and other than individual shareholders holding shares in Demat.</b>
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"> <li>● Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>
Dividend Bank Details <b>OR</b> 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"> <li>● 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.</li> </ul>

- (vi) After entering these details appropriately, click on “SUBMIT” tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (x) 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.
- (xi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xii) 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.
- (xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xv) 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 & enter the details as prompted by the system.
- (xvi) **Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto: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](mailto: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.
  - Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [investorcare@nibl.in](mailto:investorcare@nibl.in), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

**INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:**

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM/EGM.

4. Shareholders are encouraged to join the Meeting through Laptops / iPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast **7 days prior to meeting** mentioning their name, demat account number/folio number, PAN, email id, mobile number at [investorcare@nibl.in](mailto:investorcare@nibl.in). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **7 days prior to meeting** mentioning their name, demat account number/folio number, PAN, email id, mobile number at [investorcare@nibl.in](mailto:investorcare@nibl.in). These queries will be replied to by the company suitably by email. Members may note that depending upon the availability of time, questions may be answered during the meeting or responses will be shared separately after the AGM.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **Company/RTA email id**.
2. For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at 022- 23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

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

**Sushama Kadam**  
Company Secretary & Compliance Officer  
(ACS: 29462)

**Registered Office:**

NRB Industrial Bearings Limited,  
15, Dhannur, Sir P. M. Road,  
Fort, Mumbai, Maharashtra-400001

Place: Mumbai  
Date : June 12, 2021

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

### **Item No.3**

The Board of Directors on the recommendation of the Nomination and Remuneration Committee appointed Mr. Samrat Zaveri (DIN: 00374104) as an Additional Director (Non-Executive Independent) of the Company with effect from November 07, 2020 for a period of 5 years and subject to approval of the members of the Company at the ensuing General Meeting. Pursuant to the provisions of Section 161 of the Act and as per the provision of the Articles of Association of the Company, Mr. Samrat Zaveri (DIN: 00374104) will hold office up to the date of the ensuing Annual General Meeting ('AGM') and is eligible to be appointed as an Independent Director of the Company. Further, the Company has, in terms of Section 160(1) of the Act, received a notice from a Member, proposing the candidature of Mr. Zaveri for the office of Independent Director.

The Company has received from Mr. Zaveri written consent to act as Director, a declaration that he is not disqualified under Section 164(2) of the Act and declaration to effect that he meets the criteria of independence as provided in Section 149(6) of the Act.

In terms of Section 149, 152 and other applicable provisions of the Act, read with Schedule IV of the Act and the Rules made thereunder and in terms of the applicable provisions of the SEBI Listing Regulations, each as amended, the appointment of Mr. Zaveri as an Independent Director of the Company for a term commencing from November 7, 2020 up to November 6, 2025 is being placed before the Shareholders for their approval by way of a special resolution. Mr. Zaveri, once appointed, will not be liable to retire by rotation.

In the opinion of the Board, Mr. Zaveri is a person of integrity, fulfils the conditions specified in the Act and the Rules made thereunder read with the provisions of the SEBI Listing Regulations, each as amended and is independent of the Management of the Company. A copy of the draft letter of appointment of Mr. Zaveri as an Independent Director setting out the terms and conditions is available for inspection without any fee payable by the Members at the Registered Office of the Company during the normal business hours on working days up to the date of the Annual General Meeting ('AGM') and will also be kept open at the venue of the AGM till the conclusion of the Meeting.

The profile and specific areas of expertise of Mr. Zaveri are provided as annexure to this Notice.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives, except Mr. Zaveri, to whom the resolution relates, is concerned or interested in the Resolution mentioned at Item No. 3 of the Notice.

The Board recommends the Special Resolution set forth in Item No. 3 for the approval of the Members.

Following documents are available electronically for inspection by shareholders without any fees on a prior request by sending an email from their registered email ID mentioning their name, DP ID and Client ID/Folio No., PAN, Mobile No to [investorcare@nibl.in](mailto:investorcare@nibl.in) with respect to ITEM NOS. 3 :-

- Notice in writing from the members of the Company holding equity shares of the Company proposing the above mentioned person candidature for the office of Director.
- Disclosures confirming satisfaction of criteria for acting as Directors, Independent Directors of the Company
- Statement from the Board of Directors that in their opinion, the above mentioned persons fulfills all the conditions prescribed in the relevant sections of Companies Act, 2013, rules and amendments made thereunder and SEBI Listing Regulations.

### **Item No.4**

The members of the Company at their 6th Annual General Meeting held on August 03, 2017 had approved the appointment of Mr. Devesh Singh Sahney (DIN: 00003956) as the Managing Director of the Company for a period of five years from October 1, 2017 up to September 30, 2022, along with terms of his remuneration for period of three years from October 1, 2017 up to September 30, 2020 in accordance with the provisions of the Companies Act, 2013. Further, pursuant to the approval of members of the Company vide Postal Ballot Notice dated October 31, 2018, the remuneration of the Managing Director was revised for the period of three years from October 1, 2018 to September 30, 2021 in accordance with the provisions of the Companies Act, 2013.

The members of the Company in its approval for revision of remuneration as stated above, provided authority to the Board of Directors that on the recommendation of the Nomination and Remuneration Committee, shall be entitled to vary or increase

the remuneration of Managing Director during the period from October 01, 2018 to September 30, 2021 to the extent the Board of Directors may deem appropriate, provided that such variation or increase, as the case may be, shall not exceed Rs. 200.00 lakh per annum.

Having regard to the vast knowledge, experience and dedicated services rendered by Managing Director towards the growth of the Company, the Board of Directors on the recommendation of the Nomination and Remuneration Committee at its meeting held on November 07, 2020, revised the annual remuneration of Mr. Devesh Singh Sahney for the period from October 1, 2020 to September 30, 2021.

However, the term of Managing Director is till September 30, 2022 and the remuneration approved by the members of the Company is till September 30, 2021. So, the Board of Directors on the recommendation of Nomination and Remuneration Committee at its meeting held on June 12, 2021 approved the remuneration of the Managing Director of the Company for the period of October 1, 2021 to September 30, 2022 subject to the approval of members of the Company in the ensuing General Meeting of the Company.

The key terms of the remuneration of Mr. Devesh Singh Sahney as Managing Director of the Company are provided in the resolution no. 4.

Mr. Devesh Singh Sahney and Mrs. Aarti Devesh Sahney, being related, be deemed to be interested to the extent of remuneration payable to Mr. Devesh Singh Sahney as Managing Director. None of the other Directors, Key Managerial Personnel or their relatives be deemed to be interested or concerned, financially or otherwise, in this resolution.

In terms of Sections 196, 197 of the Companies Act, 2013 (the Act) read with Schedule V to the Act, the approval of the members of the Company is sought by way of special resolution for the remuneration of Mr. Devesh Singh Sahney in case the Company is having no profit or inadequate profit. The information as required under Schedule V of the Companies Act, 2013 is annexed hereto.

The Board recommends the special resolution as set forth at item no. 4 of the Notice.

The information required to be provided in terms of Schedule V of the Companies Act, 2013 is given here under:

#### **I. GENERAL INFORMATION**

- 1) Nature of Industry: The Company belongs to engineering industry. It is one of the leading manufacturer of industrial bearings in India.
- 2) Date of Commencement of Commercial Production: **OCTOBER 1, 2012.**
- 3) In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the Prospectus: **NOT APPLICABLE**
- 4) Financial Performance based on given indicators: Turnover of the Company: **(Rs. in lakhs)**

<b>Financial Year</b>	<b>2020-21</b>	<b>2019-20</b>	<b>2018-19</b>
Amount (₹)	5,640.88	4,168.92	5,609.46

- 5) Foreign investments or collaborations, if any: **The Company has entered into joint venture with IBC Industrial Bearings and Components AG, Switzerland**

#### **II. INFORMATION ABOUT THE APPOINTEE:**

- 1) **Background Details:**

Mr. Devesh Singh Sahney is a Bachelor in Business Administration and Economics from Richmond University, London. He has mastered in Business Administration from the Asian Institute of Management, Philippines and completed Program on Management Development from Harvard Business School, USA.

After his Bachelors graduation from UK, Devesh worked with Larsen & Toubro (Mumbai) in the Finance department, L&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, a French Bank in various departments. In 1993, he Joined NRB Bearings Limited and has handled various positions of responsibility in areas of Management Services, Information Technology, Plant Operations and Sourcing. He was also appointed as Vice

Chairman and on the Board of Schneeberger India. He is an active member of the Entrepreneurs Organization's Bombay Chapter since 2004 and the Young Presidents Organization (YPO). He has more than 27 years of experience in the field of industrial manufacturing, import, export and commercial activities and is associated with the Company since incorporation.

2) **Past remuneration:**

Period	Salary and Perquisites (Rs. in lakhs)
Financial Year 2011-12	68.85
April 01, 2012 to September 30, 2012(6 months)	38.76
October 01, 2012 to March 31, 2014 (18 months)	79.51
April 1, 2014 to March 31,2015	81.17
April 1, 2015 to March 31, 2016	72.03
April 1, 2016 to March 31, 2017	75.18
April 1, 2017 to March 31, 2018	87.16
April 1, 2018 to March 31, 2019	91.33
April 1, 2019 to March 31, 2020	104.56
April 1, 2020 to March 31, 2021	101.45
April 1, 2021 to June 30, 2021	29.79

3) **Recognition or awards:**

Mr. Devesh Singh Sahney had won a Special Award for Leadership from Asian Institute of Management, Philippines.

4) **Job Profile and his Suitability:**

Mr. Devesh Singh Sahney devotes his full time and attention to the business of the Company and is responsible for the general conduct and management of the affairs of the Company. He has more than 27 years of experience in the engineering industry in line with the business of the Company which is compatible with the organisational requirements. He has been associated with the Company since incorporation and the Company will continue to be benefited from his leadership and guidance.

5) **Remuneration Proposed:**

The details of the proposed remuneration are presented in the resolution set out in Item No.4 of the Notice.

6) **Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person:**

The remuneration payable have been benchmarked with the remuneration being drawn by peers in similar capacity in similar companies of comparable size in the bearings industry and has been considered by the Nomination and Remuneration Committee of the Company at the meeting held on June 12, 2021. The profile of the Managing Director, his responsibilities, complex business operations, industry benchmark and size of the Company justify the payment of said remuneration. The comparative remuneration details in other companies are provided below:

Name of Company	Designation	Turnover (₹ in millions)	Remuneration (₹)
*NRB Bearings Limited	Managing Director	₹ 7519.6	₹ 5,50,21,084
** Schaeffler India Limited	Managing Director	₹ 37,618.4	₹ 2,16,68,677
***SKF India limited	Managing Director	₹ 28,415.8	₹ 2,64,70,000

\* Source from Annual Report 2019-20 of NRB Bearings Limited.

\*\* Source from Annual Report 2020 of Schaeffler India Limited.

\*\*\*Source from Annual Report 2020 of SKF India Limited.

**7) Pecuniary relationship directly or indirectly with the Company, or relationship with the Managerial Personnel or other director :**

Mr. Devesh Singh Sahney is one of the Promoters of the Company and is holding 11,45,830 (4.73%) as on March 31, 2021 in the Equity Capital of the Company in his personal capacity. Mr. Devesh Singh Sahney has also given an unsecured loan to meet Company's funding requirements. He is also an interested director with respect to related party transactions entered with NRB Bearings Limited and associate companies, NRB-IBC Bearings Private Limited and Korta Engineering India Private Limited. Mr. Devesh Singh Sahney is a related party to Mrs. Aarti Devesh Sahney (spouse), Non-Executive Non-Independent Director of the Company. Mr. Devesh Singh Sahney has no other pecuniary relationship with the Company or with any key managerial personnel except to the extent of his remuneration as managing director and as mentioned above.

**III. OTHER INFORMATION:**

**1) Reasons of loss or inadequate profits:**

- a) The growth in Indian Economy has been sluggish during FY 20-21 due to Covid-19 pandemic, thereby adversely effecting business environment.
- b) The Company has been consistently striving to increase its market share but it could not achieve targeted operational progress due to certain economic measures by government affecting its business. Our Business and targeted sales volume could not be achieved especially in recent quarters.

**2) Steps taken or proposed to be taken for improvement:**

- a) The Company has been expanding the product range in variety of bearings and fulfill the requirements of industrial customers.
- b) The Company is aligning the internal processes to meet the customer requirements especially in the Industrial OEM segment.
- c) The Company will continue to focus on segments such as Agriculture, Jute, Textile, Metal, Cement, Mining and Paper and Pulp to explore new avenues of business.
- d) The Company will be undertaking 'Brand Building' steps to improve the recognition of its products and expand its distribution network to supply its products to the last mile.
- e) Improving cash flow has been accorded top priority with a drive on collection of dues from customers/vendors and careful control of cash outflows so as to reduce the borrowings.
- f) Control of operating expenses and overheads across the organization is being exercised.

The Company has initiated various measures towards achieving organizational and operating efficiencies and strengthening core competencies.

**3) Expected increase in productivity and profits in measurable terms:**

In addition to steps proposed to be taken for improvement as detailed hereinabove, key focus areas would be profit maximization, conservation of cash, operational efficiencies, cost and working capital containment. While it is difficult to give precise figures, the above initiatives are expected to improve further the productivity and profitability of the Company.

**IV. DISCLOSURES**

The disclosures on remuneration package of each managerial person and details of all elements of remuneration package, details of fixed components etc. were given in the Corporate Governance Report and Board's Report attached to the Annual Report (2020-21) for the information of the shareholders.

**Item No. 5**

The Companies Act, 2013 and dynamic business environment have placed onerous responsibilities on the Non-Executive Directors particularly the Independent Directors. This requires the Independent Directors to play a more pro-active role along with greater involvement in Board's decision making process. Considering the above, the Board is of the view that it is

necessary that they should be adequately compensated for their time and efforts and also to retain and attract the pool of talent.

In view of the above, the Nomination and Remuneration Committee and the Board of Directors at their respective meetings held on May 20, 2019 recommended and approved payment of commission to Non-Executive Directors of the Company not exceeding 0.25% of the net profits of the Company from the Financial Year 2021-22 and onwards, in terms of Section 197 of the Act, computed in accordance with the provisions of Section 198 of the Act. The above commission shall be in addition to fees payable to the Director(s) for attending meetings of the Board/Committees or for any other purpose whatsoever as may be decided by the Board and reimbursement of expenses for participation in the Board and other meetings.

Further, Regulation 17(6) of the SEBI Listing Regulations authorises the Board of Directors to recommend all fees and compensation, if any, paid to Non-Executive Directors, including Independent Directors and the same would require approval of members in general meeting.

The Board recommends the Special Resolution set out at Item No. 5 of the Notice for approval by the members.

Accordingly, members' approval is sought by way of Special Resolution for payment of commission to the Non-Executive Directors as set out in the said resolution.

The respective Non-Executive Directors and Mr. Devesh Singh Sahney, relative of Mrs. Aarti Devesh Sahney may be deemed to be concerned or interested in passing of the resolution at Item No. 5. No Key Managerial Personnel or their relatives are in any way concerned or interested in the resolution set out at Item No. 5 of the Notice.

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

**Sushama Kadam**  
Company Secretary & Compliance Officer  
(ACS: 29462)

**Registered Office:**

NRB Industrial Bearings Limited, 15, Dhannur, Sir P. M. Road,  
Fort, Mumbai, Maharashtra-400001

Place: Mumbai

Date : June 12, 2021

### Annexure: I

#### Details of the Directors Seeking appointment/ Re-appointment in the forthcoming Annual General Meeting

[Pursuant to Regulation 36(3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Secretarial Standards-2]

Name of the Director	Mrs. Aarti Sahney (DIN: 08579914)	Mr. Samrat Zaveri (DIN: 00374104)
Date of Birth (Age)	27/07/1970 (50 years)	08/10/1973 (47 years)
Nationality	Indian	Indian
Occupation	Business	Business
Date of Appointment	04/08/2020	07/11/2020
Date of first appointment on the Board	07/10/2019	07/11/2020
Qualifications	Bachelor of Arts, University of Mumbai from Saint Xavier's College, Business Leadership Program at Harvard Business School.	Graduate from HR College Of Commerce & Economics (Mumbai University), Diploma in Business Case Study Program form Harvard University, Diploma in Disruptive Thinking form Harvard University and Diploma in Grow Your Business from Harvard University
Experience/ Expertise in specific functional areas	Brief resume with qualifications, experience and nature of expertise of Mrs. Aarti Sahney is stated in the Directors' Profile section of the Corporate Governance Report.	Brief resume with qualifications, experience and nature of expertise of Mr. Samrat Zaveri is stated in the Directors' Profile section of the Corporate Governance Report.
Terms and Conditions of Appointment	Appointed as Non-Executive, Non-Independent Director of the Company & shall be liable to retire by rotation.	Appointed as Non-Executive, Independent Director of the Company & shall not be liable to retire by rotation.
Remuneration to be paid	Eligible for sitting fees and commission (if any), as approved by the Board	Eligible for sitting fees and commission (if any), as approved by the Board
Remuneration last drawn	Not applicable	Not applicable
Directorships held in other companies (excluding foreign companies and Section 8 Companies)	None	<ul style="list-style-type: none"> <li>• Shaze Luxury Retail Private Limited</li> <li>• Big Island Trading Private Limited</li> <li>• Sumeir Energies Private Limited</li> <li>• TBZ Nirmal Zaveri Private Limited</li> <li>• Trendsmith (India) Limited</li> <li>• Young Presidents Organisation (Mumbai)</li> </ul>
Membership of Committees in other Public Limited Companies (includes only Audit & Stakeholders Relationship Committee)	None	None
No. of shares held in the Company as on March 31, 2021	1,88,614	Nil
Number of Board meetings attended during the year	6	1
Relationship with other directors, KMPs	Mr. Devesh Singh Sahney (Husband)	None

## DIRECTOR'S REPORT

To,  
**The Members,**  
**NRB Industrial Bearings Limited,**  
**Mumbai - 400 001**

The Directors submit this 10th 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, 2021. 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	For the Financial Year ended March 31, 2021	For the Financial Year ended March 31, 2020
Revenue from Operations	5775.51	4320.98
EBITA	812.67	(265.15)
Profit/(Loss) before Exceptional items and Tax	(866.42)	(1890.52)
Exceptional Items Gain/(Loss)	1288.45	-
Profit/(Loss) Before Tax	422.03	(1890.52)
Tax Expenses	-	-
Profit/(Loss) after Tax	422.03	(1890.52)
Other Comprehensive Income	(71.83)	50.96
Total Comprehensive Income	493.86	(1941.48)
Earnings Per Share	1.74	(7.80)

This report of the Board 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 from April 1, 2020 to March 31, 2021 (hereinafter referred as "financial year").

#### b. Transfer to Reserves:

During the year under review, no amount has been transferred to reserves.

#### c. Dividend:

Your Directors do not recommend any dividend for the year under review.

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

Not Applicable as Company has not declared any dividend in past neither during the year.

#### e. Public Deposits:

Your Company has not accepted or renewed any deposits under Chapter V of the Companies Act, 2013 read with Companies (Acceptance of Deposit) Rules, 2014, during the Financial Year 2020-2021.

#### f. Loan from Directors

During the Financial Year 2020-21, the Company has accepted loans from the directors of the Company for which the Company has received the declaration that the said loan is not from the borrowed funds.

#### g. Disclosure of orders passed by Regulators or Courts or Tribunal:

There were no significant and material orders passed by any Regulators or Courts or Tribunals during the financial year ended March 31, 2021, impacting the going concern status and Company's operations in future.

#### h. Material changes and commitment if any affecting the financial position of the Company:

There has been no material change/commitment affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of this Report.

### 2. Operational Overview:

Financial Year 2020-21 started with challenge of Covid-19 pandemic spread all over the world. First quarter of 2020-21 was almost standstill with no business activities and major part of first quarter was under lockdown in India. Overall business environment is too cautious and uncertain. Companies are trying to have their stand for sustainability in such tangible crisis, which has created the disruption in the market, your company has done well to maintain the growth and continuity in the business under challenging time.

Quarter two of financial year 2020-21 revealed the positive indication in terms of demands from domestic market. Business operations has started with limited capacity and slowly picked up the business moving forward in remaining part of Financial Year 2020-21.

With the outbreak of COVID-19 second wave in April 2021, business challenges and uncertainty would continue in Q1 2021-22.

Your company has a world class manufacturing facility with fully equipped Research and Development Centre for new development to meet the customers' expectations.

Your company is optimistic about growth plan and expanding the wings to reach the customers and provide cost effective Engineering & Bearing solutions. In continuation of last year, focus is to expand the distribution network and addition of new, OEM customers with expanding our product portfolio and increase the share of business with existing customers.

The export business strategy is to add new dimensions in your company's export business by expanding geographical reach and expand the product portfolio.

Growth strategy is to focus specific OEM segment like Textile, Material Handling, Agriculture, Industrial Electrical, Vibratory motors and Industrial Transmission to take forward our solution offerings. Your company is expanding distribution network in order to reach each potential customer in industrial market with focus on segments such as Agriculture, Jute, textile, Metal, Cement and mining.

**Dealers Symposium (Virtual Meet):** Due to pandemic, we had virtual meeting with all the distributors on Video conferencing. This has built up the confidence with NIBL brand and take forward the business in challenging condition in 2020-21. Virtual meetings help to create the team bonding and synergy.

This year your company specifically focused on "Expanding the reach" of NIBL brand. We improved our brand acceptability with value addition in terms of our pricing policy and expanding the reach to large extend.

The market is very unpredictable but company is trying to understand the new gradually evolving dynamics of the market and take forward the growth strategy accordingly.

In current crisis situation most of the employees were working from home which proved to be support system for maintaining the continuity in business in such limited resources. The Company has done well in trying new avenues with help of technology for continuity of business operations in this digital era.

**a) Financial Results:**

Your Company's turnover stood at Rs.5640.88 lakhs for the financial year ended March 31, 2021 as against Rs.4168.92 lakhs in the previous year. Company registered rise in growth of 35.31% over previous year.

Export turnover of your Company for the financial year was Rs.1585.20 lakhs as against previous year Rs.1426.68 lakhs.

**b) State of Company's Affairs and Business Review:**

The details of the Company's affairs including its operations are more specifically given in the Management Discussion and Analysis Report, which forms part of this Annual Report.

**c) Change in the nature of business:**

The Company manufactures bearings for industrial applications. There has been no change in the main nature of business activities of the Company during the financial year under review.

**d) Change in Share Capital :**

During the year under review, there was no change in the share capital of the Company. The Company has neither issued any shares nor has granted stock options or sweat equity. The authorized share capital of the Company is Rs. 85,00,00,000/- (Rupees Eighty Five Crores only) divided into 2,50,00,000 equity shares of Rs. 2/- each and 8,00,00,000 preference shares of Rs. 10/- each.

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

The year under review saw the following changes in the Composition of Board of Directors ('Board').

**Inductions to the Board:**

a) Upon the recommendation of the Nomination and Remuneration Committee at its meeting held on June 16, 2020, the Board of Directors of the Company at their meeting, appointed Mr. Ashish Chhugani (DIN: 00009654) as an Additional Director in the category of Independent Director of the Company subject to approval of members at 09th Annual General Meeting of the Company.

b) Upon the recommendation of Nomination and Remuneration Committee at its meeting held on November 07, 2020, the Board of Directors of the Company at their meeting, appointed Mr. Samrat Nirmal Zaveri (DIN: 00374104) as an Additional Director in the category of Independent Director of the Company subject to approval of members at 10th Annual General Meeting of the Company. The Board recommends to the members, the approval of appointment of Mr. Samrat Nirmal Zaveri as an Independent Director of the Company. The resolution for confirming the appointment of **Mr. Samrat Nirmal Zaveri as Independent Director of the Company forms part of the Notice convening the 10th Annual General Meeting.**

**Re-appointments:**

a) In accordance with the provisions to Section 152 of the Companies Act, 2013 and the Articles of Association of the Company, Mrs. Aarti Devesh Sahney (DIN: 08579914) is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offers herself for re-appointment. Your Directors recommend reappointment of Mrs. Aarti Devesh Sahney (DIN: 08579914), Director of the Company, liable to retire by rotation in ensuing annual general meeting.

**The necessary resolution for re-appointment of Mrs. Aarti Devesh Sahney (DIN: 08579914) forms part of the notice convening the ensuing 10th Annual General Meeting.**

**Cessation:**

a) During the year, Mr. Gaurav Motwane (DIN: 00746165), Independent Director of the Company had tendered his resignation w.e.f. June 16, 2020 respectively.

The Board of Directors of the Company records its deep appreciation for the valuable contributions and guidance provided by Mr. Gaurav Motwane during his noteworthy association with the Company.

b) Mr. Manish Choksi (DIN: 00026496), the Independent Director of the Company was been appointed for a term of 5 (five) years on July 7, 2015. He did not seek re-appointment and hence he ceased to be the Independent Director of the Company w.e.f. July 6, 2020.

c) During the year, Mrs. Ratika Gandhi, the Company Secretary of the Company resigned from the Company w.e.f. February 11, 2021 and based on the recommendation of the Nomination and Remuneration Committee held on February 04, 2021, the Board of Directors of the Company at its meeting held on February 04, 2021, appointed Mrs. Sushama Kadam as the Company Secretary of the Company w.e.f. from February 12, 2021.

d) Pursuant to Section 203 of Companies Act 2013, the Key managerial personnel's (KMPs) of the Company are:

- Mr. Devesh Singh Sahney, Chairman and Managing Director
- Mrs. Gulestan Kolah, Chief Financial Officer
- Mrs. Sushama Kadam, Company Secretary and Compliance Officer

e) All the Independent Directors have furnished declaration in accordance with the provisions of Section 149 (7) of the Companies Act, 2013 regarding meeting the criteria of independence as provided under Section 149 (6) read with Regulation 16 (1) (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**4. Familiarization Program for Independent Directors:**

As required by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the provisions of the Companies Act, 2013, the Board has framed a Familiarization Program for the Independent Directors of the Company in order to update them with the nature of industry in which the Company operates and business model of the Company in order to familiarize them with their roles, rights, responsibilities, etc. The details of the above mentioned Familiarization Program is uploaded on the website of the Company [www.nrbindustrialbearings.com](http://www.nrbindustrialbearings.com).

Each newly appointed Independent Director is taken through a formal induction program including the presentation from the Managing Director and Chief financial officer of Company's Manufacturing, Marketing, Finance and other important aspects and structures of the Company and it's functioning.

**5. Board Evaluation:**

As per requirement of section 134(3)(p) of the Companies Act, 2013 read with Rule 8 (4) of Companies (Accounts) Rules, 2014 and other applicable rules and regulations, the Board has a formal mechanism for evaluating its performance annually based on the criteria laid down by Nomination and Remuneration Committee which included attendance, contribution at the meetings and otherwise, independent judgment, safeguarding of minority shareholders interest, adherence to Code of Conduct and Business ethics, monitoring of regulatory compliance, risk assessment and review of Internal Control Systems etc.

The Board carried out annual performance evaluation of the Board of Directors, its Committees and Individual Directors. The performance of the Board was shared with Board members and suggestions were evaluated in detail. Further the reports on performance evaluation of the Individual Directors were reviewed by the Chairman of the Board and based on the evaluation necessary changes in processes and policies were suggested for having an effective Board.

**6. Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo:**

The information pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgo as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished in '**Annexure I**' to this Report.

**7. Business Risk Management:**

The Company has formulated and implemented a Risk Management policy in accordance with the provisions of the Companies Act, 2013, in order to address the business risks associated with the Company. Further the Company has adopted the risk management system at various levels, which inter alia covers business risk, statutory compliances and environmental risk.

The Risk Management system is continuously reviewed at appropriate level and corrective measures were taken wherever required. The Company has taken adequate insurance policies to mitigate different kinds of risk. The Company periodically reviews the risk management practices and actions deployed by the management with respect to the identification, impact assessment, monitoring, mitigation and reporting of key risks while trying to achieve its business objectives.

**8. Corporate Social Responsibility (CSR):**

The provisions of the Section 135 read with Schedule VII of Companies Act, 2013 are not applicable to the Company and hence the Company has neither developed any CSR Policy nor implemented any CSR activities during the year.

**9. Particulars of Loans, Guarantees or Investments:**

Details of loans, guarantees and investments covered under Section 186 of the Companies Act, 2013 are stated in the notes to accounts of Financial Statements, forming part of this Annual Report.

**10. Related Party Transactions (RPTs):**

The contracts or arrangements with related parties, which fall under the scope of Section 134 (3)(h) and section 188 (1) of the Companies Act, 2013 read with rule 8(2) of the Companies (Accounts) Rules, 2014 are given in '**Annexure II**' in Form AOC-2 and the same forms part of this Annual Report.

All Related Party Transactions are presented to the Audit Committee and the Board. Omnibus approval is obtained for the transactions which are foreseen and repetitive in nature. A statement of all related party transactions is presented before the Audit Committee on a quarterly basis, specifying the nature, value and terms and conditions of the transactions. Further, the

details of the transactions with Related Party are provided in the Company's financial statements in accordance with the Accounting Standards.

The policy on RPTs is hosted on the Company's website at [www.nrbindustrialbearings.com](http://www.nrbindustrialbearings.com).

**11. Performance of Joint Ventures / Associate Companies:**

As on March 31, 2021, the Company has two Associate Companies viz. NRB-IBC Bearings Private Limited and NIBL-Korta Engineering Private Limited (formerly known as Korta Engineering (India) Private Limited).

**NRB-IBC Bearings Private Limited (NIBC):** The Company holds 35% equity of NIBC, which is a joint venture with IBC Industrial Bearings and Components AG, Switzerland.

During the FY 2020-21 sales turnover of the Company was Rs.1038.81 lakhs as compared to previous FYs turnover of Rs. 1374.24 lakhs. Domestic Sales Turnover increased from Rs. 387.29 lakhs to Rs.582.12 lakhs. Domestic market grew healthy. Export Sales Turnover decreased to Rs.456.69 lakhs from Rs. 986.95 lakhs. New customers were added in this financial year which would help the company with favourable results in coming years.

**NIBL-Korta Engineering Private Limited (formerly known as Korta Engineering (India) Private Limited) (Korta Engineering):** The Company holds 35% equity of Korta Engineering, which was part of Korta group, Spain.

During the FY 2020-2021 the Sales Turnover of the Company was Rs.528.26 lakhs as compared to previous FYs turnover of Rs. 458.60 lakhs. Domestic Sales Turnover increased from Rs.448.32 lakhs to Rs.509.50 lakhs. The Export Sales turnover also increased from Rs.10.28 lakhs to Rs.18.76 lakhs. New customers were added in this financial year which would help the company with favorable results in coming years.

**12. Explanation or comments on qualifications, reservations or adverse remarks or disclaimers made by the auditors and the practicing company secretary in their reports and management's reply for the same:**

There are no qualifications, reservations or adverse remarks made by the Statutory Auditors in their report on the Financial Statements of the Company for year ended March 31, 2021. The notes to the accounts are self-explanatory to comments/observations made by the Auditors in their report and do not require further explanation.

There are no qualifications, reservations or adverse remarks in the Secretarial Audit Report of the Company during the period of review.

**13. Remuneration Policy:**

In compliance with Section 178(3) of the Companies Act, 2013 and on the recommendation of Nomination and Remuneration Committee, the Board framed a Nomination and Remuneration policy, which is generally in line with the existing industry practice and applicable laws. The main object of the said policy is to select and appoint Directors, Key Managerial Personnel and Senior Management and to ensure that the level and composition of remuneration is reasonable and sufficient to attract, motivate and retain the talent within the organization. Details of remuneration paid to Directors and KMP's forms part of Corporate Governance Report which is annexed to this Annual Report.

The Nomination and Remuneration Policy is available on Company's website at [www.nrbindustrialbearings.com](http://www.nrbindustrialbearings.com).

**14. Meetings of the Board:**

Six meetings of the Board of Directors were held during the financial year 2020-21 and the gap between two consecutive board meetings was within the limits prescribed under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The details of the number of meetings held and attended by each Director are provided in the Corporate Governance Report, which forms part of this Annual Report.

**15. Disclosure of composition of Audit committee and Vigil mechanism:**

In accordance with Section 177 of the Companies Act, 2013, the Company have constituted the Audit Committee. The Company Secretary acts as the secretary to the committee. The Audit Committee acts as a link between the statutory auditors, internal auditors and the Board of Directors. During the year under review, the Audit Committee was reconstituted. The Audit Committee consists of four Directors; Mr. Ashish Chhugani as the Chairman, Mr. Devesh Sahney, Mr. Nikhilesh Panchal and Mr. Samrat Zaveri as the members of the Committee.

The details of all the Committees of the Board along with their terms of reference, composition and meetings held during the year, are provided in the Report on Corporate Governance which forms part of this Annual Report.

The Company has adopted a Vigil Mechanism / Whistle Blower Policy for Directors and employees to report genuine concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct and to provide for adequate safeguards against victimization of persons who may use such

mechanism. The said policy is hosted on the website of the Company [www.nrbindustrialbearings.com](http://www.nrbindustrialbearings.com).

The mechanism provides for addressing the complaints to Audit Committee and direct access to the Chairperson of the Audit Committee in exceptional circumstances.

**16. Credit Rating of Securities:**

The Company has obtained following credit ratings for availing various bank facilities:

- 1) Long term Bank Facilities- Cash Credit is CARE BBB- Stable and
- 2) Long term Bank Facilities- Working Capital Loan is CARE BBB- Stable.

**17. Internal Control System and their adequacy:**

The Company has an internal control system commensurate with the size, scale and complexity of its operations and well-documented procedures for various processes which are periodically reviewed for changes warranted due to business needs. Internal Audit is conducted at regular time interval in the Company. The scope and authority of the Internal Audit is defined by Audit committee. This system of internal control facilitates effective compliance of Section 138 of the Act and the Listing Regulations.

To maintain its objectivity and independence, the Internal Auditor reports to the Chairman of the Audit Committee of the Board. The Internal Auditor monitors and evaluates the efficiency and adequacy of the internal control system with reference to the Financial Statement. Audit committee evaluates the efficiency and adequacy of internal control systems in the Company, its compliance with operating systems, accounting procedures and policies. Based on the report of internal auditor, process owners undertake corrective actions in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee. During the year under review, no reportable material weakness in the operation was observed. Regular audit and review processes ensure that such systems are reinforced on an ongoing basis.

**18. Auditors:****a) Statutory Auditors**

The members of the Company at its 7th Annual General Meeting (AGM) held on August 2, 2018, have appointed M/s. Deloitte, Haskins & Sells, Chartered Accountants (Firm Registration No. ICAI 117365W), as the Statutory Auditors of the Company for a period of 5 (five) consecutive years commencing from the conclusion of 7th AGM upto the conclusion of 12th AGM of the Company.

The Auditor's Report on the Standalone and Consolidated Financial Statement of the Company for the Financial Year 2020-21, does not contain any qualification, reservation or adverse remark.

The Directors of your Company confirm that no instances of frauds or mis-management were reported by the Statutory Auditor under Section 143 (12) of the Companies Act, 2013.

**b) Secretarial Auditor:**

Pursuant to the provisions of section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. AJS & Associates, Practicing Company Secretary to undertake the Secretarial Audit of the Company for the financial year 2020-21. The report on Secretarial Audit is annexed as '**Annexure IV**' to this Report. The Secretarial Audit Report does not contain any qualification, reservations or adverse remarks.

**19. Maintenance of Cost Records**

The provisions of sub-section (1) of Section 148 of the Companies Act, 2013 pertaining to the maintenance of cost records are applicable to the Company and accordingly such accounts and records are made and maintained by the Company.

**20. Secretarial Standards**

The Company has complied with the applicable Secretarial Standards during the Financial Year 2020-21.

**21. Particulars of employees:**

The statement under Section 134(3) (q) and Section 197 (12) of the Companies Act, 2013 read with Rule 5(1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this Report as **Annexure 'V'**.

**22. Prevention of Sexual Harassment of women at workplace:**

The Company is committed to provide healthy environment to all employees and thus, does not tolerate any discrimination or harassment in any form.

In line with the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has adopted the Anti-Harassment and Grievance Redressal Policy. The Company has Internal Complaints Committee (ICC) at Group level to redress the complaints of sexual harassment. During the year, Company has not received any complaint of sexual harassment.

**23. Listing with Stock Exchange**

The Equity Shares of the Company are continue to be listed on the BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE"). The Company has paid Annual Listing Fees for the Financial Year 2020-21 to both the Stock Exchanges well within the specified time.

**24. Extract of Annual Return:**

The extract of Annual Return of the Company as on March 31, 2021 is available on the Company's website and can be accessed at [www.nrbindustrialbearings.com](http://www.nrbindustrialbearings.com).

**25. Corporate Governance Report:**

As per the Regulation 15 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations), based on the paid up equity share capital and net worth of the Company, the corporate governance provisions mentioned in SEBI Listing Regulations are not applicable to the Company. However, the Company for stakeholders' information and as a good secretarial practice is providing certain information on voluntary basis in Corporate Governance report which forms an integral part of this report.

**26. Corporate Governance details as required under Schedule V of the Companies Act, 2013**

The disclosures to be mentioned in pursuance of Section II of Part II of Schedule V of the Act have been mentioned in the Corporate Governance Report.

**27. Management Discussion and Analysis:**

The Management Discussion and Analysis Report, as required by Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are already dealt with in various sections of this Report.

The Management Discussion and Analysis Report is separately annexed and forms part of this report.

**28. Annexures forming part of this Annual Report:**

Annexure No.	Particulars
I	Particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo
II	Form no. AOC-2 –Related party transactions
III	Form no. AOC-1 – Joint Ventures/ Associate company details
IV	Secretarial Audit Report for the period under Review
V	Particulars of Employees under Section 134(3) (q) and Section 197(12) of the Companies Act, 2013

## 29. Cautionary Statement:

Statements in this Report, Management Discussion and Analysis, Corporate Governance, Notice to the Shareholders or elsewhere in this Annual Report, describing the Company's objectives, projections, estimates and expectations may constitute 'forward looking statement' within the meaning of applicable laws and regulations. Actual results might differ materially from those either expressed or implied in the statement depending on the market conditions and circumstances.

The Company assumes no responsibility in respect of the forward looking statements, which may undergo changes in future on the basis of subsequent developments, information or events.

## 30. Directors Responsibility Statement:

Your Directors wish to inform Members that the Audited Accounts containing Financial Statements for the Financial Year 2020-21 are in conformity with the requirements of the Companies Act, 2013. Your Company's financial statements reflect fairly, the form and substance of transactions carried out during the year and reasonably present the financial condition and results of operations.

In terms of provisions of Section 134(3) (c) of the Companies Act, 2013, your Directors further hereby confirms as under:

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) the directors had selected such accounting policies and applied them 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 and of the profit and loss of the company for that period;
- c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) the directors had prepared the annual accounts on a going concern basis;
- e) the directors have laid down internal financial controls to be followed by the company and that

such internal financial controls are adequate and were operating effectively and

- f) Internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors and external consultants, including audit of internal financial controls over financial reporting by the statutory auditors, and the reviews performed by management and the relevant board committees, including the audit committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during FY 2020-21.
- g) Company has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information;
- h) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## 31. Appreciation:

Your Directors wish to place on records their sincere appreciation to all the Employees of the Company for the efforts, efficient work management, loyal services, commitment and dedication that developed the culture of professionalism. Your Directors also thank and express gratitude to the Company's Customers, Vendors and Institutions. Your Directors also wish to express deep sense of gratitude to all our Bankers, Central and State Governments and their departments and the local authorities for the continued support.

Your Directors register their sincere appreciation to the Shareholders of the Company for unstinted support and confidence reposed in the management of the Company.

On behalf of the Board  
**For NRB Industrial Bearings Limited**

**Devesh Singh Sahney**  
**Place: Mumbai** **Chairman and Managing Director**  
**Date : June 12, 2021** **DIN : 00003956**

## ANNEXURE I

**Information as required under Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 forming part of Directors' Report for the year ended March 31, 2021:**

**a) Conservation of Energy:**

i. **Steps taken or impact on conservation of energy:**

1. For all machines air pressure reduced by changing compressor load setting from 6.3 to 6.0 bar. This has resulted in a saving of 21600 KWh/Year. The saving in power amounts to about **Rs 1.75 Lakhs per year**.
2. Modified pipeline & eliminated the use of 11KW Grundfous pump which has been replaced by a 7.5KW pump. Saving in power is 95040 KWh/Year, amounting to **Rs. 7.72 Lakhs per Year**.

ii. **Steps taken by the company for utilizing alternate sources of energy:** NIL

iii. **The capital investment on energy conservation equipment's:** NIL

**b) Additional Investments and proposals, if any, being implemented for reduction of consumption of energy:** NIL

**c) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods:** Power saving of Rs 9.47 lakhs per year

**d) Total Energy Consumption and Energy Consumption per unit of production as per Form A of the Annexure in respect of industries specified in the Schedule thereto:**

Sr. No.	Parameter	2020-21	Previous Year (2019-20)
<b>Purchased</b>			
1	Purchased power units, (in KWh)	38,32,608	41,77,988
2	Purchased power amount (Rs in lakhs)	311.75	329.8
3	Purchased power rate (in Rs per KWh)	8.13	7.89
4	Own power generation, (in KWh)	14,262	13,552
<b>Through Diesel Generator</b>			
5	Units generated, (in KWh )	14,262	13,552
6	Diesel oil consumed (in liters)	3,207	3,940
7	Power generation (KWh per liter)	4.45	3.44
<b>Through Steam Turbine / Generator</b>			
8	Propane gas consumption (in tons)	12.76	16.51
9	Tons of steel heat treated per ton of propane gas consumed	23.60	18.82
10	Propane gas cost in Rs per ton	48,290	48,200
<b>Consumption per unit production</b>			
11	Production value of bearings (in Rs Lakhs)	5,646	3,982
12	Electricity (purchased and own generation), consumed in KWh per Rs lakh value of bearings produced	681.34	1,052.62
13	HT furnace production (in ton)	301.13	310.78

**Form A: Power and Fuel Consumption:**

1. Electricity: 38,46,870 KWh Units in FY 2020-21 as compared 41,77,988 KWh Units in FY 2019-20.

**a) Specific areas in which R&D is carried out by the Company:**

1. New Product development - 29 no's of new products developed.
2. Development for special applications - Triple lip seal bearing in WIR series for agriculture equipment, where there is the probability of air-bone dust contamination, heavy slurry flow etc.
3. Development of new product lines - needle bush bearings (19 sizes).

4. Equipment development - machine for mud bath test for sealed bearings.
5. Process automation – for CRB and Thrust bearings
6. Patents – 2 applications filed

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

1. Developed 29 new products to enhance business in existing and new market segments, existing and new customers in the domestic and export market.
2. Improved process, product quality and performance.

**c) Future Plan of action:**

1. Extension of product range of full complement needle roller bearings.
2. Extension of product range of needle roller thrust bearings.
3. New range of low friction ball bearings.
4. Enhancing range of needle bush bearings.
5. WIR housed units for food industry
6. Development of sensor bearings

**d) Expenditure on R & D:**

1. Capital	:	FY: 2020-21	:	NIL	PY: 2019-20 : NIL
2. Recurring	:	FY: 2020-21	:	Rs.95.35 Lakhs	PY: 2019-20 : Rs. 119.45 Lakhs
3. Total	:	FY: 2020-21	:	Rs.95.35 Lakhs	PY: 2019-20 : Rs. 119.45 Lakhs
4. Total R&D as a percentage of Total turnover					FY 2020-21 – 1.69%
					PY 2019-20 – 2.86%,

**Form B: Technology Absorption and Research & Development (R&D)**

**e) Technology, absorption, adaption and innovation:**

**a) Efforts, in brief, made towards technology absorption, adaption and innovation:**

1. We absorbed the new technology in above mentioned "Form B: point 'a'".
2. Adopted technology in process automation, assembly of CRB and thrust bearing.
3. Technology adoption to design and develop needle bush bearings.

**b) Benefits derived as a result of the above efforts e.g. Product improvements, cost reduction, product Development, import substitution, etc.:**

1. Process and product quality improvement through low cost automation.
2. New products like bush bearings for new / existing markets & customers
3. New design of thrust bearing cages to improve bearing performance.
4. Product validation through mud bath test

**c) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year): NIL**

**Exchange earnings and outgo: -**

Total Foreign Exchange earnings	: FY 2020-21 Rs. 1585.20 Lakhs,	PY : Rs. 1421.71 Lakhs
Total Foreign Exchange outgo	: FY 2020-21 Rs. 112.26 Lakhs,	PY : Rs. 25.42 Lakhs

**On behalf of the Board  
For NRB Industrial Bearings Limited**

**Devesh Singh Sahney  
Chairman and Managing Director  
(DIN: 00003956)**

**Place: Mumbai  
Date : June 12, 2021**

## Annexure II

### Form No. AOC-2

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

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

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

All the transactions were at arm's length during the period under review. All the related party transactions forms part of the financials.

Sr. No.	Particulars	Remarks
(a)	Name(s) of the related party and nature of relationship	
(b)	Nature of contracts/arrangements/transactions	
(c)	Duration of the contracts / arrangements/transactions:	
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
(e)	Justification for entering into such contracts or arrangements or transactions:	
(f)	Date(s) of approval by the Board	
(g)	Amount paid as advances, if any	
(h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	

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

**During the FY 2020-21, the Company has entered into contract/arrangement/transaction with its related parties in its ordinary business except the one as mentioned below :**

Sr. No.	Particulars	Remarks
(a)	Name(s) of the related party and nature of relationship	Mr. Devesh Singh Sahney, Chairman and Managing Director  Further, Mrs. Aarti Sahney, a Non-Executive Director is wife of Mr. Devesh Singh Sahney
(b)	Nature of contracts/arrangements/transactions	Under the sub-lease agreement, Company sub-leased Property to Mr. Devesh Singh Sahney
(c)	Duration of the contracts / arrangements/transactions:	Sub-lease for 91 years commencing from October 1, 2020
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	For repayment of loan up to Rs. 13,78,00,000/- (Rupees Thirteen Crores and Seventy Eight Lakh only)
(e)	Date(s) of approval by the Board	August 7, 2020
(f)	Amount paid as advances, if any	NA
(g)	Date on which the ordinary resolution was passed in general meeting as required under first proviso to section 188	September 18, 2020

**(a) Name of the related party and nature of relationship where control exists:**

Sr. no.	Nature of relationship	Names of related parties
(a)	Associate	NRB IBC Bearings Private Limited NIBL- Korta Engineering Private Limited (formerly known as Korta Engineering India Private Limited)
(b)	Key Management Personnel (KMP)	Mr. Devesh S. Sahney, Chairman and Managing Director Mr. Manish Choksi (upto June 6, 2020) Mr. Gaurav Motwane (upto June 16, 2020) Mr. Nikhilesh Panchal Mrs. Aarti Sahney (from October 7, 2019) Mr. Ashish Chhugani (from June 16, 2020) Mr. Samrat Nirmal Zaveri (from November 7, 2020)
(c)	Relative of Key Management Personnel	Mrs. Harshbeena S. Zaveri, Director (up to August 6, 2019), Sister of Mr. Devesh Singh Sahney Ms. Mallika Sahney - AGM Strategy, daughter of Mr. Devesh Singh Sahney
(d)	A Company over which KMP are able to exercise significant influence.	Khaitan & CO.
(e)	A Company over which relatives of KMP are able to exercise significant influence.	NRB Bearings Limited NRB Bearings (Thailand) Limited

**(b) Nature of contracts/arrangements/transactions:** Ongoing business transactions which forms part of financial statements in Notes to accounts, Note no. 37.

**(c) Duration of the contracts/ arrangements/ transactions:** As per business requirements, pre-approval from audit committee taken on quarterly basis.

**(d) Salient terms of the contracts or arrangements or transactions including the value, if any:** Ongoing business transactions which forms part of financial statements in Notes to accounts, Note no. 37.

Date(s) of approval by the Board, if any: Each Quarter approval as per transactions entered June 16, 2020, August 07, 2020, November 07, 2020 and February 04, 2021

**(f) Amount paid as advances, if any:** Not applicable.

**On behalf of the Board  
For NRB Industrial Bearings Limited**

**Devesh Singh Sahney  
Chairman and Managing Director  
(DIN: 00003956)**

**Place: Mumbai**  
**Date : June 12, 2021**

### Annexure III

#### Form No. AOC-1

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

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

##### Part "A": Subsidiaries

Company does not have any Subsidiaries as on March 31, 2021, hence Not Applicable.

##### Part "B": Associates and Joint Ventures

**Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

Name of associates/Joint Ventures	NRB-IBC Bearings Private Limited	NIBL-Korta Engineering Private Limited
Latest audited Balance Sheet Date	31.03.2021	31.03.2021
Shares of Associate/Joint Ventures held by the company on the year end, No. of shares held	42,00,000	10,50,000
Amount of Investment in Associates/Joint Venture @ face value of Rs. 10/- each share	Rs. 4,20,00,000/-	Rs. 1,05,00,000/-
Extend of Holding%	35%	35%
Description of how there is significant influence	35% shareholding of NRB Industrial Bearings Limited (NIBL) and 35% shares held by Late Mr. Trilochan Singh Sahney, Former Chairman of NIBL and forming part of promoter group of NIBL shareholding.	35% shareholding of NRB Industrial Bearings Limited (NIBL), 19.98 % shares held by Mr. Devesh Singh Sahney and 45.02% shares held by Late Mr. Trilochan Singh Sahney, Former Chairman of NIBL and formed part of promoter group of NIBL shareholding.
Reason why the associate/joint venture is not consolidated	N.A	N.A
Net worth attributable to shareholding as per latest audited Balance Sheet as on March 31, 2021.	Rs.502.55	Rs.(170.92)
Profit/Loss for the year	Rs.(174.00)	Rs.(69.87)
Considered in Consolidation	Rs.(174.00)	Rs.(69.87)

- Names of associates or joint ventures which are yet to commence operations: Not Applicable
- Names of associates or joint ventures which have been liquidated or sold during the year: Not Applicable

On behalf of the Board  
For NRB Industrial Bearings Limited

Devesh Singh Sahney  
Chairman and Managing Director  
(DIN: 00003956)

Place: Mumbai  
Date : June 12, 2021

**ANNEXURE 'IV'****MR - 3****SECRETARIAL AUDIT REPORT**

**[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]**

**FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2021**

**To,**  
**The Members,**  
**NRB INDUSTRIAL BEARINGS LIMITED**  
**15, Dhannur, Sir P. M. Road, Fort, Mumbai - 400001 IN**

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate governance practice by **M/s. NRB INDUSTRIAL BEARINGS LIMITED** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's Books, Papers, Minutes Books, Forms and Returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives in soft copies during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the financial year ended 31st March, 2021, ("During the year" or "during the Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained and provided in soft copies by **NRB INDUSTRIAL BEARINGS LIMITED** ("the Company") as given in Annexure I, for the financial year ended on 31st March, 2021, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder for specified sections notified and came into effect from 12th September, 2013 and sections and Rules notified and came into effect from 1st April, 2014 and amendments thereof;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Reserve Bank of India Act, 1934;
- (v) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment (not applicable to the Company during the Period);
- (vi) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (to the extent applicable to the Company under regulation 30 of Disclosures under Regulation 30 of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011);
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Regulations, 2009, and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on 28th October 2014 (not applicable to the Company during the Audit period);
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (not applicable to the Company during the Audit period);
  - f. The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 (to the extent applicable to the Company during the Audit period), and
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (not applicable to the Company during the Audit period), and;

**I have also examined compliance with the applicable clause of the following:**

- a. Secretarial Standards issued by The Institute of Company Secretaries of India and
- b. The Listing Agreements, entered into by the Company with Stock Exchanges and new SEBI (Listing Obligation and Disclosure Requirement) 2015, effective from 01st December, 2015.

***During the financial year under report, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:***

- \* *Omnibus approval from Audit Committee has been obtained for Related party Transactions done during the year and details about Related Party transactions were also mentioned in the Resolutions.*

**I further report that:**

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through, while the dissenting members' views, if any, are captured and recorded as part of the minutes.

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

This report is to be read with my letter of even date which is annexed as Annexure II and forms an integral part of this report.

**For AJS & ASSOCIATES**

**(Ajit .J. SHARMA)**

**Proprietor**

**FCS M. No.: 9832**

**COP No.: 12028**

**UDIN: F009832C000570381**

**Date:- June 12, 2021**

**Place: - Mumbai**

**ANNEXURE - I****List of documents verified:**

1. Memorandum & Articles of Association of the Company.
2. Annual Report for the period ended March 31, 2021
3. Minutes of the meetings of the Board of Directors, Audit Committee, Nomination & Remuneration Committee, and Stakeholders' Relationship Committee held during the financial year under report.
4. Minutes of General Body Meetings held during the financial year under report.
5. Agenda papers submitted to all the directors / members for the Board Meetings and Committee Meetings.
6. Declarations received from the Directors of the Company pursuant to the provisions of 184 of the Companies Act, 2013.
7. Intimations received from directors under the prohibition of Insider Trading Code.
8. E-Forms filed by the Company, from time-to-time, under applicable provisions of the Companies Act, 2013 and attachments thereof during the financial year under report.

9. Intimations / documents / reports / returns filed with the Stock Exchanges pursuant to the provisions of Listing Agreement / SEBI (Listing Obligation and Disclosure Requirement) 2015 during the financial year under report.
10. Filings made with Reserve Bank of India by the Company (Not applicable during the period).
11. With respect to other applicable laws like Labour Laws, Factory Laws, etc. the Company used to take the quarterly Compliance report from the respective HOD's of the designated teams to look after the Compliance of the said laws, which used to be placed in the Board meeting and after going through it the Directors approves it and after going through those report and on randomly checking / verifying the documents/ records, and as per explanation from concern team of their respective department, I found that the same were complied with.

**For AJS & ASSOCIATES**

(Ajit.J. SHARMA)  
Proprietor  
FCS M. No.: 9832  
COP No.: 12028  
UDIN: F009832C000570381

**Date:- June 12, 2021**

**Place: - Mumbai**

#### **Annexure II**

To,  
**The Members,**  
**NRB INDUSTRIAL BEARINGS LIMITED**  
**15, Dhannur, Sir P. M. Road,**  
**Fort, Mumbai - 400001 IN**

My report (for FY 2020-21) of even date is to read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provided a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Book of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulation, standards is the responsibility of management. My examination was limited to the verification of procedures on the test basis.
6. The Secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For AJS & ASSOCIATES**

(Ajit.J. SHARMA)  
Proprietor  
FCS M. No.: 9832  
COP No.: 12028  
UDIN: F009832C000570381

**Date:- June 12, 2021**

**Place: - Mumbai**

## ANNEXURE V

**A) Particulars of Employees Pursuant To Section 134 (3) (q) And Section 197 (12) of The Companies Act, 2013 Read with Rule 5(1) Of The Companies (Appointment And Remuneration Of Managerial Personnel) Rules, 2014**

<b>Requirements of Rule 5 (1)</b>		<b>Details</b>
(i)	the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;	Mr. Devesh Singh Sahney - 33 : 1 Chairman & Managing Director
(ii)	the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	<b>Directors:</b> Mr. Devesh Singh Sahney , CMD - NIL Mrs. Gulestan Kolah, CFO - NIL Mrs. Ratika Gandhi, CS - NIL Mrs. Sushama Kadam, CS - NIL
(iii)	the percentage increase in the median remuneration of employees in the financial year;	1.58%
(iv)	the number of permanent employees on the rolls of company;	260 employees as on 31.03.2021
(v)	average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	Average Salary Increase for KMPs (other than CMD and WTD): - Nil Average Salary Increase for non KMPs: - Nil
(vi)	Affirmation that the remuneration is as per the remuneration policy of the company.	Remuneration paid during the year ended March 31, 2021 is as per the Remuneration Policy of the Company

**Details of Directors/ KMP/Appointed/Resigned during the year as per Section 134(3)(q) Read with Rule 8(5) (iii) Of Companies (Account) Rules, 2014:**

<b>Sr. No.</b>	<b>Name of Director/KMP</b>	<b>Designation</b>	<b>Date of Resignation/Appointment</b>
1	Mr. Manish Choksi	Independent Director	ceased w.e.f. June 16, 2020
2	Mr. Gaurav Motwane	Independent Director	ceased w.e.f. July 6, 2020
3	Mr. Ashish Chhugani	Independent Director	Appointed w.e.f. June 16, 2020
4	Mr. Samrat Zaveri	Additional Director	Appointed w.e.f November 7, 2020
5	Mrs. Ratika Gandhi	Company Secretary	ceased w.e.f. February 11, 2021
6	Mrs. Sushama Kadam	Company Secretary	appointed w.e.f. February 12, 2021

## MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

### I. Outlook/ Business Overview

It has been the worst year in terms of economic performance in India since 1950-51, with an estimated annual contraction of 8% in GDP, 2020-21. As compared to the growth rate of 4.0 per cent in 2019-20 it was too much a downturn in the wake of the slowdown caused by the coronavirus pandemic.

While the Indian economy was losing growth momentum for few years before the pandemic, the exceptionally bad growth performance in 2020-21 is largely on account of the 68-day long hard lockdown which was imposed on March 25, 2020 to prevent the spread of Covid-19 infections in the country, and continuing restrictions on economic and recreational activities for the rest of the year.

The economy started recovering with the easing of restrictions post hard lockdown in the second quarter, which narrowed the contraction of GDP to 7.5 per cent. By end of December 2020 India's GDP re-entered the growth territory which was nothing but the improvement from a 24% GDP contraction in the first quarter to a 0.4% growth in the third quarter of the year.

Agriculture Sector which contributes to 22 % share in our bearings business earnings was a breather for us. It was the least affected sector by the pandemic and is expected to grow at 3% as the lockdown restrictions never prevented any on-farm activity. However, it will be lower than 4.3 per cent growth recorded in 2019-20. But with a share of just over 16% in total Gross Value Added (GVA), agriculture could do little to cushion the overall performance of the economy. Both services and industry (manufacturing) are expected to have suffered a contraction of slightly more than 8% where services have emerged as the biggest drag on overall incomes, given its share of 54.6% in GVA.

Private sources such the numbers collected by Centre for Monitoring Indian Economy (CMIE) and other high-frequency surveys such as Purchasing Managers' Index (PMI) and Nomura India Business Resumption Index (NIBRI) have highlighted a continuing weakness in labor markets despite an improvement in production levels.

Everyone has been expecting a great rebound in 2021 from both India and the world, but that now hangs in the balance. Both corporates and customers are now on a wait-and-watch mode and the sentiment will change back to positive as and when the second wave of Covid comes under control. Until the virus spreads are contained, and a substantial proportion of the

population has been vaccinated, it may take longer to return to sustained growth path. We hope the adequate availability and higher pace of vaccination turns out to be a key to a return to normalcy.

Amid the evolving market dynamics and uncertainties, your company has shifted and accelerated cost containment and restructured actions to address the new demand environment. And, thanks to our disciplined management process, we continue to deliver strong and consistent performance even in the most challenging of conditions. Your company has registered 44% growth in FY 2020-21.

Indian bearing market is estimated at Rs. 95 billion and it constitutes less than 5% of global bearing demand. In terms of consumption, about 60% requirement is catered through domestic production while remaining is through imports.

Mainly Indian Industrial bearing market catered through domestically manufactured bearings except large size and special bearings. In terms of demand dynamics, OEMs constitute 60% of demand whereas rest is driven by aftermarket and exports.

Industrial segment constitute approximately 55% of domestic bearing used in applications like general machines/motors, electrical equipment (fans/appliances) as well as heavy industries. Increasing automation in manufacturing units, thrust by Government's 'Make in India' program, spending towards railways and metros will support growth of manufacturing and engineering sector, which augurs well for bearing industry. Usage of bearings is fairly diversified in industrial segments. Also, Indian bearing manufacturers derives sizeable share of their revenue from exports as well as aftermarket business which lends stability to the business as well as mitigates impact of cyclical in any particular segment.

Technology collaboration with reputed OEMs gives credibility to bearing manufacturers and acceptability to their products given similar level of quality control are followed in Indian unit as their counterparts/collaborators in overseas units.

The global bearings market is mature with a dynamic market demand closely related to engineering industry and capital goods.

Continuous upgradation of existing products and new development is critical for profitable growth. Research and Development (R&D) shall play a vital role in new development and offering innovative bearing solutions.

## II. Financial Condition

### 1. Changes in Share Capital:

During the year under review, there was no change in the share capital of the Company. The Company has neither issued any shares nor has granted stock options or sweat equity. The authorized share capital of the Company is Rs. 85,00,00,000/- (Rupees Eighty Five Crores only) divided into 2,50,00,000 equity shares of Rs. 2/- each and 8,00,00,000 preference shares of Rs. 10/- each.

### 2. Reserves and Surplus

The balance of Capital Reserve as at March 31, 2021 amounted to Rs. 5700.16 lakhs, Retained Earnings of the Company for the financial year ended March 31, 2021 stood at Rs.11101.05 lakhs and deemed capital contribution is Rs. 5486.43 lakhs.

### 3. Fixed Assets

During the year, we capitalized Rs.37.09 lakhs to our gross block comprising Rs.22.79 lakhs for Vehicle and Rs.14.30 lakhs for Plant & Machinery.

### 4. Deferred tax assets / liabilities

Deferred tax asset and liabilities primarily comprise deferred taxes on fixed assets, un-availed leave, trade receivables, accrued compensation to employees and other provisions which are not tax-deductible in the current year.

### 5. Trade receivables

Trade receivables amounted to Rs.1649.60 lakhs as at March 31, 2021 compared to Rs.856.66 lakhs as March 31, 2020.

Debtors are at 29.24% of revenues for the year ended March 31, 2021, compared to 20.55% as on March 31, 2020.

### 6. Cash and cash equivalents

The bank balances in India include both rupee accounts and foreign currency accounts.

### 7. Loans and advances and other non-current assets

The following tables give the details of our long-term and short-term loans, advances and other non-current Loans and advances

(Rs. in Lakhs)

Particulars	March 31, 2021	March 31, 2020
Capital advance	0.69	0.89
Security deposits	43.73	43.63
<b>Total</b>	<b>44.42</b>	<b>44.52</b>

Capital advances represent amount paid in advance on capital expenditure.

### Non-current Investments

The Company had acquired 42,00,000 equity shares of Rs. 10/- each comprising 35% of paid-up capital in its associate viz. NRB-IBC Bearings Private Limited for the year ended December 31, 2013.

The Company had acquired 10,50,000 equity shares of Rs. 10/- each comprising 35% of paid-up capital in its associate viz. NIBL-Korta Engineering India Private Limited for the year ended March 31, 2019.

Further there's no change for the year ended March 31, 2021.

### 8. Liabilities

#### Long term Liabilities

(Rs. In Lakhs)

Particulars	March 31, 2021	March 31, 2020
Secured Term Loan	665.21	477.65
Other Loan	3961.29	3485.59
<b>Total</b>	<b>4626.50</b>	<b>3963.24</b>

#### Term Loan from Bank

##### Secured:

(a) Rs. 176.66 lakhs (March 31, 2020 Rs. Nil ) secured by second charge on all present and future stock and book debts of the Company and second pari pasu charge over immovable Property, plant and equipment (buildings), leasehold land of the Company and its movable plant & machinery, furniture & fixtures and other movables at its factory at Shendra (near Aurangabad). The working capital term loan is repayable in 36 equal monthly instalments of Rs. 5.50 lakhs each starting from January 7, 2022 till December 7, 2024 and carried interest rate of 7.5 % p.a.

##### Term loan from others

(b) Rs. 35.35 lakhs (March 31, 2020 Rs. 27.55 lakhs) secured by hypothecation of vehicles. Out of these , the term loan of Rs. 2.27 lakhs (March 31, 2020 Rs. 4.17 lakhs) carrying interest rate of 8.82 % is repayable in remaining 25 equal monthly instalments by April, 2022, the term loan of Rs. 17.24 lakhs (March 31, 2020 Rs. 23.39 lakhs) carrying interest rate of 8.63 % is repayable in remaining 41 equal monthly instalments by August, 2023 and the term loan of Rs. 15.84 lakhs (March 31, 2020 Rs. Nil) carrying interest rate of 8.21 % is repayable in remaining 56 equal monthly instalments by November, 2025.

(c) Rs. 453.90 lakhs (March 31, 2020 Rs. 611.75 lakhs) secured by first pari- pasu charge over Land and

Building situated at Shendra, MIDC Aurangabad and first pari-pasu over Plant and Machinery situated at Shendra, MIDC Aurangabad and pledge of 600,000 shares (March 31, 2020 600,000 shares) of NRB Bearings Limited held by a director of the Company. The working capital term loan is repayable in remaining 12 quarterly instalments Rs. 40 lakhs each and carries interest rate of 13 %.

- (d) Rs. 132.23 lakhs (March 31, 2020 Rs. Nil) secured by second pari- pasu charge over Land and Building situated at Shendra, MIDC Aurangabad and second pari-pasu over Plant and Machinery situated at Shendra, MIDC Aurangabad and pledge of 600,000 shares (March 31, 2020 Nil shares) of NRB Bearings Limited held by a director of the Company. The working capital term loan is repayable in 13 quarterly instalments and carries interest rate of 14 %.
- (e) Rs. 62.91 lakhs (March 31, 2020 Rs. Nil) secured by second pari- pasu charge over Land and Building situated at Shendra, MIDC Aurangabad and second pari-pasu over Plant and Machinery situated at Shendra, MIDC Aurangabad and pledge of 600,000 shares (March 31, 2020 Nil shares) of NRB Bearings Limited held by a director of the Company . The working capital term loan is repayable in 3 monthly instalments Rs. 20.85 lakhs each and carries interest rate of 13 %.

#### **Loans from related parties:**

- (f) 100 lakhs each 6 % Redeemable Cumulative Non - Convertible Preference shares of Rs. 10 each fully paid up were issued to a Promoter shareholder in March 2016 and in April 2016 with redemption at the end of 5 years from the date of issue. During the year ended March 31, 2018, the terms of existing Redeemable Cumulative Non -Convertible Preference shares were changed w.e.f. February 15, 2018, the preference dividend rate is modified to 2 % and redemption term is changed to 10 years for above said preference shares.

200 lakhs 2 % Redeemable Cumulative Non - Convertible Preference shares of Rs. 10 each fully paid up were issued to a Promoter shareholder in February 2018 with redemption at the end of 10 years.

100 lakhs and 35 lakhs 2 % Redeemable Cumulative Non -Convertible Preference shares of Rs. 10 each fully paid up were issued to a Promoter shareholder in January 2019 and in March 2019 respectively with redemption at the end of 10 years.

50 lakhs, 15 lakhs, 150 lakhs and 50 lakhs 2 % Redeemable Cumulative Non -Convertible Preference shares of Rs. 10 each fully paid up were issued to a Promoter shareholder in June 2019, August 2019, December 2019 and in March 2020 respectively with redemption at the end of 10 years.

#### **Short term Liabilities**

(Rs. in lakhs)

Particulars	March 31, 2021	March 31, 2020
Maturities of Long Term Debt	250.57	161.65
Interest accrued but not due on borrowings	-	-
Current Liabilities	232.83	140.65
<b>Total</b>	<b>483.40</b>	<b>302.30</b>

Other Payables includes – payables on purchase of fixed assets, statutory remittances (Contribution to PF, PT, Withholding Tax, GST, Excise Duty etc.), Advance received from customers, advance against assignment of certain Rights, Premium on call Spread.

#### **9. Provisions**

Short term provisions for the previous financial year ended March 31, 2020 was Rs.106.28 Lakhs compared to Rs.46.67 Lakhs for the financial year ended March 31, 2021.

Long term provisions for the previous financial year ended March 31, 2020 was Rs.37.05 Lakhs compared to Rs.25.21 Lakhs for the financial year ended March 31, 2021.

#### **10. Revenue from Operations**

The classification of the Statement of Profit and Loss is as follows:

Particulars	For the Financial Year ended March 31, 2021	For the Financial Year ended March 31, 2020
Revenue from Operations	5775.51	4320.98
EBITA	812.67	(265.15)
Profit/(Loss) before Exceptional items and Tax	(866.42)	(1890.52)
Exceptional Items	1288.45	-
Profit/(Loss) Before Tax	422.03	(1890.52)
Tax Expenses	-	-
Profit/(Loss) after Tax	422.03	(1890.52)
Other Comprehensive Income	(71.83)	50.96
Total Comprehensive Income	493.86	(1941.48)
Earnings Per Share	1.74	(7.80)

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

A safe workplace is an efficient workplace. When the proper safety protections are in place, workers feel safe doing their job, are more productive, are more likely to take personal accountability and be engaged in work. Especially in current situation.

We at NIBL provides trainings to employees on the Safety measures and has Zero tolerance towards negligence provoking hazards accidents. There are regular programs conducted in order to literate employees at shop floor level and to have complete control on the systems.

There are mock fire drills conducted at shop floor level so that employees are equipped to handle any kind of accidental situations. Proper safety management and Industrial hygiene processes are set, so that employees have safe work environment.

We also organize health checkup for our employees as we believe Working in a corporate sector can be really stressful due to the work pressure and constant competition. The stress can give rise to various diseases which eventually affect the person's performance at workplace and lays a negative effect on the organization's strength. Therefore, the health of the staff is always a priority at NIBL.

### **IV. Human Resources**

Since its inception, your Company has always viewed its employees as its greatest asset. We concentrate on making the most of the human resources that are at the disposal of the organization and enhance the performance of employees to achieve the organization's objectives. We try to keep the balance between employee needs and satisfaction and an organization's profitability and capability to reach its objectives.

Your Company has always worked towards to be an 'Employer of Choice' by driving teams to focus on achieving the goals and work on continuous improvement, in addition to health and safety, and corporate responsibility endeavors to be an 'Employer of Choice' by fostering an environment of aspirational goal setting, continuous improvement, in addition to health and safety, and corporate responsibility.

#### **Core Values:**

NIBL has formed core values for the organization. We believe workplace values are the guiding principles to you about the way you work every employee of your company will be bringing into practice use these deeply held principles to choose between right and wrong ways of working, and also to take important decisions at work.

1. Flexibility and Adaptability – We keep no boundaries, to meet our consumer needs.
2. MD at Work / Task – Every employee is the owner of their task.
3. No compromise on Quality – We deliver with zero defects.
4. Loyalty & Transparency between all stakeholders – We commit loyalty.
5. Customer First in all actions – We work on unmet needs of our customer.
6. Fun at Work – We believe happy employees are the best employees.
7. Grow with profits – We aim on achieving consistent profitable growth.
8. Keep it Simple – Simplicity is what we believe in.

#### **Offering a harassment-free workplace to all:**

Your Company aims to have a discrimination-free workplace. Guidance on a harassment-free workplace is adopted in Company's Code of Conduct and the Company's Human Resource, Sexual Harassment and Affirmative Action Policies.

#### **Safety Governance Structure**

The Management is responsible for training and supervising employees on safe procedures and health care, providing information on safety hazards and providing safety appliances.

Your Company have organized Safety Week at our Shendra plant, wherein we provided fire safety training to our employees and conducted safety Mock drill.

#### **Equal opportunity to all**

NIBL recognizes and values the differences in employee 'backgrounds and skills' and promotes equal access to employment and supply opportunities without discrimination.

Any alleged violation of the equal opportunity policies is investigated and, if found valid, acted upon.

#### **Positive working environment:**

Company emphasis and make all possible efforts to create a positive working environment for its employees. As we believe a positive working environment encompasses a level of respect, empathy and overall understanding between colleagues. These sentiments can also foster collaboration and help you feel heard and valued at your workplace.

Company arranges various employee engagement activities to bring them closer & making a great place to work.

#### **V. Segment wise Performance**

Your Company has a single reportable segment of Industrial Bearings as the primary business segment for the purposes of Accounting Standards-17. The assets and liabilities of the Company are all expended towards this business segment.

#### **VI. Risks and concern:**

The economic and business environment is fast evolving, and with the rapid transformation of technology and the impact of cultural changes, society and consumers are also transforming on multiple dimensions. Your Company is operating in an industry

that faces price volatility in raw materials and is dependent on agricultural commodities that need to meet stringent quality standards and on natural resources where alternatives are not viable.

#### **VII. Internal control systems and their adequacy:**

The Company has in process vigilant process to monitor the internal control. The management has devised its Internal Control Systems to safeguard its assets, controlling costs, efficiency in operations, compliance of statutes, and effective management of working Capital. These systems are designed keeping in mind the Business plans and overall growth of the company and its stakeholders.

#### **VIII. Details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanations therefore, including:**

Sr. No.	Ratios	FY 2020-21	FY 2019-20	Explanation for significant change
a.	Debtors Turnover	3.50	5.04	Improved due to timely collection of Receivables.
b.	Inventory Turnover	2.65	2.18	Inventory buildup for 1st quarter of FY 2021-22
c.	Interest Coverage Ratio	1.14	(0.61)	Overall Revenue has Increased by 35 % and several cost reduction measures taken has resulted in positive EBITDA
d.	Current Ratio	1.62	1.48	Current ratio as improved as company has substantially reduced its Trade payable with the growth in business
e.	Debt Equity Ratio	0.08	0.19	Debt equity ratio has improved as company has substantially reduced its Trade payable with the growth in business
f.	Operating Profit Margin (%)	14%	(6)%	Overall Revenue has Increased by 35 % and several cost reduction measures taken has resulted in positive EBITDA
g.	Net Profit Margin (%)	9%	(45)%	Overall Revenue has Increased by 35 % and several cost reduction measures taken has resulted in positive EBITDA. Further with Exceptional gain in current year the company has achieved Net profit in current year.

## CORPORATE GOVERNANCE REPORT

Your Directors are pleased to present your Company's Report on Corporate Governance for the Financial Year ended March 31, 2021.

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

The Governance Philosophy of your Company is embedded with ethical values and professionalism since its existence. Corporate governance is creation and enhancing long-term sustainable value for the stakeholders, through ethically driven business process.

The Company's Code of Business Conduct, Ethical View Reporting Policy and its well-structured internal control systems which are subjected to regular review for their effectiveness, reinforces accountability and integrity of reporting and ensures transparency and fairness in dealing with the Company's stakeholder.

The Company ensures that it evolves and follows the corporate governance guidelines and best practices and not defaulting in any trigger point. We consider it our inherent responsibility to disclose timely and accurate information regarding our financials and performance as well as the leadership and governance of the Company.

A Report on compliance with the principles of Corporate Governance as prescribed by The Securities and Exchange Board of India (SEBI) in Chapter IV read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations") is given below:

### **1. Board of Directors:**

#### **1.1. Composition and category of the Directors**

The Company has an optimum combination of Executive and Non-Executive Directors. The Board is headed by Mr. Devesh Singh Sahney as the Chairman and Managing Director and consists of personalities with expertise and experience in diversified fields of specialization.

Category	Name of Directors	Designation	No. of shares held as on March 31, 2021
Promoter Directors	Mr. Devesh Singh Sahney	Executive Chairman and Managing Director	11,45,830
	Mrs. Aarti Devesh Sahney	Non-Executive Director	1,88,614
Independent Director	<sup>1</sup> Mr. Manish Choksi	Non-Executive Director	NIL
	<sup>2</sup> Mr. Gaurav Motwane	Non-Executive Director	NIL
	Mr. Nikhilesh Panchal	Non-Executive Director	NIL
	<sup>3</sup> Mr. Ashish Chhugani	Non-Executive Director	NIL
	<sup>4</sup> Mr. Samrat Zaveri	Additional Director	NIL

<sup>1</sup> Ceased to be a director of the Company upon his resignation w.e.f. June 16, 2020.

<sup>2</sup> Ceased to be a director of the Company w.e.f. July 6, 2020 upon expressing his intention to not to seek re-appointment for second term of Independent Director due to his personal commitments.

<sup>3</sup> Appointed as Director w.e.f. June 16, 2020.

<sup>4</sup> Appointed as Additional Director w.e.f. November 7, 2020.

#### **1.2. Directors Profile:**

Brief Profile of the Directors and the nature of their expertise in specific functional areas is given below:

##### **Mr. Devesh Singh Sahney:**

Mr. Devesh Singh Sahney (DIN: 00003956) is the Executive Chairman and Managing Director of NRB Industrial Bearings Limited and leads all aspects of the business from strategy to operations. Mr. Devesh holds a Bachelor's Degree in Arts (Business Administration & Economics) from Richmond College, London. He also holds Master's Degree in Business Administration from the Asian Institute of Management, Philippines and has completed Comprehensive Leadership Course, a Program for Management Development from Harvard Business School.

After his Bachelors graduation from UK, Mr. Devesh worked with Larsen & Toubro (Mumbai) (L&T) in a Finance department. L&T is a technology, engineering, construction and manufacturing company. It is one of the largest and most renowned company in Indian private sector. He also worked with Credit Lyonnais, French Bank in Mumbai in various departments. He also served as Vice Chairman on the Board of Schneeberger India (a joint venture with a Swiss corporation) and he was in charge of NRB Torrington (a joint venture with Torrington Bearing Company; a US based bearings manufacturing Multinational Company).

Mr. Devesh is an active member of the Entrepreneurs Organisation's Mumbai Chapter since the year 2004 and the Young Presidents Organisation. He had won a Special Award for Leadership and gave the Valedictorian Speech during the graduation ceremony at Philippines.

**Directorship:**

Apart from NRB Industrial Bearings Limited, Mr. Devesh Sahney continues to serve as Director on the Board of Directors of listed and unlisted companies as follows :

- NRB – IBC Bearings Private Limited
- NIBL – Korta Engineering Private Limited
- Sant Sahney Private Limited
- NRB Bearings Limited

**Mrs. Aarti Devesh Sahney:**

Mrs. Aarti Sahney (DIN: 08579914) is the Non-Executive Director of NRB Industrial Bearings Limited. Mrs. Sahney holds a Bachelor's Degree in Arts from Saint Xavier's College, Mumbai and has participated in notable further studies such as the Business Leadership Program from Harvard Business School. Mrs. Aarti Sahney is the Managing Trustee and Executive Officer of S.S. Sahney High School. She has devoted more than two decades of her life to the education and upliftment of underprivileged children. Her service to our society and youth is notable. With her leadership the School has grown from 200 student to over 1500 students. Her growth and success with S.S. Sahney High School pushed her to explore other avenues to educate our youth. In 2019 she launched a junior college called Sardar Trilochan Singh Sahney Junior college for Arts and Commerce.

**Nikhilesh Panchal**

Mr. Nikhilesh Panchal (DIN: 00041080) is practicing lawyer and a Solicitor for more than 22 years registered with Bar Council of Maharashtra and Goa, and a registered Solicitor with the Bombay Incorporated Law Society and Law Society of England & Wales, United Kingdom. He is also a registered Patent and Trade Mark Attorney. Mr Nikhilesh Panchal is a partner at M/s. Khaitan & Co.

He has a rich experience in particular acquisitions, mergers amalgamations and takeovers, Capital Market covering primary, domestic and international market transactions and secondary market transactions. Mr. Nikhilesh Panchal also has substantial experience in foreign collaborations, joint ventures and technology transfers, Corporate and Commercial laws involving Intellectual Property and related rights matters and laws and connected procedures under Foreign Exchange Management Act (FEMA).

Apart from NRB Industrial Bearings Limited, Mr. Nikhilesh Panchal has and continues to serve as a Director on the Board of Directors of several companies.

**Ashish Chhugani**

Mr. Ashish Chhugani (DIN: 00009654) is a qualified MBA from Duke University and M.Com from Mumbai University and has over 30 years of experience spanning private equity, venture capital, investment banking and commercial banking of which 21 years have been directly in venture capital and private equity banking.

**Areas of expertise include:**

- a) Private equity & debt / Venture Capital Investments in technology / BPO, financial services, infrastructure & real estate.

- b) Post investment portfolio monitoring, mentoring and support.
- c) Managing and implementing exits.
- d) Fund raising for various investment strategies.

He joined Centrum in 2018 and is an Executive Director and Partner in the Group's Asset Management Business.

Prior to joining Centrum, he was Managing Partner of Real Estate at Tata Capital. His past positions held include: Head of Private Equity at Centrum Capital, MD-India at Cambridge Place Investment Management LLC (UK based investment management firm investing in financial services companies), MD of Ankar Capital in India and before that MD of Ant factory India.

His areas of expertise include private equity/debt investments and exits, early stage venture capital, distressed bank turnarounds, investing in consumer finance, real estate and infrastructure service companies and portfolio management. He has led landmark deals such as turnaround of distressed bank – Centurion Bank, Shriram City Union Finance, Magma Fincorp and Customer asset, one of India's first BPO Companies which was sold to First source.

In terms of Section 149 of the Companies Act, 2013 Mr. Ashish Chhugani is appointed as an Independent Director of the Company for a term of five consecutive years w.e.f June 16, 2020 which is approved by the members of the Company at its Annual General Meeting held on August 4, 2020.

**Directorship:**

Apart from NRB Industrial Bearings Limited, Mr. Ashish Chhugani has and continues to serve as a Director on the Board of Ignis Capital Advisors Limited.

**Samrat Zaveri**

Mr. Samrat Zaveri (DIN: 00374104) is a graduate from HR College Of Commerce & Economics (Mumbai University), Diploma in Business Case Study Program from Harvard University, Diploma in Disruptive Thinking from Harvard University and Diploma in Grow Your Business from Harvard University and has over 26 years of experience in Retail, E-commerce & Gem & Jewellery Industry.

He has wide knowledge of the industry and a proven record of success in management. Further he has hands on experience in developing strategic and business plans and in depth knowledge of market changes and forces that influence the company. Currently, Managing Director of M/s TBZ Nirmal Zaveri Private Limited and M/s. Shaze Luxury Retail Private Limited and engaged in day to day operations of the companies and also responsible for the overall working of the company and is instrumental in making strategic decisions for the companies and also in charge for corporate administration, corporate image and relationship, Brand building, Events Management, Public relations and Art & Publicity.

In terms of Section 149 of the Companies Act, 2013 Mr. Samrat Zaveri is proposed to be appointed as an Independent Director of the Company for a term of five consecutive years w.e.f November 7, 2020 of this Annual General Meeting.

**Directorship:**

Apart from NRB Industrial Bearings Limited, Mr. Samrat Zaveri has and continues to serve as a Director on the Board of Directors of several companies, some of the recent companies are:

- Shaze Luxury Retail Private Limited
- Big Island Trading Private Limited
- Sumeir Energies Private Limited
- TBZ Nirmal Zaveri Private Limited
- Trendsmith (India) Limited
- Young Presidents Organisation (Mumbai Chapter)

**1.3. Attendance at Board Meetings and last Annual General Meeting, Relationship between Directors interse, Number of Directorships and Committee Memberships/ Chairmanships**

The details of attendance of each Director at the Board Meetings held during the Financial Year and the last Annual General Meeting (AGM), along with the number of Companies and Committees where she/he is a Director/ Member/ Chairperson and the relationship between the Directors inter-se, as on March 31, 2021, are given below:

Name	Category	Relationship with other Directors	Attendance at the Board Meetings	Attendance at AGM held on August, 4 2020	No of other Directorships	Committee position in India	
						Chairman	Member
Mr. Devesh Singh Sahney	Executive-Chairman & Managing Director	Husband of Mrs. Aarti Sahney	6 out of 6	Yes	4	0	1
Mrs. Aarti Devesh Sahney	Non- Executive Non Independent Director	Wife of Mr. Devesh Sahney	6 out of 6	Yes	0	0	0
<sup>1</sup> Mr. Manish Choksi	Independent Director	None	2 out of 6	Not Applicable	10	Not Applicable	Not Applicable
<sup>2</sup> Mr. Gaurav Motwane	Independent Director	None	1 out of 6	Not Applicable	6	Not Applicable	Not Applicable
Mr. Nikhilesh Panchal	Independent Director	None	6 out of 6	Yes	8	0	2
<sup>3</sup> Mr. Ashish Chhugani	Independent Director	None	4 out of 6	Yes	0	1	1
<sup>4</sup> Mr. Samrat Zaveri	Independent Director	None	1 out of 6	Not Applicable	6	1	1

<sup>1</sup>Ceased to be a director of the Company upon his resignation w.e.f. June 16, 2020.

<sup>2</sup>Ceased to be a director of the Company w.e.f. July 06, 2020 upon expressing his intention to not to seek re-appointment for second term of Independent Director due to his personal commitments.

<sup>3</sup>Appointed as Director w.e.f. June 16, 2020.

<sup>4</sup>Appointed as Additional Director w.e.f. November 07, 2020.

<sup>5</sup>Aforesaid directorships do not include directorship held in foreign companies and companies incorporated under Section 8 of the Companies Act, 2013.

None of the Directors is a Director in more than 20 companies or more than 10 public limited companies or acts as an independent director in more than 7 listed companies. Further, none of the directors is a member of more than 10 committees or is a Chairperson/ Chairman of more than 5 committees. Only Audit Committee and Stakeholders' Relationship Committee were considered for reckoning the limit of membership/ chairmanship of the committees.

**Names of listed entities (other than NRB Industrial Bearings Limited) where the person is a director and category of directorship:**

Sr. No.	Name of the Director	Name of the listed Company	Category of Directorship
1.	Mr. Devesh Singh Sahney	NRB Bearings Limited	Non-Executive - Non Independent Director
2.	Mrs. Aarti Devesh Sahney	-	-
3.	Mr. Nikhilesh Panchal	-	-
4.	<sup>1</sup> Mr. Ashish Chhugani	-	-
5.	<sup>2</sup> Mr. Samrat Zaveri	-	-

<sup>1</sup> Appointed as Director w.e.f. June 16, 2020.

<sup>2</sup> Appointed as Additional Director w.e.f. November 07, 2020.

#### 1.4. Meetings of the Board of Directors:

6 (Six) Board Meetings were held during the financial year 2020-21 on May 2, 2020, June 16, 2020, July 29, 2020, August 7, 2020, November 7, 2020 and February 4, 2021 and the gap between two consecutive board meetings did not exceed one hundred and twenty days.

#### 1.5. Disclosures regarding the appointment or re-appointment of Directors:

During the year under review, based on the recommendation of the Nomination and Remuneration Committee ('NRC'), the Board:

- a) Appointed Mr. Ashish Chhugani (DIN: 00009654) as an Independent Director of the Company, not liable to retire by rotation, for a second term of five years with effect from August 4, 2020 up to August 3, 2025.
- b) Appointed Mr. Samrat Zaveri (DIN: 00374104) as an Additional Director of the Company, not liable to retire by rotation, till the date of ensuing Annual General Meeting with effect from November 7, 2020.

In terms of relevant provisions of the Companies Act, 2013, as amended, Mrs. Aarti Devesh Sahney (DIN: 08579914) is liable to retire by rotation at the ensuing Annual General Meeting ('AGM') and being eligible, seeks re-appointment.

Based on the recommendation of the Nomination and Remuneration Committee ('NRC'), the Board proposes to re-appoint Mr. Samrat Zaveri (DIN: 00374104) as an Independent Director of the Company, not liable to retire by rotation, for a term of five years with effect from November 7, 2020 up to November 6, 2025.

The Board recommends the above appointment/re-appointments for approval of the Shareholders at the ensuing AGM. The detailed profiles of the above Directors including particulars of their experience, skills or attributes are provided in the Notice convening the AGM.

#### 1.6. Familiarization program:

As required by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the provisions of the Companies Act, 2013, the Board has framed a Familiarization Program for the Independent Directors of the Company in order to update them with the nature of industry in which the Company operates and business model of the Company in order to familiarize them with their roles, rights, responsibilities, etc. The details of the abovementioned Familiarization Program is uploaded on the website of the Company [www.nrbindustrialbearings.com](http://www.nrbindustrialbearings.com).

Each newly appointed Independent Director is taken through a formal induction program including the presentation from the Managing Director and Chief financial officer of Company's Manufacturing, Marketing, Finance and other important aspects and structures of the Company and it's functioning.

#### 1.7. List of core skills, expertise, competencies required by the Board:

The Board has identified and approved the matrix setting out the list, as mentioned below, of core skills, expertise and competencies to be possessed by the Board members in general and in particular, in the context of the Company's business in order to provide guidance for the effective functioning of the Company.

Sr. No.	List of skills/ expertise/ competence	Availability of the core skills/ expertise/ competence as on March 31, 2021
1.	Knowledge of the Bearing Industry	✓
2.	Sales and Marketing Functions	✓
3.	Business Strategy Function	✓
4.	Planning and Sourcing	✓
5.	Risk Management	✓
6.	Finance, Accounting and Costing	✓
7.	Legal and Regulatory compliance	✓
8.	Corporate Governance	✓
9.	Human Resource Management	✓
10.	Risk Mitigation Planning and Management	✓

As on March 31, 2021, all the Directors of the Company are having the aforesaid requisite core skills, expertise and competences.

### **1.8. Performance Evaluation:**

Regulation 17 of Listing Regulations read with Schedule IV and other applicable provisions of the Companies Act, 2013, mandates a formal evaluation to be done by the Board of its own performance and that of its Committees and individual Directors. Independent Directors shall also evaluate the performance of non-independent Directors and the Chairperson of the Board.

The Board carried out annual performance evaluation of the Board of Directors, its Committees and Individual Directors. The performance of the Board was shared with Board members and suggestions were evaluated in detail. Further the reports on performance evaluation of the Individual Directors were reviewed by the Chairman of the Board and based on the evaluation necessary changes in processes and policies were suggested for having an effective Board.

Further, the evaluation of the Independent Directors was carried out by the entire Board, excluding the director being evaluated. The Directors were satisfied with the evaluation results which reflect the overall engagement of the Board and its Committees.

### **1.9. Separate Meeting of Independent Directors:**

A separate meeting of the Independent Directors of the Company was held on February 04, 2021 as per Schedule IV of the Act and Regulation 25 of the Listing Regulations, to review the performance of all Non-Independent Directors, the Board as a whole and the performance of the Chairperson of the Company taking into account the views of other executive and nonexecutive directors. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and its Committees towards effective and reasonable performance and discharge of their duties. All the Independent Directors have participated in the Meeting.

## **2 Audit Committee:**

The Audit Committee acts as a link between the statutory auditors, internal auditors and the Board of Directors. Its purpose, amongst others, is to assist the Board in fulfilling its oversight responsibilities of monitoring financial reporting processes, reviewing the Company's established systems and processes for internal financial controls, governance and reviewing the Company's statutory, internal audit activities and related party transactions.

### **2.1. Composition, Meetings and Attendance:**

During the year under review, there was re-constitution of Audit Committee. The Audit Committee comprised of Mr. Ashish Chhugani (Chairman), Mr. Devesh Singh Sahney, Mr. Nikhilesh Panchal and Mr. Samrat Zaveri as members. Mr. Ashish Chhugani was present at the Annual General Meeting held on August 04, 2020.

During the financial year 2020-21, the Audit Committee met 4 (four) times on June 16, 2020, August 07, 2020, November 07, 2020 and February 04, 2021. The gap between two consecutive meetings did not exceed 120 (one hundred and twenty) days.

The attendance details are given below:

<b>Name of the Directors</b>	<b>Category</b>	<b>Designation</b>	<b>No. of meetings attended</b>
<sup>1</sup> Mr. Manish Choksi	Non-Executive Independent Director	Chairman	1 out of 4
<sup>3</sup> Mr. Ashish Chhugani	Non-Executive Independent Director	Chairman	3 out of 4
Mr. Devesh Singh Sahney	Executive Director	Member	4 out of 4
<sup>2</sup> Mr. Gaurav Motwane	Non-Executive Independent Director	Member	0 out of 4
Mr. Nikhilesh Panchal	Non-Executive Independent Director	Member	4 out of 4
<sup>4</sup> Mr. Samrat Zaveri	Non-Executive Independent Director	Member	1 out of 4

<sup>1</sup> Ceased to be a director of the Company upon his resignation w.e.f. June 16, 2020.

<sup>2</sup> Ceased to be a director of the Company w.e.f. July 06, 2020 upon expressing his intention to not to seek re-appointment for second term of Independent Director due to his personal commitments.

<sup>3</sup> Appointed as Director w.e.f. June 16, 2020.

<sup>4</sup> Appointed as Additional Director w.e.f. November 07, 2020.

**2.2. Terms of Reference:**

The terms of reference of the Committee are wide enough to cover the matters specified for Audit Committee under Part C of Schedule II with reference to Regulation 18 of the Listing Regulations as well as under Section 177 of the Companies Act, 2013. The terms of reference of the Committee are as follows:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - 4.1. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
  - 4.2. Changes, if any, in accounting policies and practices and reasons for the same
  - 4.3. Major accounting entries involving estimates based on the exercise of judgment by management
  - 4.4. Significant adjustments made in the financial statements arising out of audit findings
  - 4.5. Compliance with listing and other legal requirements relating to financial statements
  - 4.6. Disclosure of any related party transactions
  - 4.7. modified opinion(s) in the draft audit Report;
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (In case of non-payment of declared dividends) and creditors;

- 18. To review the functioning of Vigil mechanism / Whistle Blower mechanism, in case the same is existing;
- 19. approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
- 20. reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 Crores or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision;
- 21. Carrying out any other function as may be assigned to it by the board of director from time to time.

### **3. Nomination and Remuneration Committee:**

In compliance with Section 178 of the Act, the Board has constituted the Nomination and Remuneration Committee.

#### **3.1. Composition, Meeting and Attendance:**

During the year under review, there was re-constitution of Nomination and Remuneration Committee. The Nomination and Remuneration Committee (NRC) comprised of Mr. Nikhilesh Panchal (Chairman), Mr. Ashish Chhugani and Mr. Samrat Zaveri as members. Mr. Nikhilesh Panchal was present at the Annual General Meeting held on August 4, 2020.

The Committee met 3 (three) times during the year on June 16, 2020, November 07, 2020 and February 04, 2021 and the attendance details are given below:

Name of the Directors	Category	Designation	No. of meetings attended
<sup>1</sup> Mr. Gaurav Motwane	Non-Executive Independent Director	Chairman	0 out of 3
Mr. Nikhilesh Panchal	Non-Executive Independent Director	Chairman	3 out of 3
<sup>2</sup> Mr. Manish Choksi	Non-Executive Independent Director	Member	1 out of 3
<sup>3</sup> Mr. Ashish Chhugani	Non-Executive Independent Director	Member	2 out of 3
<sup>4</sup> Mr. Samrat Zaveri	Non-Executive Independent Director	Member	1 out of 3

<sup>1</sup> Ceased to be a director of the Company upon his resignation w.e.f. June 16, 2020.

<sup>2</sup> Ceased to be a director of the Company w.e.f. July 06, 2020 upon expressing his intention to not to seek re-appointment for second term of Independent Director due to his personal commitments.

<sup>3</sup> Appointed as Director w.e.f. June 16, 2020.

<sup>4</sup> Appointed as Additional Director w.e.f. November 07, 2020.

#### **3.2. Terms of Reference of the Composition:**

The terms of reference of the NRC stated below are wide enough to cover the matters specified in Listing Regulations and Section 177 of the Act.

- i. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- ii. Formulation of criteria for evaluation of performance of independent directors and the board of directors;
- iii. Devising a policy on diversity of board of directors;
- iv. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
- v. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- vi. Recommend to the Board the appointment of all Directors, Key Managerial Personnel and Senior Management Personnel of the Company.

- vii. Recommend to the Board, all remuneration, in whatever form, payable to Senior management.
- viii. To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.

### **3.3. Policy for selection of Non-Executive Directors/Independent Directors and their remuneration:**

The Nomination and Remuneration (N&R) Committee has adopted a policy which, deals with the manner of selection of Board of Directors and Managing Directors and their remuneration. The selection of the Non-Executive Directors/Independent Directors is derived from the N&R Policy.

- The Non-Executive / Independent Director should not be disqualified under section 164 of Companies Act, 2013.
- He should possess immense integrity with relevant experience in the field of law, finance and manufacturing sector.
- N&R Committee ensures that the Director about to be appointed be independent in nature with respect to the affairs of the Company.
- The potential Director shouldn't himself / or through its relative should be associated with the Company through himself, relatives, body corporate, partnership firms or any association of individuals.

The detail policy on the appointment of person as director and evaluation of directors & senior management personnel of the Company is hosted on the website of the Company [www.nrbindustrialbearings.com](http://www.nrbindustrialbearings.com).

### **4. Remuneration of Directors:**

Company's Chairman and Managing Director, Mr. Devesh Singh Sahney has received Rs. 1,01,45,709 (Rupees One Crore One Lakh Forty Five Thousand Seven Hundred and Nine Only) as Managerial Remuneration according to the provisions of Section 197 of the Companies Act, 2013 for the Financial Year ended March 31, 2021.

Details of remuneration paid to other non-executive directors in the form of sitting fees during the financial year 2020-21 are given as under :

Sr. No	Particulars of Remuneration	Name of Directors					Total Amount
	<b>Independent Directors</b>	<sup>2</sup> Mr. Manish Choksi	<sup>1</sup> Mr. Gaurav Motwane	Mr. Nikhilesh Panchal	<sup>3</sup> Mr. Ashish Chhugani	<sup>4</sup> Mr. Samrat Zaveri	
	Fee for attending board / committee meetings	55,000	25,000	1,75,000	1,20,000	35,000	4,10,000
	Commission	0	0	0	0	0	0
	Others, please specify	0	0	0	0	0	0
	<b>Total</b>	<b>55,000</b>	<b>25,000</b>	<b>1,75,000</b>	<b>1,20,000</b>	<b>35,000</b>	<b>4,10,000</b>
	<b>Other Non-Executive Directors</b>	<b>Mrs. Aarti Devesh Sahney</b>					
	Fee for attending board / committee meetings	90,000					90,000
	Commission	0					0
	Others, please specify	0					0
	<b>Total</b>	<b>90,000</b>					<b>90,000</b>

<sup>1</sup> Ceased to be a director of the Company upon his resignation w.e.f. June 16, 2020.

<sup>2</sup> Ceased to be a director of the Company w.e.f. July 06, 2020 upon expressing his intention to not to seek re-appointment for second term of Independent Director due to his personal commitments.

<sup>3</sup> Appointed as Director w.e.f. June 16, 2020.

<sup>4</sup> Appointed as Additional Director w.e.f. November 07, 2020.

## 5. Stakeholders' Relationship Committee:

In compliance with the provisions of Section 178 of the Act and Listing Regulations, the Board has constituted the Stakeholders' Relationship Committee.

### 5.1. Composition, Meeting and Attendance:

During the year under review, there was re-constitution of Stakeholders' Relationship Committee. The Stakeholders' Relationship Committee comprised of Mr. Samrat Zaveri (Chairman), Mr. Nikhilesh Panchal and Mr. Ashish Chhugani as members.

During the year under review, the Stakeholders' Relationship Committee met 03 (three) times on June 16, 2020, August 7, 2020, November 7, 2020.

Name of the Directors	Category	Designation	No. of meetings attended
<sup>1</sup> Mr. Gaurav Motwane	Non-Executive Independent Director	Chairman	0 out of 3
<sup>4</sup> Mr. Samrat Zaveri	Non-Executive Independent Director	Chairman	0 out of 3
<sup>2</sup> Mr. Manish Choksi	Non-Executive Independent Director	Member	1 out of 3
Mr. Nikhilesh Panchal	Non-Executive Independent Director	Member	3 out of 3
<sup>3</sup> Mr. Ashish Chhugani	Non-Executive Independent Director	Member	2 out of 3

<sup>1</sup> Ceased to be a director of the Company upon his resignation w.e.f. June 16, 2020.

<sup>2</sup> Ceased to be a director of the Company w.e.f. July 06, 2020 upon expressing his intention to not to seek re-appointment for second term of Independent Director due to his personal commitments.

<sup>3</sup> Appointed as Director w.e.f. June 16, 2020.

<sup>4</sup> Appointed as Additional Director w.e.f. November 07, 2020.

### 5.2. Terms of Reference:

The terms of reference of the Committee are:

- i. To consider and resolve the grievance of all the security holders related to transfer/ transmission of shares, no receipts of annual reports and non-receipts of declared dividends, issue of new duplicate certificates, general meetings etc.;
- ii. To review the measures taken for effective exercise of voting rights by shareholders.
- iii. To review the adherence to service standards adopted by the company in respect of various services being rendered by the Share Transfer Agent.
- iv. To review various measures and initiatives undertaken by the company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.
- v. To review and act upon such other grievances as the Board of Directors delegate to the Committee from time to time.

### 5.3. Compliance Officer:

Name and Designation of the Compliance Officer	Mrs. Sushama Kadam - Company Secretary
Address	15, Dhannur, Sir P. M. Road, Fort, Mumbai - 400001
Telephone Number	022-61207500
E-mail	<a href="mailto:investorcare@nibl.in">investorcare@nibl.in</a>

#### 5.4. Details of Shareholders' Complaints

Details of investor complaints received and resolved during the year ended March 31, 2021 are as follows:

Complaints Pending as on 01/04/2020	Complaints Received during the year	Complaints Resolved during the year	Complaints Pending as on 31/03/2021
Nil	Nil	Nil	Nil

#### 6. General Body Meetings and Postal Ballot:

##### 6.1. Location and time, where Annual General Meeting (AGM) for the last 3 years were held:

Financial Year	AGM	Date	Time	Venue
2019-20	9th	August 4, 2020	2.00 PM	Video conferencing
2018-19	8th	August 14, 2019	11.00 AM	M. C. Ghia Hall, K. Dubash Marg, Mumbai 400 001
2017-18	7th	August 2, 2018	11.00 AM	M. C. Ghia Hall, K. Dubash Marg, Mumbai 400 001

##### 6.2. Special Resolution passed in the previous three Annual General Meetings (AGM):

AGM	Date of AGM	Special Resolution
9th	August 4, 2020	Resolution No. 4: APPOINTMENT OF MR. ASHISH CHHUGANI (DIN: 00009654) AS AN INDEPENDENT DIRECTOR FOR A SECOND TERM OF FIVE YEARS.
8th	August 14, 2019	None
7th	August 2, 2018	None

##### 6.3. Postal Ballot:

During the year under review, the Company has passed following one Ordinary Resolution by way of postal ballot:

- i. To approve Related Party Transaction.

##### 6.4. Postal Ballot details of voting pattern:

Sr. No.	Resolutions	Type of Resolution	Votes in favour (in No.)	Votes in favour (in %)	Votes casted against (In No.)	Votes casted against (in %)
i.	To approve Related Party Transaction	Ordinary	1,47,105	96.19	5,832	3.81

##### 6.5. Procedure of Postal Ballot:

The postal ballot was carried out as per the provisions of Sections 110 and other applicable provisions of the Companies Act, 2013 read with the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- i. The Company had appointed Mr. Sanjog Naravankar, (Membership No. A37746) proprietor of M/s. SVN & Associates, Practicing Company Secretary, as the scrutinizer to conduct the postal ballot voting process in a fair and transparent manner.
- ii. The Company had appointed Central Depository Services (India) Limited (CDSL) as the Service Provider, for the facility of electronic voting to the shareholders of the company.
- iii. The Company has completed the dispatch of notice of postal ballot along with ballot form electronically on August 18, 2020 to its members whose names appeared on Register of Members/ List of Beneficiaries as at the close of business hours on August 13, 2020.
- iv. The voting period for postal ballot began on August 19, 2020 and concluded on September 17, 2020.
- v. The scrutinizer declared the voting result of postal ballot on September 18, 2020.
- vi. The detail voting results of the postal ballot is available on the website of the Company at [www.nrbindustrialbearings.com](http://www.nrbindustrialbearings.com).

#### **6.6. Details of special resolution proposed to be conducted through postal ballot:**

The businesses proposed to be transacted at the ensuing AGM does not require passing of a special resolution through postal ballot.

#### **7. Means of Communication:**

The quarterly and annual results are generally published in English newspaper in Financial Express and in Marathi newspaper in Mumbai Lakshadeep respectively and are simultaneously posted on the Company's website at [www.nrbindustrialbearings.com](http://www.nrbindustrialbearings.com) and are also sent to the BSE Limited and National Stock Exchange of India Limited. The Annual Report of the Company is also available on the website of the Company in a user friendly and downloadable form.

No presentations were made to the institutional investors and to the analysts during the FY 2020-21.

#### **8. General Shareholder Information:**

##### **8.1. 10th Annual General Meeting:**

Date	Time	Venue
August 21, 2021	2.00 PM	Through Video Conferencing

##### **8.2. Financial Calendar:**

Financial Year : April 1 to March 31

Adoption of Quarterly Results :

For the quarter ended		
June 30, 2021	:	On or before August 14, 2021
September 30, 2021	:	On or before November 14, 2021
December 31, 2021	:	On or before February 14, 2021
March 31, 2021	:	On or before May 30, 2022

**8.3. Book closure dates:** The Register of Members and Share Transfer Book shall remain close from Sunday, August 15, 2021 to Saturday, August 21, 2021 (both days inclusive).

##### **8.4. Listing of Equity Shares on Stock Exchanges and Stock Codes:**

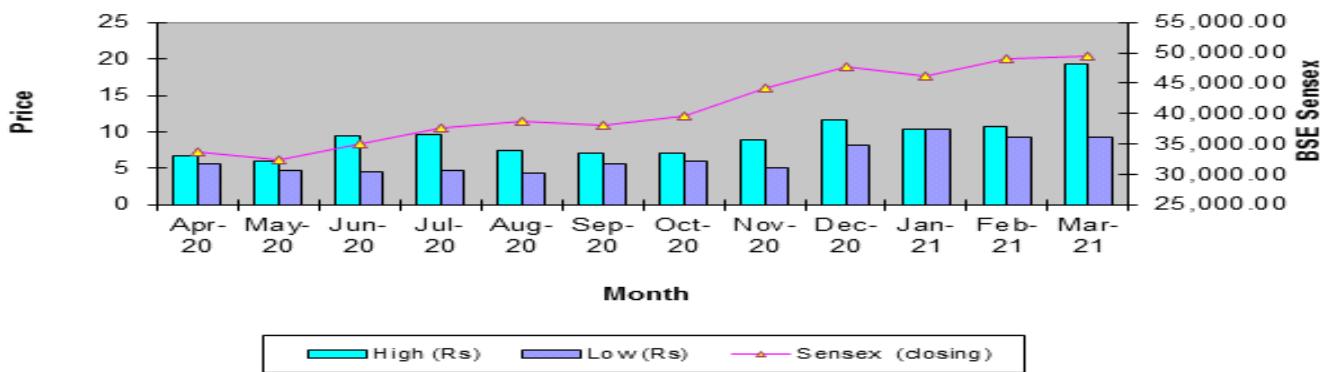
Name and address of the Stock Exchanges	Stock Code/ID
BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai Samachar Marg, Mumbai, Maharashtra – 400001	535458
National Stock Exchange of India Limited Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra East, Mumbai, Maharashtra 400051	NIBL
ISIN	INE047O01014

The Company has paid Annual Listing fees to the Stock Exchanges for the year 2021-22.

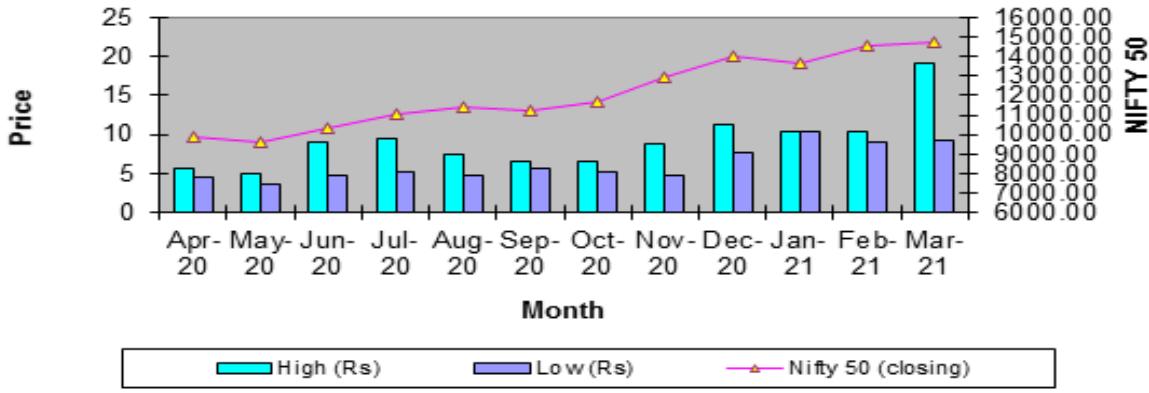
#### 8.5. Stock Market Data and their Performance v/s S&P BSE Sensex and Nifty 50

Month	BSE Limited			Month	National Stock Exchange of India Limited		
	High (Rs)	Low (Rs)	Sensex		High (Rs)	Low (Rs)	Nifty 50
			(Closing)				(Closing)
Apr-20	6.75	5.69	33717.62	Apr-20	5.65	4.55	9859.90
May-20	5.94	4.62	32424.10	May-20	5.00	3.65	9580.30
Jun-20	9.49	4.48	34915.80	Jun-20	9.05	4.75	10302.10
Jul-20	9.60	4.70	37606.89	Jul-20	9.50	5.30	11073.45
Aug-20	7.44	4.35	38628.29	Aug-20	7.40	4.80	11387.50
Sep-20	7.00	5.53	38067.93	Sep-20	6.70	5.70	11247.55
Oct-20	7.15	6.00	39614.07	Oct-20	6.65	5.20	11642.40
Nov-20	8.91	5.15	44149.72	Nov-20	8.75	4.80	12968.95
Dec-20	11.70	8.23	47751.33	Dec-20	11.35	7.80	13981.75
Jan-21	10.32	10.31	46285.77	Jan-21	10.35	10.35	13634.60
Feb-21	10.65	9.31	49099.99	Feb-21	10.50	9.05	14529.15
Mar-21	19.33	9.25	49509.15	Mar-21	19.05	9.25	14690.70

**Price v/s BSE Sensex**



**Price v/s Nifty 50**



**8.6. Distribution of shareholding as on March 31, 2021:**

Slab of Shareholding	No. of Shareholders	No. of Shares	% of Shares
1 to 500	6381	773202	3.19
501 to 1000	482	399783	1.65
1001 to 2000	293	456761	1.89
2001 to 3000	107	282131	1.16
3001 to 4000	43	150489	0.62
4001 to 5000	35	165778	0.68
5001 to 10000	74	509521	2.10
10001 and above	95	21492985	88.70
<b>Total</b>	<b>7510</b>	<b>24230650</b>	<b>100.00</b>

**8.7. Shareholding Pattern as on March 31, 2021:**

Category	No. of Shares Held	Percentage
<b>Promoter &amp; Promoters Group</b>		
Individuals	84,75,328	34.98
Trust	94,38,910	38.95
<b>Institutions</b>		
Mutual Funds	1,750	0.01
<b>Non-Institutions</b>		
Individuals	52,34,036	21.61
Others	10,80,626	4.45
<b>Total</b>	<b>2,42,30,650</b>	<b>100.00</b>

**8.8. Registrar Transfer Agent (RTA)**

Universal Capital Securities Private Limited, Registrar Transfer Agent of the Company has been appointed as one point agency for dealing with shareholders. Shareholders' correspondence should be addressed to the Company's Registrar Transfer Agent at the address mentioned below:

C 101, 247 Park, LBS Road, Vikhroli West, Mumbai – 400083.

Tel.: +91 22 28207203-05, 49186178-79

**8.9. Shares Transfer System:**

99.57% of the equity shares of the Company are in electronic form. Transfers of these shares are done through depositories with no involvement of the Company. As regards transfer of shares held in physical form the transfer documents could be lodged with Universal Capital Securities Private Limited, C 101, 247 Park, LBS Road, Vikhroli West, Mumbai -400 083, Tel.: +91 22 28207203-05, 49186178-79, Fax: +91 22 28207207

The transfer of shares in physical form is processed and completed by Registrar & Transfer Agent within a period of seven days from the date of receipt thereof provided all the documents are in order. In case of shares in electronic form, the transfers are processed by NSDL/CDSL through respective Depository Participants. In compliance with the Listing Regulations, a Practicing Company Secretary carries out audit of the System of Transfer and a certificate to that effect is issued.

**8.10. Dematerialization of shares and liquidity:**

As on March 31, 2021, 2,41,26,671 Equity Shares representing 99.57% of the Company's paid-up Equity Share Capital have been dematerialized. Trading in Equity Shares of the Company on Stock Exchanges is permitted only in dematerialized form as per notification issued by SEBI. Shareholders seeking demat/ remat of their shares need to approach their Depository Participants (DP) with whom they maintain a demat account. The DP will generate an electronic request and

will send the physical share certificates to the Share Transfer Agent of the Company. Upon receipt of the request and share certificates, the Share Transfer Agent will verify the same. Upon verification, the Share Transfer Agent will request National Securities Depository Limited (NSDL) / Central Depository Services (India) Limited (CDSL) to confirm the demat request. The demat account of the respective shareholder will be credited with equivalent number of shares. In case of rejection of the request, the same shall be communicated to the shareholder.

In respect of remat, upon receipt of the request from the shareholder, the DP generates a request and verification of the same is done by the Share Transfer Agent. The Share Transfer Agent then requests NSDL and CDSL to confirm the same.

Approval of the Company is sought and equivalent number of shares are issued in physical form to the shareholder. The share certificates are dispatched within one month from the date of issue of shares.

**8.11. There are no outstanding Global Depository Receipts or American Depository Receipts or warrants or any convertible instruments issued by the Company.**

**8.12. Commodity Price Risk, Foreign Exchange Risk and Hedging activities:**

During the year 2020-21, the Company had managed the foreign exchange risk and hedged to the extent considered necessary. The details of foreign currency exposure are disclosed in Notes to the Annual Accounts.

**8.13. Plant Location:**

B-18, Five Star, MIDC Area, D-Zone, Shendra, Aurangabad – 431154.

**8.14. Address for Correspondence:**

Mrs. Sushama Kadam (Company Secretary & Compliance Officer)  
NRB Industrial Bearings Limited  
2nd Floor Dhannur building, 15 Sir P. M. Road, Mumbai 400 001  
Email ID - [investorcare@nibl.in](mailto:investorcare@nibl.in).

**9. Disclosures:**

**9.1. Materially significant related party transactions**

The transactions between the Company and the Directors and Companies in which the directors are interested are disclosed in the Notes to the Financial Statement in the Annual Report in compliance with the Accounting Standard relating to "Related Party Disclosures". There is no materially significant Related Party Transaction that may have potential conflict with the interest of the Company at large. As per Regulation 23 of Listing Regulations, the Company has formulated a policy on Related Party Transactions and it is uploaded on the website of the Company at [www.nrbindustrialbearings.com](http://www.nrbindustrialbearings.com).

**9.2. Details of non – compliance, penalties, strictures imposed by the Stock Exchanges or Securities and Exchange Board of India**

There were no instances of non-compliance by the Company, nor have any penalties or strictures been imposed by the Securities and Exchange Board of India or any other statutory authority during the last three years on any matter related to the capital markets.

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

The Company has adopted a Vigil Mechanism/ Whistle Blower Policy for Directors and employees to report genuine concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct and to provide for adequate safeguards against victimization of persons who may use such mechanism. The said policy is hosted on the website of the Company [www.nrbindustrialbearings.com](http://www.nrbindustrialbearings.com). The mechanism provides for addressing the complaints to Audit Committee and direct access to the Chairperson of the Audit Committee in exceptional circumstances. Further no personnel have been denied access to the Chairman of the Audit Committee.

**9.4. Details of Compliance with mandatory requirements and adoption of the non - mandatory requirements**

As per the Regulation 15 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the corporate governance provisions mentioned in regulations 17, 17A, 18, 19, 20, 21, 22, 23, 24, 24A, 25, 26, 27 and clauses (b) to (i)

of sub-regulation (2) of regulation 46 and para C , D and E of Schedule V para C of Schedule V are not applicable to the Company based on the paid up equity share capital and net worth criteria of the Company. However the Company is complying with most of the Corporate Governance requirements on voluntary basis as a good secretarial practice and to create long term shareholder's value and enhances interest of other stakeholders. In addition to the above the Company has complied with the following on-mandatory requirements:

- i. Since the Financial Results are published in newspapers having wide circulation and simultaneously also uploaded on the website of the Company and Stock Exchanges, only the Annual Reports are sent to all the Stakeholders.
- ii. The Statutory Auditor have expressed unmodified opinion of the Standalone and Consolidated Financial Statements.
- iii. The Internal Auditor reports directly to the Audit Committee.

#### **9.5. Subsidiary Company**

The Company does not have any subsidiary company. However, a policy on material subsidiaries has been formulated by the Company and posted on the website of the Company at [www.nrbindustrialbearings.com](http://www.nrbindustrialbearings.com).

#### **9.6. Details of utilization of funds raised through preferential allotment or qualified institutions placement**

The Company did not raise any funds through preferential allotment or qualified institutions placement during the Financial Year 2020-21.

#### **9.7. Certificate on non-disqualification of Directors**

As per the Regulation 15 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the corporate governance provisions mentioned in para C of Schedule V which refers for requirement of Certificate on non-disqualification of Directors is not applicable to the Company based on the paid up equity share capital and net worth criteria of the Company.

#### **9.8. Total fees paid to statutory auditor for all services rendered on consolidated basis by listed entity and its subsidiaries**

Total fees paid to Deloitte Haskins & Sells LLP

<b>Sr. No.</b>	<b>Particulars</b>	<b>Fees (in lakhs)</b>
1.	Statutory Audit, LR Report and Audit of Consolidated Financials	26.50
2.	Tax Audit	5.50
3.	Out of Pocket Expenses	0.77
	<b>Total</b>	<b>32.77</b>

#### **9.9. Disclosure in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

<b>Number of Complaints filed during the year 2020-21</b>	<b>Number of Complaints disposed-off during year</b>	<b>Number of Complaints Pending as on March 31, 2021</b>
NIL	NIL	NIL

#### **10. Non - Compliance of any requirement of Corporate Governance Report**

Except from obtaining certificate from practicing company secretary on non-disqualification of directors as referred under point no. 9.7 above, the Company is in compliance with all the requirements of Corporate Governance Report on voluntary basis.

#### **11. Compliance with Corporate Governance aspect under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015**

As per the Regulation 15 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the corporate governance provisions mentioned in regulations 17, 17A, 18, 19, 20, 21, 22, 23, 24, 24A, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C , D and E of Schedule V para C of Schedule V are not applicable to the Company based on the paid up equity share capital and net worth criteria of the Company. However the Company

has incorporated the Corporate Governance Report in its Annual Report as a good secretarial practice and to create long term shareholder's value and enhances interest of other stakeholders. NRB Industrial Bearings Limited believes that good governance generates goodwill among business partners, customers and investors and earns respect from society at large.

**12. Disclosures with respect to suspense account/ unclaimed suspense account:**

Sr. No.	Particulars	Status
a)	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year i.e. as on April 1, 2020.	Nil
b)	Number of shareholders who approached issuer for transfer of shares from suspense account during the year 2020-2021	Nil

**By order of the Board  
For NRB Industrial Bearings Limited**

**Devesh Singh Sahney  
Chairman and Managing Director  
(DIN:00003956)**

**Place: Mumbai**

**Date : June 12, 2021**

**13. Declaration regarding Compliance by Board Members and Senior Management Personnel with the Companies Code of Conduct.**

I, Devesh Singh Sahney, Chairman and Managing Director of NRB Industrial Bearings Limited, hereby declare that all the members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct of Board of Directors and Senior Management, for the year ended March 31, 2021.

**Devesh Singh Sahney  
(DIN: 00003956)  
Chairman and Managing Director**

**Place: Mumbai**

**Date : June 12, 2021**

**MD / CFO CERTIFICATION**

We the undersigned, in our respective capacity as the Managing Director and Chief Financial Officer of NRB Industrial Bearings Limited ("the Company") hereby certify to the Board of Directors that:

- a) We have reviewed financial statements and the cash flow statement for the financial year ended March 31, 2021 and that to the best of our knowledge and belief, we state that:
  - i. These statements do not contain any materially untrue statements or omit any material fact or contain any 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 existing accounting standards, applicable laws and regulations.
- b. We further state that 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 in violation of the Company's Code of Conduct.
- c. We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting of the Company and have disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or proposed to take to rectify these deficiencies.
- d. We have indicated to the Auditors and the Audit Committee:
  - i. Significant changes, if any, in internal control over financial reporting during the year;
  - 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. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over the financial reporting.

**For NRB Industrial Bearings Limited**

**Gulestan Kolah  
Chief Financial Officer**

**Devesh Singh Sahney  
Chairman and Managing Director**

**Place: Mumbai**  
**Date : June 12, 2021**

**PRACTICING COMPANY SECRETARIES CERTIFICATE TO THE MEMBERS OF  
NRB INDUSTRIAL BEARINGS LIMITED ON COMPLIANCE OF THE CONDITION OF  
CORPORATE GOVERNANCE FOR THE YEAR ENDED 31ST MARCH, 2021**

**To**

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

1. We have examined the compliance of conditions of corporate governance by NRB INDUSTRIAL BEARINGS LTD ('the Company') for the year ended 31st March 2021, as per Listing Agreement executed by the Company with the BSE Limited ('BSE') and the National Stock Exchange of India Limited ('NSE') for the period from 1st April 2020 to 31st March, 2021 as prescribed in regulations 17 to 27, 46 (2) (b) to (i) and para C, D and E of Schedule V of Chapter IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR").
2. We state that the compliance of conditions of Corporate Governance is the responsibility of the management, and our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance.
3. 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 LODR.
4. 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.
5. This certificate is issued solely for the purposes of complying with the aforesaid Regulations and may not be suitable for any other purpose.

**For AJS and ASSOCIATES**

**(A.J. SHARMA)**  
**Proprietor**  
**FCS. no.: 9832**  
**COP No.: 12028**  
**UDIN : F009832C000569908**

**Date : June 12, 2021**  
**Place: Mumbai**

## INDEPENDENT AUDITOR'S REPORT

**To The Members of NRB INDUSTRIAL BEARINGS LIMITED**

**Report on the Audit of the Standalone Financial Statements**

### **Opinion**

We have audited the accompanying standalone financial statements of **NRB INDUSTRIAL BEARINGS LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### **Basis for Opinion**

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

### **Key Audit Matters**

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

<b>Sr. No.</b>	<b>Key Audit Matter</b>	<b>Auditor's Response</b>
1	<p>Inventory - Provision for slow and non-moving inventory of finished goods.</p> <p>The Company is in the business of manufacturing of industrial bearings.</p> <p>Determination of saleability of slow moving and non-moving Finished Goods inventory involves significant management judgment and estimate.</p> <p>The Company has certain non-moving finished goods inventory as at 31 March 2021 lying at factory. This inventory is physically verified quarterly by the Company. Management applies judgment in determining the appropriate provisions for such slow and non-moving finished goods inventory based upon its detailed analysis of old inventory, net realizable value, quarterly movement of such inventory, its physical condition, future</p>	<ol style="list-style-type: none"> <li>1. We have evaluated the design and tested the implementation of internal controls including operating effectiveness of such internal controls on the management's judgements exercised for provisions made and underlying data, assumption used and record maintained for determination of saleability of slow moving and non-moving finished goods.</li> <li>2. We have evaluated the design and tested the implementation and operating effectiveness of review controls on the reasonableness of sales projections for the slow moving Finished Goods inventory.</li> <li>3. We have performed audit procedures directly on the information (such as inventory ageing report amongst others) which is being relied upon by the management. This includes agreeing summary information to underlying data and tracing a selection of information</li> </ol>

Sr. No.	Key Audit Matter	Auditor's Response
	<p>use and sales projections for the said inventory. Accordingly determining the saleability of such slow / non-moving inventory and consequently, the amount of provision required for such inventory requires the Company to make significant judgment and estimates and therefore has been considered as a key audit matter.</p> <p>Refer to Note 2(f) and 11 of the standalone financial statements for the above matter.</p>	<p>from the entity's underlying data into the information as well as identifying and obtaining audit evidence to support the key assumptions underlying the estimate.</p> <p>4. We have observed physical verification of inventory conducted by the Company during the year and on a test check basis, verified the samples of provisions made with basis, assumptions, approval and supporting documents used by the management.</p>

#### **Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report including annexures to the Director's Report, Management's Discussion and Analysis Report and Corporate Governance Report but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

#### **Auditor's Responsibility for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

1. As required by Section 143(3) of the Act, based on our audit, we report, to the extent applicable that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - 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 including Other Comprehensive Income, the Statement of

Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

- d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
- e. On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company does not have any pending litigations which would impact its financial position.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For Deloitte Haskins & Sells**  
Chartered Accountants  
(Firm's Registration No. 116365W)

**Kedar Raje**  
Partner  
(Membership No. 102637)  
(UDIN: 21102637AAACR3337)

Place: Mumbai  
Date: June 12, 2021

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

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date to the members of NRB Industrial Bearings Limited on the standalone financial statements for the year ended March 31, 2021)

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

We have audited the internal financial controls over financial reporting of NRB Industrial Bearings Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

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

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

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

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

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

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

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

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected.

Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us referred to in the Other Matters paragraph below, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2021, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Deloitte Haskins & Sells**  
Chartered Accountants  
(Firm's Registration No. 116365W)

**Kedar Raje**  
Partner  
(Membership No. 102637)  
(UDIN: 21102637AAACR3337)

Place: Mumbai  
Date: June 12, 2021

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

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of NRB Industrial Bearings Limited on the standalone financial statements for the year ended 31 March 2021)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (b) The Company has a program of verification of property, plant and equipment to cover all the items once over a period of three years, which, in our opinion, is reasonable having regards to the size of the Company and the nature of its assets. In accordance with the programme, all the items of property, plant and equipment were physically verified during the year by the Management. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered title deed provided to us, we report that the title deed of the flat is held in the name of the company as at the balance sheet date.

In respect of immovable property of building constructed on leasehold land, disclosed as Property, Plant and Equipment in the financial statements, the lease agreement has been pledged as security for loans, based on the confirmation directly received by us from Lenders, the lease agreement is in the name of the Company where the company is lessee in the agreement.

- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) The Company has not granted any loans, secured or unsecured, to companies or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, made investments or provided guarantees and hence reporting under clause (iv) of the Order is not applicable.

- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, *prima facie*, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
  - (a) The Company has generally been regular in depositing other undisputed statutory dues, including Provident Fund, Employee's State Insurance, Income Tax, Goods and Services Tax, Custom duty, cess and other material statutory dues applicable to it to the appropriate authorities.
  - (b) There were no undisputed amounts payable in respect of Provident Fund, Income Tax, Goods and Services Tax, Custom duty, cess and other material statutory dues in arrears as at March 31, 2021 for a period of more than six months from the date they became payable.
  - (c) There are no dues of Income-tax, Goods and Services Tax and Customs Duty as on March 31, 2021 on account of disputes.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institution and banks. The Company has not issued any debentures.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). Further, the term loans have been applied by the Company during the year for the purposes for which they were raised.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid managerial remuneration for the year in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For Deloitte Haskins & Sells**  
 Chartered Accountants  
 (Firm's Registration No. 116365W)

**Kedar Raje**  
 Partner  
 (Membership No. 102637)  
 (UDIN: 21102637AAAACR3337)

Place: Mumbai  
 Date: June 12, 2021

**BALANCE SHEET AS ON MARCH 31, 2021**

(Rs. in lakhs)

Particulars		Notes	As at March 31, 2021	As at March 31, 2020
<b>A</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non-current assets</b>			
(a)	Property, plant and equipment	6	7,316.18	8,159.67
(b)	Right-of-use assets		708.77	716.96
(c)	Capital work-in-progress		264.72	279.03
(d)	Other Intangible assets		7.08	9.00
(e)	Financial assets	7		
(i)	Investments			
(ii)	Investments in associates	8	525.00	525.00
(iii)	Trade Receivables	12	149.00	144.11
(iv)	Other financial assets	9	-	-
(f)	Non-Current tax assets (Net)	14	38.15	25.84
(g)	Other non-current assets	10	46.66	46.75
<b>Total non - current assets</b>			<b>9,055.56</b>	<b>9,906.36</b>
<b>2</b>	<b>Current assets</b>			
(a)	Inventories	11	2,180.90	1,978.87
(b)	Financial Assets			
(i)	Trade receivables	12	1,500.60	712.54
(ii)	Cash and cash equivalents	13A	420.34	37.11
(iii)	Bank balances other than (ii) above	13B	5.45	5.45
(iv)	Loans		-	-
(v)	Other financial assets	9	7.95	7.26
(c)	Current tax assets (Net)	14	-	18.52
(d)	Other current assets	10	123.89	150.98
<b>Total current assets</b>			<b>4,239.13</b>	<b>2,910.73</b>
<b>Total assets (1+2)</b>			<b>13,294.69</b>	<b>12,817.09</b>
<b>B</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>Equity</b>			
(a)	Equity Share capital	15	484.61	484.61
(b)	Other Equity	16	85.54	(408.32)
<b>Total equity</b>			<b>570.15</b>	<b>76.29</b>
<b>Liabilities</b>				
<b>2</b>	<b>Non-current liabilities</b>			
(a)	Financial Liabilities			
(i)	Borrowings	17A	4,626.50	3,963.24
(ii)	Trade payables			
a)	Total outstanding dues of Micro Enterprises and Small Enterprises		-	-
b)	Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	18	86.93	83.83
(iii)	Other financial liabilities	19	-	-
(b)	Deferred tax liabilities (Net)	15A	-	-
(c)	Provisions	21	25.21	37.05
<b>Total non - current Liabilities</b>			<b>4,738.64</b>	<b>4,084.12</b>
<b>3</b>	<b>Current liabilities</b>			
(a)	Financial Liabilities			
(i)	Borrowings	17B	5,353.55	6,689.39
(ii)	Trade payables			
a)	Total outstanding dues of Micro Enterprises and Small Enterprises		-	-
b)	Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	18	2,102.28	1,558.71
(iii)	Other financial liabilities	19	250.57	161.65
(b)	Other current liabilities	20	232.83	140.65
(c)	Provisions	21	46.67	106.28
<b>Total current liabilities</b>			<b>7,985.90</b>	<b>8,656.68</b>
<b>Total liabilities (2+3)</b>			<b>12,724.54</b>	<b>12,740.80</b>
<b>Total equity and liabilities (1+2+3)</b>			<b>13,294.69</b>	<b>12,817.09</b>

See accompanying notes to the financial statements

In terms of our report attached.

For and on behalf of the Board of Directors

For Deloitte Haskins & Sells  
Chartered Accountants

D. S. Sahney  
Chairman and Managing Director

Kedar Raje  
Partner

Gulestan Kolah  
Chief Financial Officer

Sushama Kadamb  
Company Secretary

Place : Mumbai  
Date : June 12, 2021

Place : Mumbai  
Date : June 12, 2021

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021**

(Rs. in lakhs)

	Particulars	Notes	For the year ended March 31, 2021	For the year ended March 31, 2020
I	Revenue from operations	22	5,640.88	4,168.92
II	Other income	23	134.63	152.06
<b>III</b>	<b>Total Income (I + II)</b>		<b>5,775.51</b>	<b>4,320.98</b>
<b>IV</b>	<b>Expenses</b>			
	Cost of materials consumed	24	2,211.77	1,373.60
	Changes in inventories of finished goods and work-in-progress	26	122.87	33.54
	Employee benefits expense	27	1,329.44	1,622.44
	Finance costs	28	715.21	785.74
	Depreciation and amortisation expense	29	892.04	890.59
	Other expenses	30	1,370.60	1,505.59
	<b>Total expenses (IV)</b>		<b>6,641.93</b>	<b>6,211.50</b>
V	<b>Loss before tax and exceptional item (III - IV)</b>		<b>(866.42)</b>	<b>(1,890.52)</b>
VI	<b>Exceptional Item (Gain)</b>	37(v)	<b>1,288.45</b>	-
VII	<b>Profit / (Loss) before tax (V - VI)</b>		<b>422.03</b>	<b>(1,890.52)</b>
VIII	<b>Tax Expense</b>			
	(1) Current tax		-	-
	(2) Deferred tax		-	-
	<b>Total tax expense</b>		-	-
IX	<b>Profit / (Loss) for the year (V - VI)</b>		<b>422.03</b>	<b>(1,890.52)</b>
	<b>Other comprehensive income</b>			
A	(i) Items that will not be reclassified to profit or loss			
	(a) Remeasurements of the defined benefit plans		(71.83)	50.96
	(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
X	<b>Total other comprehensive income (A (i-ii))</b>		<b>(71.83)</b>	<b>50.96</b>
XI	<b>Total comprehensive income for the year (VII+VIII)</b>		<b>493.86</b>	<b>(1,941.48)</b>
XII	<b>Earnings per equity share</b>	31		
	(1) Basic (in Rs.)		1.74	(7.80)
	(2) Diluted (in Rs.)		1.74	(7.80)

See accompanying notes to the financial statements

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

For and on behalf of the Board of Directors

**D. S. Sahney**  
 Chairman and Managing Director

Kedar Raje  
 Partner

Place : Mumbai  
 Date : June 12, 2021

**Gulestan Kolah**  
 Chief Financial Officer

Place : Mumbai  
 Date : June 12, 2021

**Sushama Kadam**  
 Company Secretary

**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2021**

(Rs. in lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Cash flows from operating activities</b>		
Profit after tax	422.03	(1,890.52)
<b>Adjustments for:</b>		
Finance costs	715.21	785.74
Allowance for doubtful debts	16.34	14.84
Bad debts / advances written off	-	47.16
Depreciation and amortisation expense	892.04	890.59
(Gain)/Loss arising on Financial Liabilities / assets designated at FVTPL	-	17.34
Exceptional Item ( Gain)	(1,378.00)	-
Liability no longer payable required written back	(8.40)	(18.03)
Interest Income	(9.77)	(5.85)
Foreign exchange loss/ (gain) unrealised	(35.14)	(41.25)
Operating profit before working capital changes	614.31	(199.98)
<b>Movements in working capital:</b>		
(Increase)/ decrease in trade receivables	(776.60)	415.49
(Increase)/decrease in inventories	(202.02)	144.69
(Increase)/decrease in other current assets	27.09	198.30
(Increase)/decrease in non current assets	8.08	(28.70)
(Increase)/decrease in other financial assets	-	66.63
Increase/(decrease) in trade payables	557.51	(342.61)
Increase/(decrease) in provisions	0.38	0.99
Increase/(decrease) in other liabilities	110.27	25.52
Cash generated from operations	339.02	280.33
Income taxes paid	6.19	16.66
<b>Net cash generated by / (used in) operating activities</b>	<b>345.21</b>	<b>296.99</b>

**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2021**

(Rs. in lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment	(43.78)	(60.48)
Interest Income	9.08	10.91
<b>Net cash used in investing activities</b>	<b>(34.70)</b>	<b>(49.57)</b>
<b>Cash flows from financing activities</b>		
Issue of Redeemable Preference Shares	-	650.00
Proceed from non current borrowings	398.32	800.00
Repayment of non current borrowings	(182.96)	(2,433.64)
Proceeds/(repayment) from/of current borrowings	42.17	1,165.84
Share Issue expenses paid	-	(19.00)
Interest paid	(184.81)	(445.17)
<b>Net cash generated by / (used in) financing activities</b>	<b>72.72</b>	<b>(281.97)</b>
<b>Net increase in cash and cash equivalents</b>	<b>383.23</b>	<b>(34.55)</b>
Cash and cash equivalents at the beginning of the year	37.11	71.66
<b>Cash and cash equivalents at the end of the year</b>	<b>420.34</b>	<b>37.11</b>

**Note:**

- 1 The above statement of Cash Flow has been prepared under the "Indirect Method" set out in "Ind As 7 - Statement of Cash Flows".
- 2 The above excludes sublease of Flat for total consideration of Rs.1,378 Lakhs (Previous Year : Rs. NIL) by adjusting against Promoter director's loan, being non cash transaction.

**See accompanying notes to the financial statements**

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

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

**D. S. Sahney**  
**Chairman and Managing Director**

**Kedar Raje**  
**Partner**

**Place : Mumbai**  
**Date : June 12, 2021**

**Gulestan Kolah**  
**Chief Financial Officer**

**Place : Mumbai**  
**Date : June 12, 2021**

**Sushama Kadam**  
**Company Secretary**

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2021.

A) Equity Share Capital		(Rs. in lakhs)		
Particulars		As at March 31, 2021	As at March 31, 2020	
Balance as at the beginning of the year		484.61	484.61	
Changes in equity share capital during the year		-	-	
Balance as at the end of the year		<b>484.61</b>	<b>484.61</b>	

B) Other equity		(Rs. in lakhs)		
Particulars		Reserves and Surplus		Total
		Capital reserve	Deemed capital contribution	
<b>Balance at March 31, 2019</b>	<b>5,700.16</b>	<b>3,705.94</b>	<b>(9,634.43)</b>	<b>(228.33)</b>
Loss for the year	-	-	(1,890.52)	(1,890.52)
Other Comprehensive Income for the year - Remeasurement of net defined benefit obligation (net of taxes)	-	-	(50.96)	(50.96)
Share issue expenses for increase in authorised capital	-	-	(19.00)	(19.00)
<b>Total Comprehensive Income for the year</b>	<b>-</b>	<b>3,705.94</b>	<b>(1,960.48)</b>	<b>(1,960.48)</b>
Recognition of equity component on issue of redeemable preference shares	-	1,780.49	-	1,780.49
<b>Balance at March 31, 2020</b>	<b>5,700.16</b>	<b>5,486.43</b>	<b>(11,594.91)</b>	<b>(408.32)</b>
Loss for the year	-	-	422.03	422.03
Other Comprehensive Income for the year - Remeasurement of net defined benefit obligation (net of taxes)	-	-	71.83	71.83
Share issue expenses for increase in authorised capital	-	-	-	-
<b>Total Comprehensive Income for the year</b>	<b>-</b>	<b>5,486.43</b>	<b>493.86</b>	<b>493.86</b>
Recognition of equity component on issue of redeemable preference shares	-	-	-	-
<b>Balance at March 31, 2021</b>	<b>5,700.16</b>	<b>5,486.43</b>	<b>(11,101.05)</b>	<b>85.54</b>

See accompanying notes to the financial statements

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

For and on behalf of the Board of Directors

**D. S. Sahney**  
 Chairman and Managing Director

Kedar Raje  
 Partner  
 Place : Mumbai  
 Date : June 12, 2021

Gulestan Kolah  
 Chief Financial Officer  
 Place : Mumbai  
 Date : June 12, 2021

Sushama Kadam  
 Company Secretary

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

### 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 1956 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 1956 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 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 became 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 lakhs between 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. The Company is engaged in the business of manufacturing and selling of all types of industrial bearings. The address of its registered office is 2nd floor, Dhannur building, 15, Sir P.M. Road, Fort, Mumbai – 400 001, Maharashtra, India.

### 2 Significant accounting policies

#### a. Statement of compliance and Basis of preparation and presentation

These financial statements are the separate financial statements of the Company prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 read together with the Companies (Indian Accounting Standards) Rules, 2015 (as amended). All values are rounded off to the nearest lakhs. The financial statements are presented in Indian currency (INR) which is the Company's functional and presentation currency. The financial statements were approved for issue by the board of directors on June 12, 2021.

The financial statements have been prepared on an accrual basis under the historical cost convention except for certain financial instruments which have been measured at fair value at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

For financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

All assets and liabilities are classified as current if it is expected to realise or settle within twelve months from the Balance Sheet date.

### b. Property, plant and equipment

Property, plant and equipment 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 and less accumulated impairment, if any. Cost includes financing cost relating to borrowed funds attributable to the construction or acquisition of qualifying tangible assets upto the date the assets are ready for use.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of profit or loss when the asset is derecognized. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Depreciation on tangible property, plant and equipment is calculated on straight line basis based on the useful life in accordance with part C of schedule II of the Companies Act, 2013 other than the following assets class for which useful life has been determined based on technical

advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, etc.

	<b>Assets</b>	<b>Useful life in years</b>
a)	Plant and Machinery	20
b)	Furniture and Fixtures	15
c)	Electrical Installations	20
d)	Computers	6
e)	Vehicles	10

### c. Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Amortisation is recognised on straight line basis over their estimated useful life of 6 years. The estimated useful lives and amortisation method are reviewed at the end of each reporting period, with the effects of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment loss.

### d. Impairment of assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in Statement of profit or loss.

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**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021**


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When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in Statement of profit or loss.

**e. Foreign currencies**

In preparing the financial statements of the Company, transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions or at rates that closely approximate the rate at the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences on monetary items are recognised in the Statement of profit or loss in the period in which they arise.

**f. Inventories**

Inventories are valued at lower of cost (on weighted average basis) and the net realizable value. Cost comprises of all costs of purchase, conversion and other costs incurred in bringing the inventories to their present location and condition. Costs of conversion and other costs are determined on the basis of standard cost method adjusted for variances between standard costs and actual costs.

Net realizable value represents estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

**g. Revenue recognition**

Revenue is measured based on transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns and goods and service tax. Transaction price is recognised based on the price specified in the contract, net of the estimated sales incentives/discounts.

**Sale of goods**

Revenue from contract with customers is recognised when the Company satisfies performance obligation by transferring promised goods to the customer. Performance obligations are satisfied at the point of time when the customer obtains controls of the asset.

**Sale of services**

Sale of services are recognised at a point in time.

**Dividend and interest income**

Dividend income from investments is recognised when the shareholder's right to receive payment has been established. Interest income is accounted on time proportionate basis.

**Rental income**

The Company's policy for recognition of revenue from operating leases is described in note h. below

**h. Leasing**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

**The Company as lessor**

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other income'.

**The Company as lessee**

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company recognises a right-of-use asset and a lease liability at the lease commencement date except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the lease payments associated with these leases are

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

recognised as an expense on a straight-line basis over the lease term. Lease term is a non-cancellable period together with periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option.

The right-of-use asset is initially measured at cost at the commencement date. At the commencement date, the lease liability is measured at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. The Company uses its incremental borrowing rate as the discount rate.

After the commencement date, the right-of-use asset is measured at cost less any accumulated depreciation and any accumulated impairment losses, and the lease liability is measured by (i) increasing the carrying amount to reflect interest on the lease liability; (ii) reducing the carrying amount to reflect the lease payments made; and (iii) remeasuring the carrying amount to reflect any reassessment or lease modifications, or to reflect revised in-substance fixed lease payments. Interest on the lease liability in each period during the lease term is the amount that produces a constant periodic rate of interest on the remaining balance of the lease liability. Interest expense on the lease liability is a component of finance costs.

### **Transition to Ind AS 116:**

The Company has adopted Ind AS 116 using the modified retrospective approach with effect from initially applying this standard from April 1, 2019. Accordingly, the information presented for previous year ended March 31, 2019 has not been restated and continues to be reported under Ind AS 17.

The Company has adopted modified retrospective approach where lease liability measured at present value of remaining lease payment discounted at the incremental borrowing rate at the date of initial application and right to use asset is equal to lease liability adjusted by the amount of any prepaid or accrued lease payments. The Company has paid the entire lease premium for the lease hold land as a result of which there is no corresponding Lease liability against the Right-of-Use asset. The effect of adoption of Ind AS 116 on the loss for the

year and earnings per share is not significant. The nature of expenses in respect of operating leases has changed from lease rent, included in other expenses, in previous year to depreciation cost for the right-to-use asset.

### **Accounting under Ind AS 17 "Leases" up to March 31, 2019**

#### **As a lessee:**

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue.

#### **As a lessor:**

Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue.

### **i. Employee benefits**

#### **Retirement benefit costs and termination benefits:**

Payment to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Contributions to Provident and Family Pension Fund and Superannuation scheme, a defined contribution plan are made as required by the statute and expensed in the Statement of profit or loss.

For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in the other comprehensive income is reflected immediately in retained earnings and is

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

not reclassified to Statement of profit or loss. Past service cost is recognised in Statement of profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the defined benefit liability. Defined benefit costs are categorised as follows

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Company presents the first two components of defined benefit costs in the Statement of profit or loss in the line item "Employee benefits expense". Curtailment gains and losses are accounted for as past service cost.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for the termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognizes any related restructuring costs.

### **Short-term and other long-term employee benefits:**

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange of related service.

Liabilities recognized in respect of other long-term employee benefits are measured at present value of the estimated future cash outflows expected to be made by the company in respect of services provided by employee upto the reporting date.

### **j. Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are added to the cost of those assets, until such time as the assets are substantially ready for their intended

use or sale. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in profit or loss in the period in which they are incurred. 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.

### **k. Taxes on Income**

Income Tax expense represents the sum of the tax currently payable and deferred tax.

#### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Statement of profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

#### **Deferred tax**

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses could be utilized. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

### **Current and deferred tax for the year:**

Current and deferred tax are recognized in the Statement of Profit or Loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

### **I. Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

### **m. Earnings Per Share**

Basic earnings per share is computed by dividing the profit / (loss) after tax available for equity shareholders by the weighted average number of equity shares outstanding during the period.

### **n. Cash and cash equivalents:**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

### **o. Cash Flow Statement :**

Cash flows are reported using the indirect method, whereby profit/ (loss) before 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.

### **q. Financial instruments**

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of profit or loss.

#### **Financial assets:**

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

#### **Investments in associates**

The Company accounts for its investments in associates at cost less accumulated impairment, if any.

#### **Impairment of financial assets:**

The Company applies the expected credit loss model for recognising impairment loss on financial assets. With respect to trade receivables, the Company measures the loss allowance at an amount equal to lifetime expected credit losses. Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

#### **Derecognition of financial assets:**

The Company derecognises a financial asset

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the Statement of profit or loss if such gain or loss would have otherwise been recognised in the Statement of profit or loss on disposal of that financial asset.

### **Financial liabilities and equity instruments**

#### **Classification as debt or equity**

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

#### **Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all its liabilities. Equity instrument issued by the Company are recognised at the proceeds received, net of direct issue costs. Repurchase of the Company's own equity instrument is recognised and deducted directly in equity. No gain or loss is recognised in the Statement of profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

#### **Compound financial instruments**

The component parts of compounded financial instruments (non-convertible preference shares) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of financials liability and an equity instrument. At the date of issue, the fair value of liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recognised as a liability on an amortised cost basis using the effective interest method until extinguished at the instrument's maturity date.

Equity is determined by deducting the amount of

the liability component from the fair value of the compound financial instrument as a whole. This is recognised and included in equity, and is not subsequently remeasured. Transaction costs that relate to the issue of the instrument are allocated to the liability and equity components in proportion to the allocation of the gross proceeds.

Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the instrument using the effective interest method.

#### **Financial Liabilities**

All the financial liabilities are subsequently measured at amortised cost using the effective interest method or at fair value through profit or loss, depending on the classification of the financial liabilities.

#### **Derecognition of financial liabilities:**

The Company derecognises financial liabilities when, and only when, the Company's obligation are discharged, cancelled or have expired. An exchange between the lender of debt instrument with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the term of an existing liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Statement of profit or loss.

#### **Derivative financial instruments:**

The Company enters into derivative contracts to manage its exposure to foreign exchange rate risk and interest rate risk, including call spread currency option and interest rate swap. Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the Statement of profit or loss immediately.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

### 3 Use of estimates and judgments

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses etc. at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are included in the following notes:

Note No.2.b	Property, plant & equipment
Note No.2.c	Intangible assets acquired separately
Note No.2.i	Employee benefits

### 4 Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID-19):

The COVID 19 spread has severely impacted businesses around the world. In many countries, including India, there has been severe disruption to regular business operations due to lock down restrictions and other emergency measures imposed by the Government. The Company has resumed its business operations in a phased manner as per Government directives. The Company has made a detailed assessment of its liquidity position for one year and of the recoverability and carrying value of its assets including Property, Plant and Equipment, Trade Receivables, Inventory and Investments as at the Balance Sheet date, and has concluded that there are no material adjustments required in the Financial Statements for the year ended March 31, 2021.

#### (a) Trade Receivables :

In assessing recoverability of trade receivables, the Company has considered subsequent recoveries, past trends, credit risk profiles of the customers based on their industry, macroeconomic forecasts and internal and external information available up to the date of

issuance of these financial statements to estimate the probability of default in future and has taken into account estimates of possible effect from the pandemic relating to COVID-19.

#### (b) Inventories :

In assessing the recoverability of inventories, the Company has considered the latest selling prices, customer orders on hand and margins adjusted to reflect current and estimated future economic conditions also taking into account estimates of possible effect from the pandemic relating to COVID-19.

The physical verification of inventories is conducted by the Management during the year at reasonable intervals (quarterly intervals).

#### (c) Revenue from Contracts with Customers:

The Company has evaluated the impact of COVID-19 resulting from (i) the possible constraints to continue its operations and revisions in costs to fulfill the pending obligations (ii) onerous obligations (iii) penalties, if any, relating to breaches of agreements and (iv) termination or deferment of contracts by customers. The Company has concluded that the impact of COVID-19 is not material based on these estimates. Due to the nature of the pandemic, the Company will continue to monitor developments to identify significant uncertainties relating to revenue in future periods.

Management believes that it has taken into account all the possible impact of known events arising from COVID 19 pandemic in the preparation of the Financial Statements for the year ended March 31, 2020. However, the estimated impact of global health pandemic might vary from the date of approval of these financial statement and the Company will continue to monitor any material changes to future economic conditions.

### 5 Recent accounting pronouncements

The Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards.

The MCA notification for Schedule III -On March 24, 2021, the Ministry of Corporate Affairs ("MCA" through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021**
**NOTE 6 - Property, plant and equipment**
**(Rs. in lakhs)**

Description	Cost or deemed cost				Accumulated depreciation and impairment				Net Carrying amount
	Balance As at 01.04.20	Additions	Deductions	Balance As at 31.03.21	Balance As at 01.04.20	For the year	On Deductions/Amortisation	Balance As at 31.03.21	
Refer foot note 2									
Buildings									
Own Use	3,409.43	-	2.00	3,407.43	851.90	113.26	0.27	964.89	2,442.54
(3,409.43)	(-)	(-)	(-)	(3,409.43)	(738.30)	(113.60)	-	(851.90)	(2,557.53)
Given under operating lease	307.11	-	-	307.11	72.50	10.26	-	82.76	224.35
(307.11)	(-)	(-)	(-)	(307.11)	(62.21)	(10.29)	-	(72.50)	(234.61)
	3,716.54	-	2.00	3,714.54	924.40	123.52	0.27	1,047.65	2,666.89
(3,716.54)	(-)	(-)	(-)	(3,716.54)	(800.51)	(123.89)	(-)	(924.40)	(2,792.14)
Leasehold Improvement	154.51	-	-	154.51	53.01	10.44	-	63.45	91.06
(154.51)	(-)	(-)	(-)	(154.51)	(40.19)	(12.82)	-	(53.01)	(101.50)
Plant and Machinery									
Own Use	7,305.94	14.30	-	7,320.24	2,593.14	661.43	-	3,254.57	4,065.67
(7,235.57)	(70.37)	(70.37)	-	(7,305.94)	(1,935.49)	(657.65)	-	(2,593.14)	(4,712.80)
Given under operating lease	90.41	-	-	90.41	26.86	6.71	-	33.57	56.84
(90.41)	-	-	-	(90.41)	(20.13)	(6.73)	-	(26.86)	(63.55)
	7,396.35	14.30	-	7,410.65	2,620.00	668.14	-	3,288.14	4,122.51
(7,325.98)	(70.37)	(-)	(-)	(7,396.35)	(1,955.62)	(664.38)	(-)	(2,620.00)	(4,776.35)
Furniture and fixtures									
Own Use	252.09	-	-	252.09	110.09	15.96	-	126.05	126.04
(250.38)	(1.71)	(1.71)	-	(252.09)	(94.20)	(15.89)	-	(110.09)	(142.00)
Given under operating lease	2.50	-	-	2.50	1.20	0.16	-	1.35	1.14
(2.50)	(-)	(-)	(-)	(2.50)	(1.04)	(0.16)	-	(1.20)	(1.30)
	254.59	-	-	254.59	111.29	16.12	-	127.41	127.18
(252.88)	(1.71)	(-)	(-)	(254.59)	(95.24)	(16.05)	-	(111.29)	(143.30)
Computers									
Own Use	76.07	-	-	76.07	62.67	3.66	-	66.33	9.74
(75.74)	(0.33)	(0.33)	-	(76.07)	(59.02)	(3.65)	-	(62.67)	(13.40)
Given under operating lease	0.44	-	-	0.44	0.44	-	-	0.44	(0.00)
(0.44)	-	(-)	(-)	(0.44)	(0.44)	-	-	(0.44)	0.00
	76.51	-	-	76.51	63.11	3.66	-	66.77	9.74
(76.18)	(0.33)	(-)	(-)	(76.51)	(59.46)	(3.65)	-	(63.11)	(13.40)
Office equipments									
Own Use	80.69	-	-	80.69	72.06	3.36	-	75.42	5.27
(78.07)	(2.62)	(2.62)	-	(80.69)	(68.92)	(3.14)	-	(72.06)	(8.63)
Given under operating lease	0.35	-	-	0.35	0.34	-	-	0.34	0.01
(0.35)	-	(-)	(-)	(0.35)	(0.34)	-	-	(0.34)	(0.01)
	81.04	-	-	81.04	72.40	3.36	-	75.76	5.28
(78.42)	(2.62)	(-)	(-)	(81.04)	(69.26)	(3.14)	-	(72.40)	(8.64)
Electrical installations									
Own Use	558.31	-	-	558.31	310.80	41.43	-	352.23	206.08
(558.31)	(-)	(-)	(-)	(558.31)	(269.37)	(41.43)	-	(310.80)	(247.51)
Given under operating lease	36.09	-	-	36.09	20.09	2.68	-	22.77	13.32
(36.09)	(-)	(-)	(-)	(36.09)	(17.41)	(2.68)	-	(20.09)	(16.00)
	594.40	-	-	594.40	330.89	44.11	-	375.00	219.40
(594.40)	-	(-)	(-)	(594.40)	(286.78)	(44.11)	-	(330.89)	(263.51)
Vehicles	94.06	22.79	-	116.85	33.22	9.51	-	42.73	74.12
(94.06)	-	-	-	(94.06)	(24.29)	(8.94)	-	(33.23)	(60.82)
<b>Sub Total (A)</b>	<b>12,368.00</b>	<b>37.09</b>	<b>2.00</b>	<b>12,403.09</b>	<b>4,208.32</b>	<b>878.86</b>	<b>0.27</b>	<b>5,086.91</b>	<b>7,316.18</b>
<b>Sub Total (B)</b>	<b>(12,292.97)</b>	<b>(75.03)</b>	<b>-</b>	<b>(12,368.00)</b>	<b>(3,331.35)</b>	<b>(876.98)</b>	<b>-</b>	<b>(4,208.33)</b>	<b>(8,159.67)</b>

**Notes:**

1. Assets pledged as security  
Refer Note 17A and Note 17B on Borrowings.
2. Previous year figures are indicated in brackets

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021**

<b>Note 7 : Other Intangible Assets</b>		<b>(Rs. in lakhs)</b>
	<b>Particulars</b>	<b>Software</b>
<b>I.</b>	<b>Deemed cost</b>	
	<b>Balance as at April 1, 2020</b>	<b>53.97</b>
	Additions	3.08
	Disposals	-
	<b>Balance as at March 31, 2021</b>	<b>57.05</b>
	<b>Balance as at April 1, 2019</b>	<b>52.01</b>
	Additions	1.96
	Disposals	-
	<b>Balance as at March 31, 2020</b>	<b>53.97</b>
<b>II.</b>	<b>Accumulated amortisation and impairment</b>	
	<b>Balance as at April 1, 2020</b>	<b>44.97</b>
	Amortisation expense	5.00
	Eliminated on disposal of assets	-
	<b>Balance as at March 31, 2021</b>	<b>49.97</b>
	<b>Balance as at April 1, 2019</b>	<b>39.56</b>
	<b>Amortisation expense</b>	<b>5.41</b>
	Eliminated on disposal of assets	-
	<b>Balance as at March 31, 2020</b>	<b>44.97</b>
<b>III.</b>	<b>Net Carrying amount (I-II)</b>	
	<b>Balance as at March 31, 2021</b>	<b>7.08</b>
	<b>Balance as at March 31, 2020</b>	<b>9.00</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

### Note 8 : Investments

(Rs. in lakhs)

Particular	As at March 31, 2021			As at March 31, 2020		
	No. of shares	Amount	Amount	No. of shares	Amount	Amount
		Current	Non Current		Current	Non Current
<b>A. Investments carried at cost</b>						
<b>Unquoted Investments (fully paid)</b>						
(a) <b>Investments in equity instruments of Associate</b>						
Equity Shares (of Rs. 10 each) in NRB-IBC Bearings Private Limited (NIBC)	4,200,000	-	420.00	4,200,000	-	420.00
Equity Shares (of Rs. 10 each) in NIBL - Korta Engineering Private Limited Limited (formerly known as in Korta Engineering India Private Limited) (Refer Note below)	1,050,000	-	105.00	1,050,000	-	105.00
<b>Investments carried at cost</b>	5,250,000	-	525.00	5,250,000	-	525.00
Total investments at cost	5,250,000	-	525.00	5,250,000	-	525.00
Aggregate amount of unquoted investments			525.00			525.00

### Note 9 : Other financial assets

(Rs. in lakhs)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Current	Non-current	Current	Non-current
(a) Interest accrued on fixed deposits	2.95	-	2.26	-
(b) Fixed Deposits with a Bank and Financial Institution	5.00	-	5.00	-
<b>Total</b>	<b>7.95</b>	<b>-</b>	<b>7.26</b>	<b>-</b>

### Note 10 : Other assets

(Rs. in lakhs)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Current	Non- Current	Current	Non- Current
Security Deposits	-	43.73	-	43.63
Capital advances	-	0.69	-	0.89
VAT receivable	20.58	-	20.58	-
Balances with government authorities (other than income taxes):				
GST credit receivables	-	-	41.13	-
Service tax / excise deposit paid under protest	-	-	-	-
Others:				
(a) Export incentive	69.79	-	36.68	-
(b) Advances to employees	8.72	-	11.53	-
(c) Advances to suppliers	1.92	21.50	19.65	21.50
Less: Allowance for doubtful advances	-	(21.50)	-	(21.50)
Prepayments	22.88	2.24	21.41	2.24
<b>Total</b>	<b>123.89</b>	<b>46.66</b>	<b>150.98</b>	<b>46.75</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

### Note 11 : Inventories

(Rs. in lakhs)

Particulars	As at March 31, 2021		As at March 31, 2020	
Inventories (lower of cost and net realisable value)				
(a) Raw materials	674.58		363.59	
- Goods in Transit	-	674.58	-	363.59
(b) Work-in-progress		848.36		850.53
(c) Finished goods		569.58		690.28
(d) Stores and spares		88.38		74.47
<b>Total</b>		<b>2,180.90</b>		<b>1,978.87</b>

#### Notes:

- 1 The cost of inventories recognised as an expense during the year was Rs. 2,632.32 lakhs (for the year ended March 31, 2020: Rs.1,701.71 lakhs).
- 2 The cost of inventories recognised as an expense includes Rs. 2.22 lakhs (during 2019-2020: Rs. 4.75 lakhs) in respect of write-downs of inventory to net realisable value, Rs. 25 lakhs (during 2019-2020: Rs. Nil) in respect of the Slow and non moving inventory.
- 3 The mode of valuation of inventories has been stated in note 2 (f).
- 4 Assets pledged as security  
Refer Note 17A and 17B on Borrowings.

### Note 12 : Trade receivables

(Rs. in lakhs)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Current	Non Current	Current	Non Current
Trade receivables outstanding for a period exceeding six months from the date they are due for payment:				
(a) Unsecured, considered good - (Refer Note 41)	191.61	149.00	173.79	144.11
(b) Unsecured, credit impaired	178.68	-	162.34	-
	370.29	149.00	336.13	144.11
Allowance for doubtful debts (expected credit loss allowance)	(178.68)	191.61	(162.34)	173.79
Other trade receivables:				
Secured, considered good	-	-	-	-
(a) Unsecured, considered good	1,308.99	-	538.75	-
(b) Unsecured, significant increase in credit risk.	-	1,308.99	-	538.75
<b>Total</b>		<b>1,500.60</b>	<b>149.00</b>	<b>712.54</b>
				<b>144.11</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

### Note: Trade receivables include debts due from:

(Rs. in lakhs)

	As at March 31, 2021	As at March 31, 2020
Private company in which directors are directors		
NRB-IBC Bearings Private Limited (NIBC) (Refer note 37)	-	-
NIBL- Korta Engineering Private Limited (formerly known as Korta Engineering India Private Limited) (Refer note 37)	13.65	1.99
	13.65	1.99

Also refer Note 40 - (a)

The credit period on sales of goods ranges from 30 to 75 days.

Receivables of Rs. 209.05 Lakhs is from one customer who contributes 10% or more to the total receivables as At March 31, 2021 and Receivables of Rs. 191.05 Lakhs is from one customer who contributes 10% or more to the total receivables as At March 31, 2020.

### Movement in the expected credit loss allowance

(Rs. in lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>Balance as at beginning of the year</b>	162.34	147.50
Movement in the expected credit loss allowance on trade receivables calculated at life time expected credit losses.	16.34	14.84
<b>Balance at end of the year</b>	<b>178.68</b>	<b>162.34</b>

### Note 13 : Cash and Cash equivalents and Other bank balances

(Rs. in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>A. Cash and cash equivalents</b>		
(a) Cash on hand	0.24	0.81
(b) Balances with banks in current accounts	420.10	36.30
<b>Total</b>	<b>420.34</b>	<b>37.11</b>
<b>B. Other bank balances</b>		
Balances with banks in earmarked deposit account (held as security against the guarantees) exceeding three months but less than twelve months	5.45	5.45
<b>Total</b>	<b>5.45</b>	<b>5.45</b>

### Note 14 : Current tax assets and liabilities

(Rs. in lakhs)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Current	Non- Current	Current	Non- Current
<b>Current tax assets</b>				
Tax refund receivable	-	38.15	18.52	25.84
<b>Total</b>	<b>-</b>	<b>38.15</b>	<b>18.52</b>	<b>25.84</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021**

**Note No. 14A : Current Tax and Deferred Tax**

**(a) Income Tax recognised in profit or loss**

Particulars	Year ended March 31, 2021	Year ended March 31, 2020	(Rs. in lakhs)
<b>Current Tax</b>			
In respect of current year	-	-	
In respect of previous years	-	-	
	A	-	-
<b>Deferred Tax</b>			
In respect of current year	-	-	
In respect of previous years	-	-	
	B	-	-
Total Income tax expense recognised in the current year	(A+B)	-	-

**(b) Income Tax recognised in Other comprehensive income**

Particulars	Year ended March 31, 2021	Year ended March 31, 2020	(Rs. in lakhs)
Deferred tax (credit) / charge on:			
Remeasurement of defined benefit obligation	-	-	

**(c) Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:**

Particulars	Year ended March 31, 2021	Year ended March 31, 2020	(Rs. in lakhs)
<b>Profit before tax from continuing operations</b>	422.03	(1,890.52)	
<b>Current Tax</b>			
Income Tax	109.73	-	
Charge/(credit) in respect of previous years	-	-	
Adjusted Against unabsorbed Depreciation	(109.73)	-	
<b>Current Tax Total</b>	-	-	
<b>Deferred Tax</b>			
Effect of expenses that are allowable on payment basis	2.79	1.41	
Depreciation	58.03	73.69	
Unabsorbed Business Losses	(60.82)	(75.10)	
Exceptional Gain	335.00	-	
Unabsorbed Depreciation	(335.00)	-	
Others	-	-	
Income tax expense recognised In profit or loss from continuing operations	-	-	

The tax rate used for the year 2020-21 is 26.00% (25% + health and education cess @ 4% ) and year 2019-20 is 26.00% (25% + health and education cess @ 4% ) and reconciliations payable on taxable profits under the Income Tax Act, 1961.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021**
**Note No. 14B : Current Tax and Deferred Tax**
**(d) Movement in Deferred tax balances**
**(Rs. in lakhs)**

Particulars	For the Year ended March 31, 2021			
	Opening Balance	Recognised in profit and Loss	Recognised in OCI	Closing Balance
Tax effect of items constituting deferred tax assets / (liabilities)				
Property, Plant and Equipment	(1,024.67)	58.03	-	(966.64)
Provision for doubtful debts and advances	47.80	4.25	-	52.05
Provision for Employee Benefits	37.27	0.10	(18.68)	18.69
Effect of expenses that are allowable on payment basis	9.46	(1.55)	-	7.91
Unabsorbed Business Losses	930.14	(60.83)	18.68	888.00
Exceptional Gain	-	335.00	-	335.00
Unabsorbed Depreciation	-	(335.00)	-	(335.00)
<b>Net Tax Asset (Liabilities)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Particulars	For the Year ended March 31, 2020			
	Opening Balance	Recognised in profit and Loss	Recognised in OCI	Closing Balance
Tax effect of items constituting deferred tax assets / (liabilities)				
Property, Plant and Equipment	(1,098.35)	73.69	-	(1,024.67)
Provision for doubtful debts and advances	43.94	3.86	-	47.80
Provision for Employee Benefits	23.76	0.26	13.25	37.27
Fair valuation of derivative contracts	31.86	(31.86)	-	-
Effect of expenses that are allowable on payment basis	12.17	(2.71)	-	9.46
Unabsorbed Business Losses	986.62	(43.24)	(13.25)	930.14
<b>Net Tax Asset (Liabilities)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**(e) Amounts on which Deferred tax asset has not been created:**

Deferred tax assets on carry forward unused tax losses have been recognised to the extent of deferred tax liabilities on taxable temporary differences available. It is expected that any reversals of the deferred tax liability would be offset against the reversal of the deferred tax asset.

**As at March 31, 2021**
**(Rs. in lakhs)**

Nature of unrecognised deferred tax assets	No expiry	Expiring within one year	Expiring in Greater than one year, less than five years	Expiring in Greater than five years	TOTAL
Business Loss	-	-	129.51	3,683.69	3,813.20
Unabsorbed depreciation	6,407.76	-	-	-	6,407.76
<b>Total</b>	<b>6,407.76</b>	<b>-</b>	<b>129.51</b>	<b>3,683.69</b>	<b>10,220.96</b>

**As at March 31, 2020**
**(Rs. in lakhs)**

Nature of unrecognised deferred tax assets	No expiry	Expiring within one year	Expiring in Greater than one year, less than five years	Expiring in Greater than five years	TOTAL
Business Loss	-	-	566.27	2,769.00	3,335.27
Unabsorbed depreciation	7,017.78	-	-	-	7,017.78
<b>Total</b>	<b>7,017.78</b>	<b>-</b>	<b>566.27</b>	<b>2,769.00</b>	<b>10,353.05</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

### Note 15 : Equity Share Capital

(Rs. in lakhs)

	As at March 31, 2021	As at March 31, 2020
Equity share capital	484.61	484.61
	<b>484.61</b>	<b>484.61</b>

(Rs. in lakhs)

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of shares	Amount	No. of shares	Amount
<b>Authorised:</b>				
Equity shares of Rs. 2/- each	25,000,000	500.00	25,000,000	500.00
<b>Issued, Subscribed and Fully Paid:</b>				
Equity shares of Rs. 2/- each	24,230,650	484.61	24,230,650	484.61
<b>Total</b>	<b>24,230,650</b>	<b>484.61</b>	<b>24,230,650</b>	<b>484.61</b>

#### (i) (a) Rights attached to equity shares:

- 1) The Company has only one class of equity shares having a face value of Rs. 2 each. The Equity Shareholders have all the rights of equity shares as provided by the Companies Act, 2013 and Rules & Regulations made thereunder.
- 2) 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.
- 3) 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.

#### (ii) Reconciliation of the number of shares outstanding at the beginning and at the end of the period.

Particulars	No. of shares	Share Capital (Amount)
<b>Balance at April 1, 2020</b>	24,230,650	484.61
Movements	-	-
<b>Balance at March 31, 2021</b>	<b>24,230,650</b>	<b>484.61</b>

#### (iii) Details of shares held by each shareholder holding more than 5% shares

Name of shareholder	As at March 31, 2021		As at March 31, 2020	
	No. of shares	Percentage	No. of shares	Percentage
<b>Equity shares:</b>				
Trilochan Singh Sahney ( Refer Note below)	2,929,101	12.09%	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%	9,438,910	38.95%

**Note :** Consequent to the demise of Mr. Trilochan Singh Sahney, the Company has not received share transmission application from legal heirs of Late Mr. Trilochan Singh Sahney and accordingly the name of Late Mr. Trilochan Singh Sahney is still appearing in register of Members and is accordingly disclosed above.

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**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021**


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**Note 16 : Other equity**
**(Rs. in lakhs)**

	Paticulars	As at March 31, 2021	As at March 31, 2020
(a)	Capital reserve	5,700.16	5,700.16
(b)	Deemed capital contribution	5,486.43	5,486.43
(c)	Retained earnings	(11,101.05)	(11,594.91)
	<b>Total</b>	<b>85.54</b>	<b>(408.32)</b>

**(i) Movement in other equity:**
**(Rs. in lakhs)**

Paticulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>(I) Capital Reserve ( Refer Note 1)</b>		
Opening balance	5,700.16	5,700.16
Movement	-	-
<b>Closing balance</b>	<b>5,700.16</b>	<b>5,700.16</b>
<b>(II) Deemed capital contribution</b>		
Opening balance	5,486.43	3,705.94
Recognition of equity component on issue of redeemable preference shares	-	1,780.49
<b>Closing balance</b>	<b>5,486.43</b>	<b>5,486.43</b>
<b>(III) Retained earnings</b>		
Opening balance	(11,594.91)	(9,634.43)
Profit / (Loss) for the year	422.03	(1,890.52)
Other Comprehensive Income for the year - Remeasurement of net defined benefit obligation (net of taxes)	71.83	(50.96)
Share issue expenses for increase in authorised capital	-	(19.00)
<b>Closing balance</b>	<b>(11,101.05)</b>	<b>(11,594.91)</b>

**Deemed capital contribution**

This represents the difference between fair valuation and transaction price on initial recognition of preference shares issued to a Promoter shareholder.

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**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021**


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**Note 17 :Borrowings**
**A. Non-Current Borrowings**
**(Rs. in lakhs)**

	Particulars	As at March 31, 2021	As at March 31, 2020
<b>I.</b>	<b>Secured - at amortised cost</b>		
	<b>Term loans:</b>		
	<b>From bank</b>	176.66	-
	Less: Current maturities of long term debt (refer note 19)	(10.01)	-
	<b>From others</b>	<b>166.65</b>	-
	Less: Current maturities of long term debt (refer note 19)	684.39	639.30
		(185.83)	(161.65)
<b>II.</b>	<b>Unsecured - at amortised cost</b>	<b>498.56</b>	<b>477.65</b>
	Loans from related parties		
	Preference Shares	3,961.29	3,485.59
	<b>Total</b>	<b>4,626.50</b>	<b>3,963.24</b>

Also refer Note 40 - (a)

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

(a) Rs. 176.66 lakhs (March 31, 2020 Rs. Nil) secured by second charge on all present and future stock and book debts of the Company and second pari passu charge over immovable Property, plant and equipment (buildings), leasehold land of the Company and its movable plant & machinery, furniture & fixtures and other movable assets at its factory at Shendra (near Aurangabad). The working capital term loan is repayable in 36 equal monthly instalments of Rs. 5.50 lakhs each starting from January, 2022 till December, 2024 and carries interest rate of 7.5 % p.a.

**Term loan from Others**

(b) Rs. 35.35 lakhs (March 31, 2020 Rs. 27.55 lakhs) secured by hypothecation of vehicles. Out of these , the term loan of Rs. 2.27 lakhs (March 31, 2020 Rs. 4.17 lakhs) carrying interest rate of 8.82 % is repayable in remaining 25 equal monthly instalments by April, 2022, the term loan of Rs. 17.24 lakhs (March 31, 2020 Rs. 23.39 lakhs) carrying interest rate of 8.63 % is repayable in remaining 41 equal monthly instalments by August, 2023 and the term loan of Rs. 15.84 lakhs (March 31, 2020 Rs. Nil) carrying interest rate of 8.21 % is repayable in remaining 56 equal monthly instalments by November, 2025.

(c) Rs. 453.9 lakhs (March 31, 2020 Rs. 611.75 lakhs) secured by first pari- pasu charge over Land and Building situated at Shendra, MIDC Aurangabad and first pari-passu over Plant and Machinery situated at Shendra, MIDC Aurangabad and pledge of 600,000 shares (March 31, 2020 600,000 shares) of NRB Bearings Limited held by a director of the Company. The working capital term loan is repayable in remaining 12 quarterly instalments Rs. 40 lakhs each and carries interest rate of 13 %.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(d) Rs. 132.23 lakhs (March 31, 2020 Rs. Nil) secured by second pari- passu charge over Land and Building situated at Shendra, MIDC Aurangabad and second pari-passu over Plant and Machinery situated at Shendra, MIDC Aurangabad and pledge of 600,000 shares (March 31, 2020 Nil shares) of NRB Bearings Limited held by a director of the Company. The working capital term loan is repayable in 13 quarterly instalments and carries interest rate of 14%.

(e) Rs. 62.91 lakhs (March 31, 2020 Rs. Nil) secured by second pari- passu charge over Land and Building situated at Shendra, MIDC Aurangabad and second pari-passu over Plant and Machinery situated at Shendra, MIDC Aurangabad and pledge of 600,000 shares (March 31, 2020 Nil shares) of NRB Bearings Limited held by a director of the Company. The working capital term loan is repayable in 3 monthly instalments Rs. 20.85 lakhs each and carries interest rate of 13%.

### Unsecured

#### Loans from related parties

(e) 100 lakhs each 6% Redeemable Cumulative Non-Convertible Preference shares of Rs. 10 each fully paid up were issued to a Promoter shareholder in March 2016 and in April 2016 with redemption at the end of 5 years from the date of issue. During the year ended March 31, 2018, the terms of existing Redeemable Cumulative Non-Convertible Preference shares were changed w.e.f. February 15, 2018, the preference dividend rate is modified to 2% and redemption term is changed to 10 years for above said preference shares. 200 lakhs 2% Redeemable Cumulative Non-Convertible Preference shares of Rs. 10 each fully paid up were issued to a Promoter shareholder in February 2018 with redemption at the end of 10 years. 100 lakhs and 35 lakhs 2% Redeemable Cumulative Non-Convertible Preference shares of Rs. 10 each fully paid up were issued to a Promoter shareholder in January 2019 and in March 2019 respectively with redemption at the end of 10 years. 50 lakhs, 15 lakhs, 150 lakhs and 50 lakhs 2% Redeemable Cumulative Non-Convertible Preference shares of Rs. 10 each fully paid up were issued to a Promoter shareholder in June 2019, August 2019, December, 2019 and in March, 2020 respectively with redemption at the end of 10 years.

**(i) Preference Share Capital** (Rs. in lakhs)

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of shares	Amount	No. of shares	Amount
<b>Authorised:</b>				
Redeemable cumulative non-convertible preference shares of Rs. 10/- each	80,000,000	8,000.00	80,000,000	8,000.00
<b>Total</b>	<b>80,000,000</b>	<b>8,000.00</b>	<b>80,000,000</b>	<b>8,000.00</b>
<b>Issued, Subscribed and Fully Paid:</b>				
Redeemable cumulative non-convertible preference shares of Rs. 10/- each	80,000,000	8,000.00	80,000,000	8,000.00
<b>Total</b>	<b>80,000,000</b>	<b>8,000.00</b>	<b>80,000,000</b>	<b>8,000.00</b>

**(ii) Reconciliation of the number of shares outstanding at the beginning and at the end of the period.**

Particulars	No. of shares	Share capital (Amount)
<b>Balance at April 01, 2020</b>	80,000,000	8,000.00
Issued during the year	-	-
<b>Balance at March 31, 2021</b>	<b>80,000,000</b>	<b>8,000.00</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

### (iii) Details of shares held by each shareholder holding more than 5% shares

Name of shareholder	As at March 31, 2021		As at March 31, 2020	
	No. of shares	Percentage	No. of shares	Percentage
<b>Preference shares:</b>				
Trilochan Singh Sahney ( Refer Note below)	40,000,000	50.00%	40,000,000	50.00%
Devesh Singh Sahney	40,000,000	50.00%	40,000,000	50.00%
<b>Total</b>	<b>80,000,000</b>	<b>100%</b>	<b>80,000,000</b>	<b>100%</b>

**Note :** Consequent to the demise of Mr. Trilochan Singh Sahney, the Company has not received share transmission application from legal heirs of Late Mr. Trilochan Singh Sahney and accordingly the name of Late Mr. Trilochan Singh Sahney is still appearing in register of Members and is accordingly disclosed above.

### B. Current Borrowings

(Rs. in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020	
<b>I. Secured - at amortised cost</b>			
(a) Loans repayable on demand			
<b>From banks</b>	<b>1,012.40</b>	<b>999.26</b>	
<b>II. Unsecured - at amortised cost</b>			
(a) Loans repayable on demand			
Interest free loan from Directors	4,341.15	5,690.13	
<b>Total</b>	<b>5,353.55</b>	<b>6,689.39</b>	

Also refer Note 40 - (a)

#### Footnotes:

##### (i) Loans repayable on demand from banks

Rs. 1012.40 lakhs (March 31, 2020 Rs. 999.26 lakhs ) secured by first pari passu charge on all present and future stock and book debts of the Company and first pari passu charge over immovable Property, plant and equipment ( buildings ), leasehold land of the Company and its movable plant & machinery, furniture & fixtures and other movables at its factory at Shendra (near Aurangabad). The present interest rate is in the range of 9.15 % to 11.50 % p.a.

The Company has not defaulted on repayment of loans and interest during the year.

### Note 18 : Trade Payables

(Rs. in lakhs)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Current	Non- Current	Current	Non- Current
Trade payables				
- Total outstanding dues of Micro Enterprises and Small Enterprises (see Footnote)	-	-	-	-
- Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises (Refer Note 41)	2,102.28	86.93	1,558.71	83.83
<b>Total</b>	<b>2,102.28</b>	<b>86.93</b>	<b>1,558.71</b>	<b>83.83</b>

Also refer Note 40 - (a)

#### Notes:

1. The company does not have any dues outstanding to Micro and Small Enterprises as mentioned in the Micro, Small and Medium Enterprises Development Act 2006. This is determined on the basis of information available with the Company. This has been relied upon by the auditors.
2. The credit period ranges from 45 days to 90 days .

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

### Note 19 : Other financial liabilities

(Rs. in lakhs)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Current	Non- Current	Current	Non- Current
<b>Other Financial Liabilities measured at amortised cost</b>				
(a) Current maturities of long-term debt	195.84	-	161.65	-
(b) Interest accrued	54.73	-	-	-
<b>Other Financial Liabilities measured at Fair Value</b>				
(a) Interest Rate Swap	-	-	-	-
<b>Total</b>	<b>250.57</b>	<b>-</b>	<b>161.65</b>	<b>-</b>

Also refer Note 40 - (a)

### Note 20 : Other current liabilities

(Rs. in lakhs)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Current	Current	Current	Current
(a) Advances received from customers ( Refer Note Below)	100.58		52.66	
(b) Security Deposits	12.00		10.50	
(c) Payables for capital supplies	9.08		27.17	
(d) Others				
Statutory remittances (Super annuation, Withholding tax, Service Tax, VAT etc.)	111.17		25.73	
Other payable	-		24.59	
<b>Total</b>	<b>232.83</b>		<b>140.65</b>	

**Note: Advances received from customers include advance from:**

(Rs. in lakhs)

	As at March 31, 2021	As at March 31, 2020
Private company in which directors are directors		
NRB-IBC Bearings Private Limited (NIBC) (Refer note 37)	93.60	24.41
<b>Total</b>	<b>93.60</b>	<b>24.41</b>

### Note 21 : Provisions

(Rs. in lakhs)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Current	Non- Current	Current	Non- Current
Provision for employee benefits				
1) Compensated absences	8.41	25.21	3.12	37.05
2) Gratuity	38.26	-	103.16	-
<b>Total</b>	<b>46.67</b>	<b>25.21</b>	<b>106.28</b>	<b>37.05</b>

(i) As at March 31, 2021, the decrease in the carrying amount of the provision for compensated absences results from benefits being paid during the year ended March 31, 2021 as well contributions made & changes in financial assumptions. As at March 31, 2020, the decrease in the carrying amount of the provision for compensated absences results from benefits being paid during the year ended March 31, 2020.(ii) Refer note 35 for Employee Benefits related disclosures.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

### Note 22 : Revenue from Operations

Particulars	Year ended March 31, 2021	Year ended March 31, 2020 (Rs. in lakhs)
<b>Revenue from contract with customers</b>		
Sale of products	5,418.35	3,847.42
Rendering of services		
(a) Agency Commission	-	4.97
(b) Job work charges	79.88	174.36
(c) Service Charges	48.00	48.00
Other operating revenues		
(d) Sale of scrap	28.95	23.23
(e) Export incentives	56.41	59.19
(f) Royalty Income	9.29	11.75
<b>Total</b>	<b>5,640.88</b>	<b>4,168.92</b>

Note :

1. Refer Note 36 for geography wise revenue from contracts with customers.

### Note 23 : Other Income

Particulars	Year ended March 31, 2021	Year ended March 31, 2020 (Rs. in lakhs)
<b>Interest income on financial assets at amortised cost</b>		
(a) Interest income on bank deposits	0.69	2.22
(b) Other Interest income	9.09	3.61
<b>Other non-operating income</b>		
Rent income	84.48	84.48
<b>Other gains and losses</b>		
(a) Liability no longer payable required written back	8.40	18.03
(b) Foreign exchange fluctuation (gain) / loss	31.97	39.11
(c) Gain arising on financial liabilities / assets designated at FVTPL	-	4.61
<b>Total</b>	<b>134.63</b>	<b>152.06</b>

### Note 24 : Cost of material consumed

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Opening stock	363.59	476.46
Add: Purchases	2,522.76	1,260.73
Less: Closing stock	(674.58)	(363.59)
<b>Total</b>	<b>2,211.77</b>	<b>1,373.60</b>

### Note 25 : Purchases of stock in trade

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Purchases of stock in trade	-	-

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021**
**Note 26 : Changes in inventories of finished goods, work-in-progress and stock-in-trade** (Rs. in lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Opening stock		
- Work in progress	850.53	827.12
- Finished goods	690.28	747.22
Closing stock		
- Work in progress	(848.36)	(850.53)
- Finished goods	(569.58)	(690.28)
<b>Net (increase)/Decrease</b>	<b>122.87</b>	<b>33.54</b>

**Note 27 : Employee Benefits Expense** (Rs. in lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Salaries and wages	1,135.38	1,415.98
Contribution to provident and other funds (Refer note 35)	125.01	139.21
Staff welfare expenses	69.05	67.25
<b>Total</b>	<b>1,329.44</b>	<b>1,622.44</b>

**Note 28 : Finance Costs** (Rs. in lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
(a) Interest costs :-		
- Interest on borrowings from banks	214.66	341.32
- Interest on non convertible redeemable preference shares		
- Interest on Preference shares	475.70	347.84
- Other interest expense	0.45	0.89
(b) Net loss on foreign currency transactions (considered as finance cost)	-	38.51
(c) Other borrowing cost	24.40	57.18
<b>Total</b>	<b>715.21</b>	<b>785.74</b>

**Note 29 : Depreciation and amortisation expense** (Rs. in lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation of property, plant and equipment	878.86	876.97
Right of Use Assets	8.18	8.21
Amortisation of intangible assets	5.00	5.41
<b>Total</b>	<b>892.04</b>	<b>890.59</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021**

<b>Particulars</b>	<b>(Rs. in lakhs)</b>	
	<b>Year ended March 31, 2021</b>	<b>Year ended March 31, 2020</b>
Consumption of Stores and spares parts	297.68	294.57
Power & Fuel	309.81	340.59
Rent	3.48	5.09
Repairs and maintenance:		
- Buildings	1.23	2.00
- Plant & machinery	1.53	4.29
- Others	45.12	50.22
Insurance	13.89	12.18
Rates and taxes	22.62	34.21
Travelling and Conveyance expense	30.53	89.96
Printing and stationary	3.21	9.21
Freight and Forwarding	177.24	108.59
Business Promotion	8.41	20.47
Legal and other professional expenses	75.14	115.01
Auditors remuneration (See Footnote below)	32.77	32.04
Allowance for doubtful debts	16.34	14.84
Director sitting fees	5.00	5.90
Loss arising on financial liabilities / assets designated at FVTPL	-	21.95
Security and houskeeping Charges	219.51	167.97
IT related expenses	44.14	31.97
Bank charges	4.94	8.12
Bad debts / advances written off	-	47.16
Miscellaneous expenses	58.01	89.27
<b>Total</b>	<b>1,370.60</b>	<b>1,505.59</b>

**Footnote:**

**Details of Auditors' remuneration:**

(excluding service tax / GST)

As auditors (for audit, review of unaudited quarterly results and audit of consolidated financial statement)	26.50	26.50
Taxation matters	5.50	5.50
out-of-pocket expenses	0.77	0.04
<b>Total</b>	<b>32.77</b>	<b>32.04</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

### Note 31: Earnings per share

Basic and Diluted Earnings per Share (EPS) is calculated as under:

Particulars		Year ended March 31, 2021	Year ended March 31, 2020
Basic / Diluted			
Loss after tax attributable to equity shares (Rs. in lakhs)	(A)	422.03	(1,890.52)
Weighted average number of Shares	(B)	24,230,650	24,230,650
<b>Basic &amp; Diluted EPS (in Rs.)</b>	<b>(A) / (B)</b>	<b>1.74</b>	<b>(7.80)</b>
<b>Nominal value of equity share (in Rs.)</b>		<b>2.00</b>	<b>2.00</b>

#### Note:

There is no dilution to the basic EPS as there are no outstanding potentially dilutive equity shares.

### Note 32 : Leases

#### 1. Lease Expense:

The Company has taken land, office and residential premises on operating lease. The lease term in respect of the leasehold land is 87 years.

The Company has paid the entire lease premium upfront for the lease hold land as a result of which there is no corresponding Lease liability against the Right-of-Use asset.

In respect of the above mentioned leases, the additional information is as under:

Particulars	(Rs. in lakhs)	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation charge for Right-of-Use assets	8.18	8.21	
Low value leases accounted for on a straight line basis (included in Note 30)	3.48	5.09	
<b>Total cash outflow for leases</b>	<b>3.48</b>	<b>5.09</b>	

General description of lease agreements:

- (a) Refundable interest free deposit have been given and contain a provision for renewal.
- (b) 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 had entered into lease agreement effective from 8 March, 2013 for certain portion of its factory and office premises including furniture and fixtures, electrical installation, etc. During the year, Rs. 84.48 lakhs (previous year Rs. 84.48 lakhs) recognised as rental income in the Statement of Profit and Loss. The agreement contains renewal clause. The Company has entered in to a new agreement with effect from April 1, 2018 for 5 years with same terms and conditions.

### Note 33 - Contingent liabilities not provided for:

(Rs. in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Bank guarantees		
- To Maharashtra Pollution Control Board	5.00	5.00
- To President of India through Commissioner of Customs	0.45	0.45
(ii) Claims against the company not acknowledged as debt:-		
Service tax matters	-	9.38
<b>Total</b>	<b>5.45</b>	<b>14.83</b>

**Footnote:** The Company did not expect any outflow of economic resources in respect of the above and therefore no provision was made in respect thereof.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Note 34 - Commitments		(Rs. in lakhs)	
Particulars		As at March 31, 2021	As at March 31, 2020
1. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)		2.78	4.15
<b>Total</b>		<b>2.78</b>	<b>4.15</b>

### Note 35 : Employee Benefits

#### Brief description of the Plans:

##### 1) Defined contribution plans :

###### a) 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

###### b) 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 has recognized, in the Statement of profit and loss for the year, an amount of Rs. 78.94 lakhs ( March 31, 2020 Rs. 98.73 lakhs) as expenses under defined contribution plans.

Benefit (Contribution to)	(Rs. in lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
i) Employer's Contribution to Provident Fund	30.09	47.49
ii) Employer's Contribution to Family Pension Fund	30.54	24.86
iii) Employer's Contribution to Superannuation Fund	18.31	26.38
<b>Total</b>	<b>78.94</b>	<b>98.73</b>

##### 2) Defined Benefit Plans : (Gratuity Funded)

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.

###### Nature of benefits:

The gratuity benefits payable to the employees are based on the employee's service and last drawn salary at the time of leaving. The employees do not contribute towards this plan and the full cost of providing these benefits are met by the Company.

###### Regulatory framework:

There are no minimum funding requirements for a gratuity plan in India. The trustees of the gratuity fund have a fiduciary responsibility to act according to the provisions of the trust deed and rules. Since the fund is income tax approved, the Company and the trustees have to ensure that they are at all times fully compliant with the relevant provisions of the income tax and rules. Besides this if the Company is covered by the Payment of Gratuity Act, 1972 then the Company is bound to pay the statutory minimum gratuity as prescribed under this Act.

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**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021**


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**Governance of plan:**

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.

**Inherent risk**

The plan is of a final salary defined benefit in nature which is sponsored by the Company and hence it underwrites all the risks pertaining to the plan. In particular, there is a risk for the Company that any adverse salary growth or demographic experience or inadequate returns on underlying plan assets can result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature the plan is not subject to any longevity risks.

The most recent actuarial valuation of the present value of the defined benefit obligation was carried out at March 31, 2021 by an independent actuary. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

**A. Principal actuarial assumptions used:**

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Discount Rate	6.44% p.a.	6.82% p.a.
Expected return on plan assets	6.44% p.a.	6.82% p.a.
Salary escalation rate	5.00% p.a.	7.00% p.a.
Attrition rate	8.00 % p.a	8.00 % p.a
Mortality Rate During Employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

**B. Expenses recognised in Statement of Profit and Loss**
**(Rs. in lakhs)**

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Current Service Cost	24.90	19.63
Interest on net defined benefit liability/ (asset)	7.03	3.34
<b>Total Expenses / (Income) recognised in the Statement of Profit And Loss*</b>	<b>31.93</b>	<b>22.97</b>

\* The current service cost and the net interest expenses for the year are included in the 'Employee benefits expenses' Note : 27 in the statement of profit & loss

**C. Expenses Recognized in the Other Comprehensive Income (OCI)**
**(Rs. in lakhs)**

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Actual return on plan assets in excess of the expected return	(17.79)	8.11
Actuarial (Gain)/Loss on account of :		
- Financial Assumptions	(24.84)	10.63
- Experience Adjustments	(29.20)	32.22
<b>Net (Income)/Expense For the Period Recognized in OCI</b>	<b>(71.83)</b>	<b>50.96</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021**
**D. Net Asset/(Liability) recognised in the Balance Sheet** (Rs. in lakhs)

Particulars	As at March 31,	
	2021	2020
Present Value of Defined Benefit Obligation as at the end of the year	199.69	229.39
Fair Value of plan assets	161.43	126.22
<b>Net asset/(liability) recognised in the Balance Sheet</b>	<b>(38.26)</b>	<b>(103.16)</b>
<b>Recognised under:</b>	<b>2021</b>	<b>2020</b>
Long term provision (Refer note 21)	-	-
Short term provision (Refer note 21)	(38.26)	(103.16)
<b>Total</b>	<b>(38.26)</b>	<b>(103.16)</b>

**E. Movements in the present value of defined benefit obligation are as follows:** (Rs. in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Present value of defined benefit obligation at the beginning of the year	229.39	187.39
Expenses Recognised in Profit and Loss Account:		
Current Service Cost	24.90	19.63
Interest cost	15.65	13.89
Liability Transferred Out/ Divestments	-	(7.05)
Recognised in Other Comprehensive Income		
Remeasurement (gains)/losses		
- Financial Assumptions	(24.84)	10.63
- Experience Adjustments	(29.20)	32.22
Benefit payments	(16.21)	(27.31)
<b>Present value of defined benefit obligation at the end of the year</b>	<b>199.69</b>	<b>229.39</b>

**F. Movements in the fair value of the plan assets are as follows:** (Rs. in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Fair value of the plan assets at the beginning of the year	126.22	141.10
Contribution made	25.02	10.00
Income Recognised in Profit and Loss Account:		
Interest income	8.61	10.54
Recognised in Other Comprehensive Income		
Remeasurement gains/(losses)		
- Actual Return on plan assets in excess of the expected return	17.79	(8.11)
Benefits paid	(16.21)	(27.31)
<b>Fair value of the plan assets at the end of the year</b>	<b>161.43</b>	<b>126.22</b>

**G. The major categories of plan assets are as follows:** (Rs. in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Insurer managed funds (100%)	161.43	126.22

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

### H. Sensitivity Analysis

Gratuity is a lump sum plan and the cost of providing these benefits is typically less sensitive to small changes in demographic assumptions. The key actuarial assumptions to which the benefit obligation results are particularly sensitive to are discount rate and future salary escalation rate. The following table summarizes the impact on the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 100 basis points.

These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analyses.

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is: (Rs. in lakhs)

Principal assumptions	Year	Changes in assumption	Impact on defined benefit obligation	
			Increase in assumption	Decrease in assumption
Discount rate	2021	1%	(12.83)	14.69
	2020	1%	(15.97)	18.42
Salary escalation rate	2021	1%	14.75	(13.11)
	2020	1%	18.20	(16.08)

The above sensitivity analyses are based on change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

### I. Expected future benefits payable - Maturity profile of defined benefit obligation

(Rs. in lakhs)

Projected Benefits Payable in Future Years From the Date of Reporting	Estimated as at March 31, 2021	Estimated as at March 31, 2020
1st Following Year	17.85	20.42
2nd Following Year	17.37	17.90
3rd Following Year	18.55	17.79
4th Following Year	19.54	19.58
5th Following Year	16.50	21.28
Sum of Years 6 to 10	119.94	150.34
Sum of Years 11 and above	140.92	197.04

### J. Other Disclosures

- The weighted average duration of the obligations as at March 31, 2021 is 8 years (March 31, 2020: 9 Years).
- The Company expects to contribute Rs. 43.33 lakhs to the plan during financial year 2020-21.

### Note 36 : Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Company. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director and Chief Financial Officer of the Company. The Company operates only in one Business Segment i.e. industrial bearings, hence does not have any reportable Segments as per Ind

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

AS 108 "Operating Segments".

### Geographic information

(Rs. in lakhs)

Particulars	Revenue from operations		Non Current Assets	
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
India	4,055.68	2,742.24	8,906.56	9,762.25
Outside India	1,585.20	1,426.68	149.00	144.11
	<b>5,640.88</b>	<b>4,168.92</b>	<b>9,055.56</b>	<b>9,906.36</b>

All the non-current assets of the Company are located in India.

### Revenue from major products and services

(Rs. in lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
(a) Ball & roller bearings	5,177.68	3,514.40
(b) Roller	346.22	291.60
<b>Total</b>	<b>5,523.90</b>	<b>3,806.00</b>

### Information about major customers:

Revenues of approximately Rs. 560.54 Lakhs arise from sales to one customer who contributes 10% or more to the Company's revenue for year ended March 31, 2021. 'Revenues of approximately Rs. 449.55 Lakhs arise from sales to one customer who contributes 10% or more to the Company's revenue for year ended March 31, 2020

### Note 37 : Related Party transactions

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

Sr. no.	Nature of relationship	Names of related parties
(a)	Associate	NRB IBC Bearings Private Limited NIBL- Korta Engineering Private Limited (formerly known as Korta Engineering India Private Limited)
(b)	Key Management Personnel (KMP)	Mr. Devesh S. Sahney, Chairman and Managing Director Mr. Manish Choksi (upto June 6, 2020) Mr. Gaurav Motwane (upto June 16, 2020) Mr. Nikhilesh Panchal Mrs. Aarti Sahney (from October 7, 2019) Mr. Ashish Chhugani (from June 16, 2020) Mr. Samrat Nirmal Zaveri (from November 7, 2020)
(c)	Relatives of Key Management Personnel	Mrs. Harshbeena S. Zaveri, Director (up to August 6, 2019 ), Sister of Mr. Devesh Singh Sahney Ms. Mallika Sahney - AGM Strategy, daughter of Mr. Devesh Singh Sahney
(d)	A Company over which KMP are able to exercise significant influence.	Khaitan & CO.
(e)	A Company over which relatives of KMP are able to exercise significant influence.	NRB Bearings Limited NRB Bearings (Thailand) Limited

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021**
**B) Related Party Transactions:** (Rs. in lakhs)

Sr. No.	Nature of Transactions	Associate		A Company over which KMP / relatives of KMP are able to exercise significant influence.		Key Management Personnel and their Relative		Total	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
1	<b>Sale of finished Goods</b> NRB Bearings (Thailand) Limited NRB Bearings Limited NIBL- Korta Engineering Private Limited	- - 0.01	- - 0.58	- - -	- - -	- - -	- - -	- - 0.01	- - 0.58
2	<b>Sale of Semi Finished Material</b> NRB IBC Bearings Private Limited	-	1.73	-	-	-	-	-	1.73
3	<b>Income from job work</b> NRB Bearings Limited NRB IBC Bearings Private Limited	- 66.39	- 174.28	- -	- -	- -	- -	- 66.39	- 174.28
4	<b>Rent Income</b> NRB IBC Bearings Private Limited	84.48	84.48	-	-	-	-	84.48	84.48
5	<b>Service Charges</b> NRB IBC Bearings Private Limited NIBL- Korta Engineering Private Limited	36.00 12.00	36.00 12.00	- -	- -	- -	- -	36.00 12.00	36.00 12.00
6	<b>Royalty income</b> NRB IBC Bearings Private Limited	9.29	11.75	-	-	-	-	9.29	11.75
7	<b>Payments made/ expenses incurred on behalf of related party</b> NRB IBC Bearings Private Limited	79.54	89.21	-	-	-	-	79.54	89.21
8	<b>Purchase of material</b> NRB Bearings Limited NRB IBC Bearings Private Limited NIBL- Korta Engineering Private Limited	- 2.67 3.11	- 2.08 2.42	- -	- -	- -	- -	2.67 3.11	2.08 2.42
9	<b>Payments made/ expenses incurred by related party</b> NRB IBC Bearings Private Limited	-	-	-	-	-	-	-	-
10	<b>Job work charges</b> NIBL- Korta Engineering Private Limited	-	-	-	-	-	-	-	-
11	<b>Loan taken</b> Mr. D. S. Sahney The Estate of Mr. T. S. Sahney	- -	- -	- -	- -	35.02 -	4,009.00 -	35.02 -	4,009.00 -
12	<b>Loan repayment</b> Mr. D. S. Sahney The Estate of Mr. T. S. Sahney	- -	- -	- -	- -	1,378.00 6.00	2,865.00 -	1,378.00 6.00	2,865.00 -
13	<b>Issue of Preference shares</b> Mr. D. S. Sahney Late Mr. T. S. Sahney ( Refer foot note to Note 17 (A) (iii))	- -	- -	- -	- -	- -	- -	- -	- -
14	<b>Sub-Lease of Flat</b> Mr. D. S. Sahney	-	-	-	-	1,378.00	-	1,378.00	-
15	<b>Sitting Fees</b> Mr. Manish Choksi Mr. Gaurav Motwane Mr. Nikhilesh Panchal Mrs. Aarti Sahney (from October 7, 2019) Mrs. Harshbeena S. Zaveri Mr. Ashish Chhugani Mr. Samrat Nirmal Zaveri	- - - - - - -	- - - - - - -	- - - - - - -	- - - - - - -	0.55 0.25 1.75 0.90 1.20 0.35	1.95 1.40 1.95 0.45 - 0.15	0.55 0.25 1.75 0.90 1.20 0.35	1.95 1.40 1.95 0.45 - 0.15
16	<b>Legal and Professional Fees</b> Khaitan and Co.	-	-	19.35	32.65	-	-	19.35	32.65
17	<b>Remuneration to relative of KMP</b> Ms. Mallika Sahney	-	-	-	-	20.84	26.84	20.84	26.84

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Amounts outstanding with related parties			(Rs. in lakhs)						
Sr. No.	Nature of Outstanding Balances	Associate		A Company over which KMP / relatives of KMP are able to exercise significant influence.		Key Management Personnel and their Relative		Total	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
1	Trade Receivables NRB Bearings (Thailand) Limited NRB IBC Bearings Private Limited NIBL- Korta Engineering Private Limited	- - 13.65	- - 1.99	4.30 - -	4.64 - -	- - -	- - -	4.30 - 13.65	4.64 - 1.99
2	Other Receivables NRB IBC Bearings Private Limited	-	-	-	-	-	-	-	-
3	Trade Payables NRB Bearings Limited NIBL- Korta Engineering Private Limited Khaitan and Co.	- 9.90 -	- - -	17.37 - 7.92	17.37 - 23.04	- - -	- - -	17.37 9.90 7.92	17.37 - 23.04
4	Advances received from customers NRB IBC Bearings Private Limited	93.60	-	-	-	-	-	93.60	-
5	Loan outstanding Mr. D. S. Sahney The Estate of Mr. T. S. Sahney	- -	- -	- -	- -	1,438.65 2,902.50	2,781.63 2,908.50	1,438.65 2,902.50	2,781.63 2,908.50

### Footnote:

- i) No amounts pertaining to related parties have been provided for as doubtful debts. Further, no amounts have either been written off or written back during the period.
- ii) Outstanding balances (other than borrowings) at the year-end are unsecured and interest free and settlement occurs in cash.
- iii) The transactions with related parties are made in the normal course of business and on terms equivalent to those that prevail in arm's length transactions. All the Related Party Transactions are reviewed and approved by the Audit Committee.
- iv) **Compensation of key managerial personnel**

The remuneration of directors and other members of key management personnel during the year is as follows:

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Short-term benefits	87.22	87.40
Post-employment benefits @	14.24	17.17
<b>Total</b>	<b>101.46</b>	<b>104.57</b>

@ Compensation of key managerial personnel excludes provision for gratuity and compensated absences which is determined on the basis of actuarial valuation done on overall basis for the Company.

- v) The Company has entered into sub-lease deed dated November 06, 2020 with Mr. Devesh Singh Sahney to sublease residential property for the period commencing from October 01, 2020 and ending on September 30, 2111 (both days inclusive) for a total consideration of Rs. 1378 Lakhs.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

### Note 38 : Expenditure on Research and Development ( R & D) (Rs. in lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
a) Charged to Statement of Profit and Loss	95.35	119.45
b) Capitalized to Fixed Assets	-	-
<b>Total</b>	<b>95.35</b>	<b>119.45</b>

#### Footnote:

The Department of Scientific and Industrial Research has given recognition to the In- House R & D unit of the Company at B -18, Five star MIDC area, Shendra, Aurangabad from 28 October, 2014.

### Note 39 : Capital management and Risk management

#### I Capital Management

The Company's capital management strategy is to effectively determine, raise and deploy capital so as to create value for its shareholders. The same is done through a mix of either equity and/or preference and/or combination of short term /long term debt as may be appropriate. The Company determines the amount of capital required on the basis of its product, capital expenditure, operations and strategic investment plans. The same is funded through a combination of capital sources be it either equity and/or preference and/or combination of short term/long term debt as may be appropriate.

#### II Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk . In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

#### A CREDIT RISK

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables).

##### Trade receivables

Customer credit risk is managed as per the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on payment performance over the period of time. The Company's exposure of its customers are continuously monitored based on the customer's past performance and business dynamics. Credit exposure is controlled by customer's credit limits that are reviewed and approved by the management at regular intervals.

An impairment analysis is performed at each reporting date. The Company applies the simplified approach to providing for expected credit losses prescribed by Ind AS 109, which permits the use of the lifetime expected loss provision for all trade receivables. The Company has computed expected credit losses based on a provision matrix which uses historical credit loss experience of the Company and where applicable, specific provisions are made for individual receivables.

#### B LIQUIDITY RISK

##### (i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by way of banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

### (ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

(Rs in lakhs)

Maturities of Financial Liabilities	Weighted average effective interest rate	March 31, 2021				Total	Carrying amount
		Upto 1 year	1 to 3 years	3 to 5 years	Above 5 years		
Non-interest bearing		6,498.16	86.93	-	-	6,585.09	6,585.09
Variable interest rate instruments		-	-	-	-	-	-
Fixed interest rate instruments	4.76%	1,318.10	656.64	1,138.84	7,000.00	10,113.59	5,834.74
		<b>7,816.26</b>	<b>743.57</b>	<b>1,138.84</b>	<b>7,000.00</b>	<b>16,698.68</b>	<b>12,419.83</b>

(Rs in lakhs)

Maturities of Financial Liabilities	Weighted average effective interest rate	March 31, 2020				Total	Carrying amount
		Upto 1 year	1 to 3 years	3 to 5 years	Above 5 years		
Non-interest bearing		7,248.83	83.83	-	-	7,332.65	7,332.67
Variable interest rate instruments		-	-	-	-	-	-
Fixed interest rate instruments	8.52%	1,357.23	421.44	173.65	8,000.00	9,952.34	5,124.15
		<b>8,606.06</b>	<b>505.27</b>	<b>173.65</b>	<b>8,000.00</b>	<b>17,284.99</b>	<b>12,456.82</b>

### Interest Rate sensitivity

Interest rate risk is the risk that the fair value of future cash flows of a financial instruments will fluctuate because of changes in market interest rate. As at March 31, 2021 and as at March 31, 2020 the Company does not have significant interest rate risk as the Company's debt obligations are with fixed interest rates.

## C Market Risks

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company uses derivatives to manage any significant market risks. Derivatives are only used for economic hedging purposes and not as speculative investments. All such transactions are carried out within the guidelines set by the Board of Directors .

### (i) Currency Risk

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company's exposure to currency risk relates primarily to the Company's operating activities when transactions are denominated in a different currency from the Company's functional currency.

The Company's foreign currency exposure are denominated in US Dollar, Pound Sterling, Euro and Japanese Yen which arise mainly from foreign exchange imports, exports and foreign currency borrowings.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

As at the end of the reporting period, the carrying amounts of the company's foreign currency denominated financial assets and financial liabilities are as follows:

<b>As at March 31, 2021</b>		<b>In foreign currency in lakhs</b>	<b>Equivalent Rs in lakhs</b>
Financial Assets			
Trade Receivables	EURO	7.68	661.21
	USD	0.19	14.18
Advance to suppliers	EURO	0.26	22.32
	JPY	4.33	2.86
	USD	0.22	15.90
<b>Financial Liabilities</b>			
Trade Payables	EURO	1.05	90.51
	USD	0.03	1.87
Advance from customers	EURO	0.02	2.10

<b>As at March 31, 2020</b>		<b>In foreign currency in lakhs</b>	<b>Equivalent Rs in lakhs</b>
Financial Assets			
Trade Receivables	EURO	5.56	375.94
	USD	0.19	14.32
Advance to suppliers	EURO	0.08	6.27
	USD	0.04	3.21
	JPY	1.82	1.28
<b>Financial Liabilities</b>			
Trade Payables	EURO	1.03	85.38
Advance from customers	EURO	0.32	26.61

### **(ii) Interest Rate Risk**

Refer note B (ii) for interest rate sensitivity

The Company has entered in to Interest Rate Swap contract wherein the Company has converted its floating interest rate loan into a fixed interest rate loan, in order to reduce the Company's cash flow exposure resulting from variable interest rates on borrowings.

### **(iii) Raw material price risk**

The Company does not have significant risk in raw material price variations. In case of any variation in price same is passed on to the customer through appropriate adjustments to selling prices.

### **Note 40 : Fair Value Disclosures**

This section explains the judgment and estimates made in determining the fair value of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair value are disclosed in financial statements. To provide an indication about the reliability of the inputs used in determining the fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standards.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021**

**a) Categories of Financial Instruments:**

(Rs. in lakhs)

Financial assets/ financial liabilities	Fair value hierarchy as at March 31, 2021			Total
	Level-1	Level-2	Level-3	
<b>Financial assets</b>				
Financial assets carried at amortised cost				
Trade Receivables	-	1,649.60	-	1,649.60
Cash and cash equivalents	-	420.34	-	420.34
Other Bank balances	-	5.45	-	5.45
Other Financial Assets	-	7.95	-	7.95
<b>Total</b>	-	<b>2,083.34</b>	-	<b>2,083.34</b>
<b>Financial liabilities</b>				
Financial liabilities held at amortised cost				
Borrowings	-	10,175.89	-	10,175.89
Trade Payables	-	2,189.21	-	2,189.21
Other financial liabilities	-	54.73	-	54.73
<b>Total</b>	-	<b>12,419.83</b>	-	<b>12,419.83</b>

(Rs. in lakhs)

Financial assets/ financial liabilities	Fair value hierarchy as at March 31, 2020			Total
	Level-1	Level-2	Level-3	
<b>Financial assets</b>				
Financial assets carried at amortised cost				
Trade Receivables	-	856.65	-	856.65
Cash and cash equivalents	-	37.11	-	37.11
Other Bank balances	-	5.45	-	5.45
Other Financial Assets	-	7.26	-	7.26
<b>Total</b>	-	<b>906.46</b>	-	<b>906.46</b>
<b>Financial liabilities</b>				
Financial liabilities held at amortised cost				
Borrowings	-	10,814.28	-	10,814.28
Trade Payables	-	1,642.54	-	1,642.54
Other financial liabilities	-	-	-	-
<b>Total</b>	-	<b>12,456.82</b>	-	<b>12,456.83</b>

**Note:** Investments representing equity interest in associates are carried at cost less any provision for impairment.

**b) Fair Value Hierarchy and Method of Valuation**

The following table presents fair value of assets and liabilities measured at fair value on recurring basis as of March 31, 2021

(Rs in lakhs)

Financial assets/ (Financial liabilities)	Fair value hierarchy	Valuation technique(s) and key input(s)	March 31, 2021	March 31, 2020
<b>Derivative Assets / (Liabilities) measured at FVTPL:</b>				
(i) Interest rate swap	Level 2	Discounted Cash Flow based on prevailing / forward interest rates in market	-	-
<b>Total</b>			-	-

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**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021**

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**c) Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required):**

The Company consider that the carrying amount of financial asset and financial liabilities recognised in the financial statements approximate their fair value.

**Note 41 :**

The Company and NRB IBC Bearings Private Limited (NIBC) have transactions with IBC INDUSTRIAL BEARINGS AND COMPONENTS AG (IBC AG) and IBC Walzlager, GmbH ( IBC GmbH) in nature of export of goods and import of raw materials since December 2013. For transactions held between December 2013 and August 2015, IBC AG and IBC GmbH has netted off the outstanding receivables and payables in their books of accounts and remitted Euro 28,079 in October 2015 for the same.

As per RBI Circular RBI/2014-15/5 Master Circular No.14/2014-15 dated July 1, 2014 Clause C.25, RBI had delegated the powers to accept the application for set-off of export receivables against import payables to Authorised Dealer bank (AD) on behalf of RBI .

The Company had made the statutory application to its AD bank along with all the necessary documents seeking approval for set off of export receivables against import payables in the books of the Company. Pending approval the Company has disclosed receivables of Rs. 149.00 lakhs ( March 31, 2020 Rs. 144.11 lakhs ) as Non current Trade Receivable in Note 12 and payable of Rs. 86.93 lakhs ( March 31, 2020 Rs. 83.83 lakhs) as non current trade payable in Note 18.

**Note 42 :**

The figures for the previous year have been regrouped / restated where necessary to conform to the current year's classification.

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

**D. S. Sahney**  
**Chairman and Managing Director**

**Gulestan Kolah**  
**Chief Financial Officer**

**Sushama Kadam**  
**Company Secretary**

**Place : Mumbai**  
**Date : June 12, 2021**

## INDEPENDENT AUDITOR'S REPORT

**To The Members of NRB INDUSTRIAL BEARINGS LIMITED**

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

#### **Opinion**

We have audited the accompanying consolidated financial statements of **NRB INDUSTRIAL BEARINGS LIMITED** ("the Parent") and the Parent's share of loss in its associates , which comprise the Consolidated Balance Sheet as at March 31, 2021, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Parent and its associates as at March 31, 2021, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

#### **Basis for Opinion**

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

#### **Key Audit Matters**

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

Sr. No.	Key Audit Matter	Auditor's Response
1	<p><b>Inventory - Provision for slow and non-moving inventory of finished goods.</b></p> <p>The Parent is in the business of manufacturing of industrial bearings.</p> <p>Determination of saleability of slow moving and non-moving Finished Goods inventory involves significant management judgment and estimate.</p> <p>The Parent has certain non-moving finished goods inventory as at March 31, 2021 lying at factory. This inventory is physically verified quarterly by the Parent. Management applies judgment in determining the appropriate provisions for such slow and non-moving finished goods inventory based upon its detailed</p>	<ol style="list-style-type: none"> <li>1. We have evaluated the design and tested the implementation of internal controls including operating effectiveness of such internal controls on the management's judgements exercised for provisions made and underlying data, assumption used and record maintained for determination of saleability of slow moving and non-moving finished goods.</li> <li>2. We have evaluated the design and tested the implementation and operating effectiveness of review controls on the reasonableness of sales projections for the slow moving Finished Goods inventory.</li> <li>3. We have performed audit procedures directly on the information (such as inventory ageing report amongst others) which is being relied upon by the management.</li> </ol>

Sr. No.	Key Audit Matter	Auditor's Response
	<p>analysis of old inventory, net realizable value, quarterly movement of such inventory, its physical condition, future use and sales projections for the said inventory. Accordingly determining the saleability of such slow / non-moving inventory and consequently, the amount of provision required for such inventory requires the Parent to make significant judgment and estimates and therefore has been considered as a key audit matter.</p> <p>Refer to Note 2(f) and 11 of the consolidated financial statements for the above matter.</p>	<p>This includes agreeing summary information to underlying data and tracing a selection of information from the entity's underlying data into the information as well as identifying and obtaining audit evidence to support the key assumptions underlying the estimate.</p> <p>4. We have observed physical verification of inventory conducted by the Parent during the year and on a test check basis, verified the samples of provisions made with basis, assumptions, approval and supporting documents used by the management.</p>

#### **Information Other than the Financial Statements and Auditor's Report Thereon**

- The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report including annexures to the Director's Report, Management's Discussion and Analysis Report and Corporate Governance Report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the associates audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the associates, is traced from their financial statements audited by other auditors.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Parent's Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Parent including its Associates in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Parent and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Parent and its associates and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Parent and of its associates are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Parent and of its associates are also responsible for overseeing the financial reporting process of the Parent and of its associates.

#### **Auditor's Responsibility for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Parent and its associates to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Parent and its associates and to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Parent and its associates to express an opinion on the consolidated financial statements. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements of the associates incorporated in India we report, to the extent applicable that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- d) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- e) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
- g) On the basis of the written representations received from the directors of the Parent as on March 31, 2021 taken on record by the Board of Directors of the Parent and the reports of the statutory auditors of its associate companies incorporated in India, none of the directors of the Parent and its associate companies incorporated in India is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

- i) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- j) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

- i. The Parent and its associates does not have any pending litigations which would impact its financial position.
- ii. The Parent and its associates did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Parent and its associate companies incorporated in India.

**For Deloitte Haskins and Sells  
Chartered Accountants  
(Firm's Registration No. 116365W)**

**Kedar Raje  
(Partner)  
(Membership No. 102637)  
(UDIN: 21102637AAAACS8770)**

**Place: Mumbai  
Date: June 12, 2021**

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

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date to the members of NRB Industrial Bearings Limited on the consolidated financial statements for the year ended March 31, 2021)

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

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2021, we have audited the internal financial controls over financial reporting of NRB Industrial Bearings Limited (hereinafter referred to as "the Parent") as of that date.

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

The Board of Directors of the Parent, which is incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Parent considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Parent's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

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

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

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

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion

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

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Parent has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Parent considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Deloitte Haskins & Sells  
Chartered Accountants  
(Firm's Registration No. 116365W)**

**Kedar Raje  
(Partner)  
(Membership No. 102637)  
(UDIN: 21102637AAAACS8770)**

**Place: Mumbai**

**Date: June 12, 2021**

**CONSOLIDATED BALANCE SHEET AS ON MARCH 31, 2021**
**(Rs. in lakhs)**

Particulars	Notes	As at March 31, 2021	As at March 31, 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	6	7,316.18	8,159.67
(b) Right -of-use assets		708.77	716.96
(c) Capital work-in-progress		264.72	279.03
(d) Other Intangible assets	7	7.08	9.00
(e) Financial assets			
(i) Investments			
(a) Investments in associates	8	63.44	86.08
(ii) Trade Receivables	12	149.00	144.11
(iii) Other financial assets	9	-	-
(f) Non- Current tax assets (Net)	14	38.15	25.84
(g) Other non-current assets	10	46.66	46.75
<b>Total non - current assets</b>		<b>8,594.00</b>	<b>9,467.44</b>
<b>Current assets</b>			
(a) Inventories	11	2,180.90	1,978.87
(b) Financial Assets			
(i) Trade receivables	12	1,500.60	712.54
(ii) Cash and cash equivalents	13A	420.34	37.11
(iii) Bank balances other than (ii) above	13B	5.45	5.45
(iv) Loans	9	-	-
(iv) Other financial assets	9	7.95	7.26
(c) Current tax assets (Net)	14	-	18.52
(d) Other current assets	10	123.89	150.98
<b>Total current assets</b>		<b>4,239.13</b>	<b>2,910.73</b>
<b>Total assets (1+2)</b>		<b>12,833.13</b>	<b>12,378.17</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share capital	15	484.61	484.61
(b) Other Equity	16	(376.02)	(847.24)
<b>Total equity</b>		<b>108.59</b>	<b>(362.63)</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings			
(ii) Trade payables			
a) Total outstanding dues of Micro Enterprises and Small Enterprises	17A	4,626.50	3,963.24
b) Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		-	-
(ii) Other financial liabilities	18	86.93	83.83
(b) Deferred tax liabilities (Net)	19	-	-
(c) Provisions	15A	-	-
	21	25.21	37.05
<b>Total non - current Liabilities</b>		<b>4,738.64</b>	<b>4,084.12</b>
<b>Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings			
(ii) Trade payables			
a) Total outstanding dues of Micro Enterprises and Small Enterprises	17B	5,353.55	6,689.39
b) Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		-	-
(iii) Other financial liabilities	18	2,102.28	1,558.71
(b) Other current liabilities	19	250.57	161.65
(c) Provisions	20	232.83	140.65
	21	46.67	106.28
<b>Total current liabilities</b>		<b>7,985.90</b>	<b>8,656.68</b>
<b>Total liabilities (2+3)</b>		<b>12,724.54</b>	<b>12,740.80</b>
<b>Total equity and liabilities (1+2+3)</b>		<b>12,833.13</b>	<b>12,378.17</b>

See accompanying notes to the financial statements

In terms of our report attached.

For Deloitte Haskins & Sells  
Chartered Accountants

For and on behalf of the Board of Directors

**D. S. Sahney**  
Chairman and Managing Director

**Kedar Raje**  
Partner

**Gulestan Kolah**  
Chief Financial Officer

**Sushama Kadam**  
Company Secretary

Place : Mumbai  
Date : June 12, 2021

Place : Mumbai  
Date : June 12, 2021

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021**

(Rs. in lakhs)

Particulars	Notes	For the year ended March 31, 2021	For the year ended March 31, 2020
I Revenue from operations	22	5,640.88	4,168.92
I Other income	23	134.63	152.06
<b>III Total Income (I + II)</b>		<b>5,775.51</b>	<b>4,320.98</b>
<b>IV Expenses</b>			
Cost of materials consumed	24	2,211.77	1,373.60
Changes in inventories of finished goods and work-in-progress	26	122.87	33.54
Employee benefits expense	27	1,329.44	1,622.44
Finance costs	28	715.21	785.74
Depreciation and amortisation expense	29	892.04	890.59
Other expenses	30	1,370.60	1,505.59
<b>Total expenses (IV)</b>		<b>6,641.93</b>	<b>6,211.50</b>
<b>V Loss before tax and exceptional Item (III - IV)</b>		<b>(866.42)</b>	<b>(1,890.52)</b>
<b>VI Exceptional Item ( Gain)</b>	37(v)	1,288.45	-
<b>VII Profit / (Loss) before tax (V - VI)</b>		<b>422.03</b>	<b>(1,890.52)</b>
<b>VIII Tax Expense</b>			
(1) Current tax		-	-
(2) Deferred tax		-	-
<b>Total tax expense</b>		-	-
<b>IX Profit / (Loss) for the year (V -VI)</b>		<b>422.03</b>	<b>(1,890.52)</b>
<b>X Share of Profit / (Loss) of associates</b>		<b>(24.45)</b>	<b>(40.50)</b>
<b>XI Loss after tax and after share of loss of associate (IX-X)</b>		<b>397.58</b>	<b>(1,931.02)</b>
<b>Other comprehensive income</b>			
A (i) Items that will not be reclassified to profit or loss			
(a) Remeasurements of the defined benefit plans		(71.83)	50.96
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
(iii) Share of other comprehensive income in associates, to the extent not to be reclassified to profit and loss.		(1.81)	(3.16)
<b>X Total other comprehensive income (A (i-ii))</b>		<b>(73.64)</b>	<b>47.80</b>
<b>XI Total comprehensive income for the year (VII+VIII)</b>		<b>471.22</b>	<b>(1,978.82)</b>
<b>XII Earnings per equity share</b>	31		
(1) Basic (in Rs.)		1.64	(7.98)
(2) Diluted (in Rs.)		1.64	(7.98)

See accompanying notes to the financial statements

In terms of our report attached.

 For Deloitte Haskins & Sells  
 Chartered Accountants

For and on behalf of the Board of Directors

 D. S. Sahney  
 Chairman and Managing Director

 Kedar Raje  
 Partner

 Gulestan Kolah  
 Chief Financial Officer

 Sushama Kadam  
 Company Secretary

 Place : Mumbai  
 Date : June 12, 2021

 Place : Mumbai  
 Date : June 12, 2021

**STATEMENT OF CONSOLIDATED CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2021**

(Rs. in lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Cash flows from operating activities</b>		
Profit after tax	397.58	(1,931.02)
<b>Adjustments for:</b>		
Finance costs	715.21	785.74
Allowance for doubtful debts	16.34	14.84
Bad debts / advances written off	-	47.16
Depreciation and amortisation expense	892.04	890.59
(Gain)/Loss arising on Financial Liabilities / assets designated at FVTPL	-	17.34
Exceptional Item ( Gain)	(1,378.00)	-
Liability no longer payable required written back	(8.40)	(18.03)
Interest Income	(9.77)	(5.85)
Foreign exchange loss/ (gain) unrealised	(35.14)	(41.25)
Share of Loss/ (Profit) of associates	24.45	40.50
Operating profit before working capital changes	614.31	(199.98)
<b>Movements in working capital:</b>		
(Increase)/ decrease in trade receivables	(776.61)	415.49
(Increase)/decrease in inventories	(202.02)	144.69
(Increase)/decrease in other current assets	27.09	198.30
(Increase)/decrease in non current assets	8.08	(28.70)
(Increase)/decrease in other financial assets	-	66.63
Increase/(decrease) in trade payables	557.51	(342.61)
Increase/(decrease) in provisions	0.38	0.99
Increase/(decrease) in other liabilities	110.27	25.52
<b>Cash generated from operations</b>	339.01	280.33
Income taxes paid	6.19	16.66
<b>Net cash generated by / (used in) operating activities</b>	<b>345.20</b>	<b>296.99</b>

**STATEMENT OF CONSOLIDATED CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2021**

(Rs. in lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment	(43.78)	(60.48)
Interest Income	9.08	10.91
Investment in Associates	-	-
<b>Net cash used in investing activities</b>	<b>(34.70)</b>	<b>(49.57)</b>
<b>Cash flows from financing activities</b>		
Issue of Redeemable Preference Shares	-	650.00
Proceed from non current borrowings	398.32	800.00
Repayment of non current borrowings	(182.96)	(2,433.64)
Proceeds/(repayment) from/of current borrowings	42.17	1,165.84
Share Issue expenses paid	-	(19.00)
Interest paid	(184.81)	(445.17)
<b>Net cash generated by / (used in) financing activities</b>	<b>72.72</b>	<b>(281.97)</b>
<b>Net increase in cash and cash equivalents</b>	<b>383.23</b>	<b>(34.55)</b>
Cash and cash equivalents at the beginning of the year	37.11	71.66
<b>Cash and cash equivalents at the end of the year</b>	<b>420.34</b>	<b>37.11</b>

**Note:**

- 1 The above Consolidated statement of Cash Flow has been prepared under the "Indirect Method" set out in "Ind As 7 - Statement of Cash Flows".
- 2 The above excludes sublease of Flat for total consideration of Rs.1,378 Lakhs (Previous Year : Rs. NIL) by adjusting against Promoter director's loan, being non cash transaction.

**See accompanying notes to the financial statements**
**In terms of our report attached.**
**For and on behalf of the Board of Directors**
**For Deloitte Haskins & Sells**
**Chartered Accountants**

**D. S. Sahney**  
**Chairman and Managing Director**

**Kedar Raje**  
**Partner**

**Gulestan Kolah**  
**Chief Financial Officer**

**Place : Mumbai**  
**Date : June 12, 2021**

**Place : Mumbai**  
**Date : June 12, 2021**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2021**
**A) Equity Share Capital** (Rs. in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Balance as at the beginning of the year	484.61	484.61
Changes in equity share capital during the year	-	-
Balance as at the end of the year	<b>484.61</b>	<b>484.61</b>

**B) Other equity** (Rs. in lakhs)

Particulars	Reserves and Surplus			Total
	Capital reserve	Deemed capital contribution	Retained earnings	
<b>Balance at March 31, 2019</b>	<b>5,700.16</b>	<b>3,705.94</b>	<b>(10,036.01)</b>	<b>(629.91)</b>
Loss for the year	-	-	(1,931.02)	(1,931.02)
Other Comprehensive Income for the year - Remeasurement of net defined benefit obligation (net of taxes)	-	-	(50.96)	(50.96)
Share issue expenses for increase in authorised capital	-	-	(19.00)	(19.00)
Reclassified to Profit & Loss			3.16	3.16
<b>Total Comprehensive Income for the year</b>	<b>-</b>	<b>3,705.94</b>	<b>(1,997.82)</b>	<b>(1,997.82)</b>
Recognition of equity component on issue of redeemable preference shares	-	1,780.49	-	1,780.49
<b>Balance at March 31, 2020</b>	<b>5,700.16</b>	<b>5,486.43</b>	<b>(12,033.83)</b>	<b>(847.24)</b>
Loss for the year	-	-	397.58	397.58
Other Comprehensive Income for the year - Remeasurement of net defined benefit obligation (net of taxes)	-	-	71.83	71.83
Reclassified to Profit & Loss			1.81	1.81
Share issue expenses for increase in authorised capital	-	-	-	-
<b>Total Comprehensive Income for the year</b>	<b>-</b>	<b>5,486.43</b>	<b>471.22</b>	<b>471.22</b>
Recognition of equity component on issue of redeemable preference shares	-	-	-	-
<b>Balance at March 31, 2021</b>	<b>5,700.16</b>	<b>5,486.43</b>	<b>(11,562.61)</b>	<b>(376.02)</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

### 1. Basis of accounting and preparation of the Consolidated Financial Statements

The consolidated financial statements of the Company comprising of Balance Sheet, Statement of profit or loss, Statement of changes in Equity and Cash Flow Statement together with the notes have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [the Companies (Indian Accounting Standards) Rules, 2015] as amended and other relevant provisions of the Act.

All values are rounded off to the nearest lakhs.

The consolidated financial statements are presented in Indian currency (INR) which is the Company's functional and presentation currency.

The consolidated financial statements were approved for issue by the board of directors on June 12, 2021.

The consolidated financial statements have been prepared on an accrual basis under the historical cost convention except for certain financial instruments which have been measured at fair value at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

For financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

All assets and liabilities are classified as current if it is expected to realise or settle within twelve months from the Balance Sheet date.

#### i. Principles of consolidation

The consolidated financial statements relate to the Company and share of profit / loss in its associate. The consolidated financial statements have been prepared on the following basis:

- a) The consolidated financial statements include the share of profit / loss of the associate company which has been accounted for using equity method as per Ind AS 28 "Investments in Associates and Joint ventures". Accordingly, the share of profit/ loss of the associate company (the loss being restricted to the cost of investment) has been added to / deducted from the cost of investments.
- b) The difference between the cost of investment in the associate and the share of net assets at the time of acquisition of shares in the associate is identified in the consolidated financial statements as Goodwill or Capital reserve as the case may be.
- c) The following associate have been considered in preparation of consolidated financial statements.

Particulars	Country of Incorporation	% of ownership interest
NRB – IBC Bearings Private Limited (NIBC)	India	35%
Korta Engineering India Private Limited (Korta India)	India	35%

#### ii. About the holding company:

The Company was incorporated on 24th day of February, 2011 as a Private Limited Company under the provisions of the Companies Act, 1956 (the 1956 Act) .On the acquisition of equity shares of the Company on 4th November, 2011 by NRB

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Bearings Limited, a public limited company, the Company in terms of Section 3 (1) (iv) (c) of the 1956 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 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 became 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 lakhs between 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.

The Company is engaged in the business of manufacturing and selling of all types of industrial bearings. The address of its registered office is 2nd floor, Dhannur building, 15, Sir P.M. Road, Fort, Mumbai – 400 001, Maharashtra, India.

### 2 Significant accounting policies

#### a. Property, plant and equipment

Property, plant and equipment 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 and less accumulated impairment, if any. Cost includes financing cost relating to borrowed funds attributable to the construction or acquisition of qualifying tangible assets upto the date the assets are ready for use.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of profit or loss when the asset is derecognized. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Depreciation on tangible property, plant and equipment is calculated on straight line basis based on the useful life in accordance with part C of schedule II of the Companies Act, 2013 other than the following assets class for which useful life has been determined based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, etc.

	Assets	Useful life in years
a)	Plant and Machinery	20
b)	Furniture and Fixtures	15
c)	Electrical Installations	20
d)	Computers	6
e)	Vehicles	10

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

### b. Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Amortisation is recognised on straight line basis over their estimated useful life of 6 years. The estimated useful lives and amortisation method are reviewed at the end of each reporting period, with the effects of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment loss.

### c. Impairment of assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in Statement of profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the

asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in Statement of profit or loss.

### d. Foreign currencies

In preparing the financial statements of the Company, transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions or at rates that closely approximate the rate at the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences on monetary items are recognised in the Statement of profit or loss in the period in which they arise.

### e. Inventories

Inventories are valued at lower of cost (on weighted average basis) and the net realizable value. Cost comprises of all costs of purchase, conversion and other costs incurred in bringing the inventories to their present location and condition. Costs of conversion and other costs are determined on the basis of standard cost method adjusted for variances between standard costs and actual costs.

Net realizable value represents estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

### f. Revenue recognition

Revenue is measured based on transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns and goods and service tax. Transaction price is recognised based on the price specified in the contract, net of the estimated sales incentives/discounts.

#### Sale of goods

Revenue from contract with customers is recognised when the Company satisfies performance obligation by transferring promised

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

goods to the customer. Performance obligations are satisfied at the point of time when the customer obtains controls of the asset.

### **Sale of services**

Sale of services are recognised on rendering of such services.

### **Dividend and interest income**

Dividend income from investments is recognised when the shareholder's right to receive payment has been established. Interest income is accounted on time proportionate basis.

### **Rental income**

The Company's policy for recognition of revenue from operating leases is described in note g. below.

### **g. Leasing**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

### **The Company as lessor**

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other income'.

### **The Company as lessee**

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company recognises a right-of-use asset and a lease liability at the lease commencement date except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term. Lease term is a non-cancellable period together with periods covered

by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option.

The right-of-use asset is initially measured at cost at the commencement date. At the commencement date, the lease liability is measured at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. The Company uses its incremental borrowing rate as the discount rate.

After the commencement date, the right-of-use asset is measured at cost less any accumulated depreciation and any accumulated impairment losses, and the lease liability is measured by (i) increasing the carrying amount to reflect interest on the lease liability; (ii) reducing the carrying amount to reflect the lease payments made; and (iii) remeasuring the carrying amount to reflect any reassessment or lease modifications, or to reflect revised in-substance fixed lease payments. Interest on the lease liability in each period during the lease term is the amount that produces a constant periodic rate of interest on the remaining balance of the lease liability. Interest expense on the lease liability is a component of finance costs.

### **Transition to Ind AS 116:**

The Company has adopted Ind AS 116 using the modified retrospective approach with effect from initially applying this standard from April 1, 2019. Accordingly, the information presented for previous year ended March 31, 2019 has not been restated and continues to be reported under Ind AS 17.

The Company has adopted modified retrospective approach where lease liability measured at present value of remaining lease payment discounted at the incremental borrowing rate at the date of initial application and right to use asset is equal to lease liability adjusted by the amount of any prepaid or accrued lease payments. The Company has paid the entire lease premium for the lease hold land as a result of which there is no corresponding Lease liability against the Right-of-Use asset. The effect of adoption of Ind AS 116 on the loss for the year and earnings per share is not significant. The

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

nature of expenses in respect of operating leases has changed from lease rent, included in other expenses, in previous year to depreciation cost for the right-to-use asset.

### Accounting under Ind AS 17 "Leases" up to March 31, 2019

#### As a lessee:

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue.

#### As a lessor:

Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue.

## **h. Employee benefits**

### Retirement benefit costs and termination benefits:

Payment to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Contributions to Provident and Family Pension Fund and Superannuation scheme, a defined contribution plan are made as required by the statute and expensed in the Statement of profit or loss.

For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in the other comprehensive income is

reflected immediately in retained earnings and is not reclassified to Statement of profit or loss. Past service cost is recognised in Statement of profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the defined benefit liability. Defined benefit costs are categorised as follows

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Company presents the first two components of defined benefit costs in the Statement of profit or loss in the line item "Employee benefits expense". Curtailment gains and losses are accounted for as past service cost.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for the termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognizes any related restructuring costs.

### Short-term and other long-term employee benefits:

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange of related service.

Liabilities recognized in respect of other long-term employee benefits are measured at present value of the estimated future cash outflows expected to be made by the company in respect of services provided by employee upto the reporting date.

### **i. Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are added

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in profit or loss in the period in which they are incurred. 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.

### j. Taxes on Income

Income Tax expense represents the sum of the tax currently payable and deferred tax.

#### Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Statement of profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

#### Deferred tax

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses could be utilized. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax

consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

#### Current and deferred tax for the year:

Current and deferred tax are recognized in the Statement of Profit or Loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

### k. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

### l. Earnings Per Share

Basic earnings per share is computed by dividing the profit / (loss) after tax available for equity shareholders by the weighted average number of equity shares outstanding during the period.

### m. Cash and cash equivalents:

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value. Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

### n. Cash Flow Statement :

Cash flows are reported using the indirect method, whereby profit/ (loss) before tax is adjusted for the effects of transactions of non-cash nature and any

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

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.

### **o. Financial instruments**

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of profit or loss.

#### **Financial assets:**

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

#### **Impairment of financial assets:**

The Company applies the expected credit loss model for recognising impairment loss on financial assets. With respect to trade receivables, the Company measures the loss allowance at an amount equal to lifetime expected credit losses. Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

#### **Derecognition of financial assets:**

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the Statement of profit or loss if such gain or loss would have otherwise been recognised in the Statement of profit or loss on disposal of that financial asset.

#### **Financial liabilities and equity instruments**

##### **Classification as debt or equity**

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

##### **Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all its liabilities. Equity instrument issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instrument is recognised and deducted directly in equity. No gain or loss is recognised in the Statement of profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

##### **Compound financial instruments**

The component parts of compound financial instruments issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of financials liability and an equity instrument. At the date of issue, the fair value of liability component is estimated using the prevailing market interest rate for similiar non-convertible instruments. This amount is recognised as a liability on an amortised cost basis using the effective interest method until

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

extinguished at the instrument's maturity date. Equity is determined by deducting the amount of the liability component from the fair value of the compound financial instrument as a whole. This is recognised and included in equity, and is not subsequently remeasured.

Transaction costs that relate to the issue of the instrument are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the instrument using the effective interest method.

### **Financial Liabilities**

All the financial liabilities are subsequently measured at amortised cost using the effective interest method or at fair value through profit or loss, depending on the classification of the financial liabilities.

### **Derecognition of financial liabilities:**

The Company derecognises financial liabilities when, and only when, the Company's obligation are discharged, cancelled or have expired. An exchange between the lender of debt instrument with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the term of an existing liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Statement of profit or loss.

### **Derivative financial instruments:**

The Company enters into derivative contracts to manage its exposure to foreign exchange rate risk and interest rate risk, including call spread currency option and interest rate swap. Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the

end of each reporting period. The resulting gain or loss is recognised in the Statement of profit or loss immediately.

### **3 Use of estimates and judgments**

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses etc. at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are included in the following notes:

Note No.2.a	Property, plant & equipment
Note No.2.b	Intangible assets acquired separately
Note No.2.h	Employee benefits

### **4 Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID-19):**

The COVID 19 spread has severely impacted businesses around the world. In many countries, including India, there has been severe disruption to regular business operations due to lock down restrictions and other emergency measures imposed by the Government. The Company has resumed its business operations in a phased manner as per Government directives. The Company has made a detailed assessment of its liquidity position for one year and of the recoverability and carrying value of its assets including Property, Plant and Equipment, Trade Receivables, Inventory and Investments as at the Balance Sheet date, and has concluded that there are no material adjustments required in the Financial Statements for the year ended March 31, 2020.

### **Trade Receivables :**

In assessing recoverability of trade receivables, the Company has considered subsequent recoveries, past trends, credit risk profiles of the customers based on their industry, macroeconomic forecasts and internal

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021**

and external information available up to the date of issuance of these financial statements to estimate the probability of default in future and has taken into account estimates of possible effect from the pandemic relating to COVID-19.

**Inventories :**

In assessing the recoverability of inventories, the Company has considered the latest selling prices, customer orders on hand and margins adjusted to reflect current and estimated future economic conditions also taking into account estimates of possible effect from the pandemic relating to COVID-19.

**Revenue from Contracts with Customers:** The Company has evaluated the impact of COVID-19 resulting from (i) the possible constraints to continue its operations and revisions in costs to fulfill the pending obligations (ii) onerous obligations (iii) penalties, if any, relating to breaches of agreements and (iv) termination or deferment of contracts by customers. The Company has concluded that the impact of COVID-19 is not material based on these

estimates. Due to the nature of the pandemic, the Company will continue to monitor developments to identify significant uncertainties relating to revenue in future periods.

Management believes that it has taken into account all the possible impact of known events arising from COVID 19 pandemic in the preparation of the Financial Statements for the year ended March 31, 2020. However, the estimated impact of global health pandemic might vary from the date of approval of these financial statement and the Company will continue to monitor any material changes to future economic conditions.

**5 Recent accounting pronouncements**

The Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. The MCA notification for Schedule III -On March 24, 2021, the Ministry of Corporate Affairs ("MCA" through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021**
**NOTE 6 - Property, plant and equipment**
**(Rs. in lakhs)**

Description	Cost or deemed cost				Accumulated depreciation and impairment				Net Carrying amount
	Balance As at 01.04.20	Additions	Deductions	Balance As at 31.03.21	Balance As at 01.04.20	For the year	On Deductions/Amortisation	Balance As at 31.03.21	
<b>Refer foot note 2</b>									
Buildings Own Use	3,409.43 (3,409.43)	-	2.00	3,407.43 (3,409.43)	851.90 (738.30)	113.26 (113.60)	0.27	964.89 (851.90)	2,442.54 (2,557.53)
Given under operating lease	307.11 (307.11)	-	-	307.11 (307.11)	72.50 (62.21)	10.26 (10.29)	-	82.76 (72.50)	224.35 (234.61)
	3,716.54 (3,716.54)	-	2.00	3,714.54 (3,716.54)	924.40 (800.51)	123.52 (123.89)	0.27	1,047.65 (924.40)	2,666.89 (2,792.14)
Leasehold Improvement	154.51 (154.51)	-	-	154.51 (154.51)	53.01 (40.19)	10.44 (12.82)	-	63.45 (53.01)	91.06 (101.50)
Plant and Machinery Own Use	7,305.94 (7,235.57)	14.30 (70.37)	-	7,320.24 (7,305.94)	2,593.14 (1,935.49)	661.43 (657.65)	-	3,254.57 (2,593.14)	4,065.67 (4,712.80)
Given under operating lease	90.41 (90.41)	-	-	90.41 (90.41)	26.86 (20.13)	6.71 (6.73)	-	33.57 (26.86)	56.84 (63.55)
	7,396.35	14.30	-	7,410.65	2,620.00	668.14	-	3,288.14	4,122.51
	(7,325.98)	(70.37)	-	(7,396.35)	(1,955.62)	(664.38)	-	(2,620.00)	(4,776.35)
Furniture and fixtures Own Use	252.09 (250.38)	- (1.71)	-	252.09 (252.09)	110.09 (94.20)	15.96 (15.89)	-	126.05 (110.09)	126.04 (142.00)
Given under operating lease	2.50 (2.50)	-	-	2.50 (2.50)	1.20 (1.04)	0.16 (0.16)	-	1.35 (1.20)	1.14 (1.30)
	254.59 (252.88)	- (1.71)	-	254.59 (254.59)	111.29 (95.24)	16.12 (16.05)	-	127.41 (111.29)	127.18 (143.30)
Computers Own Use	76.07 (75.74)	- (0.33)	-	76.07 (76.07)	62.67 (59.02)	3.66 (3.65)	-	66.33 (62.67)	9.74 (13.40)
Given under operating lease	0.44 (0.44)	-	-	0.44 (0.44)	0.44 (0.44)	-	-	0.44 (0.44)	0.00
	76.51 (76.18)	- (0.33)	-	76.51 (76.51)	63.11 (59.46)	3.66 (3.65)	-	66.77 (63.11)	9.74 (13.40)
Office equipments Own Use	80.69 (78.07)	- (2.62)	-	80.69 (80.69)	72.06 (68.92)	3.36 (3.14)	-	75.42 (72.06)	5.27 (8.63)
Given under operating lease	0.35 (0.35)	-	-	0.35 (0.35)	0.34 (0.34)	-	-	0.34 (0.34)	0.01 (0.01)
	81.04 (78.42)	- (2.62)	-	81.04 (81.04)	72.40 (69.26)	3.36 (3.14)	-	75.76 (72.40)	5.28 (8.64)
Electrical installations Own Use	558.31 (558.31)	-	-	558.31 (558.31)	310.80 (269.37)	41.43 (41.43)	-	352.23 (310.80)	206.08 (247.51)
Given under operating lease	36.09 (36.09)	-	-	36.09 (36.09)	20.09 (17.41)	2.68 (2.68)	-	22.77 (20.09)	13.32 (16.00)
	594.40 (594.40)	-	-	594.40 (594.40)	330.89 (286.78)	44.11 (44.11)	-	375.00 (330.89)	219.40 (263.51)
Vehicles	94.06 (94.06)	22.79	-	116.85 (94.06)	33.22 (24.29)	9.51 (8.94)	-	42.73 (33.23)	74.12 (60.82)
<b>Sub Total (A)</b>	<b>12,368.00</b>	<b>37.09</b>	<b>2.00</b>	<b>12,403.09</b>	<b>4,208.32</b>	<b>878.86</b>	<b>0.27</b>	<b>5,086.91</b>	<b>7,316.18</b>
<b>Sub Total (B)</b>	<b>(12,292.97)</b>	<b>(75.03)</b>	<b>-</b>	<b>(12,368.00)</b>	<b>(3,331.35)</b>	<b>(876.98)</b>	<b>-</b>	<b>(4,208.33)</b>	<b>(8,159.67)</b>

**Notes:**

1. Assets pledged as security  
Refer Note 17A and Note 17B on Borrowings.
2. Previous year figures are indicated in brackets

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

### Note 7 : Other Intangible Assets

(Rs. in lakhs)

Particulars	Software
<b>I. Deemed cost</b>	
<b>Balance as at April 1, 2020</b>	<b>53.97</b>
Additions	3.08
Disposals	-
<b>Balance as at March 31, 2021</b>	<b>57.05</b>
<b>Balance as at April 1, 2019</b>	<b>52.01</b>
Additions	1.96
Disposals	-
<b>Balance as at March 31, 2020</b>	<b>53.97</b>
<b>II. Accumulated amortisation and impairment</b>	
<b>Balance as at April 1, 2020</b>	<b>44.97</b>
Amortisation expense	5.00
Eliminated on disposal of assets	-
<b>Balance as at March 31, 2021</b>	<b>49.97</b>
<b>Balance as at April 1, 2019</b>	<b>39.56</b>
Amortisation expense	5.41
Eliminated on disposal of assets	-
<b>Balance as at March 31, 2020</b>	<b>44.97</b>
<b>III. Net Carrying amount (I-II)</b>	
<b>Balance as at March 31, 2021</b>	<b>7.08</b>
<b>Balance as at March 31, 2020</b>	<b>9.00</b>

### Note 8 : Investments

(Rs. in lakhs)

	Particular	As at March 31, 2021			As at March 31, 2020		
		No. of shares	Amounts Current	Amounts Non Current	No. of shares	Amounts Current	Amounts Non Current
A.	<b>Investments carried at cost</b>						
(a)	<b>Unquoted Investments (fully paid)</b>						
	<b>Investments in equity instruments of Associate</b>						
	Equity Shares (of Rs. 10 each) in NRB-IBC Bearings Private Limited (NIBC)	4,200,000	-	-	4,200,000	-	-
	Equity Shares (of Rs. 10 each) in NIBL -Korta Engineering Private Limited Limited (formerly known as in Korta Engineering India Private Limited) ( Refer Note below)	1,050,000	-	63.44	1,050,000	-	86.08
	<b>Investments carried at cost</b>	5,250,000	-	63.44	5,250,000	-	86.08
	<b>Total investments at cost</b>	5,250,000	-	63.44	5,250,000	-	86.08
	<b>Aggregate amount of unquoted investments</b>			63.44			86.08

#### Note:

- The Company's share of loss in an associate NIBC is restricted to the extent of carrying value of its Investment in Associate. The unrecognised share of lossess of NIBC as at March 31, 2021 is Rs. 107.38 lakhs (as on March 31, 2020 is Rs. 40.38 lakhs)
- Rs. 63.44 lakhs (March 31, 2020 is Rs. 86.08 lakhs) disclosed above includes the company's share of loss of Rs. 24.25 lakhs(for the year ended March 31, 2020 ; loss of Rs. 40.50 lakhs) and other comprehensive income of Rs.1.81 lakhs (for the year ended March 31, 2020: Rs. 3.16 lakhs) in associate Korta for the year ended March 31, 2021 as recognised in Consolidated Statement of Profit and Loss for the year ended March 31, 2021.

c)	Name of Associate	Country of Incorporation	Year	Original Cost of Investment	Amount of Goodwill/ (Capital reserve in original cost)
	NRB- IBC Bearings Private Limited	India	2021	420	420.00
		India	2020	420	420.00
	Korta Engineering India Private Limited	India	2021	105	170.69
		India	2020	105	170.69

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021**

**Note 9 : Other financial assets**

(Rs. in lakhs)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Current	Non-current	Current	Non-current
(a) Interest accrued on fixed deposits	2.95	-	2.26	-
(b) Fixed Deposits with a Bank and Financial Institution	5.00	-	5.00	-
<b>Total</b>	<b>7.95</b>	<b>-</b>	<b>7.26</b>	<b>-</b>

**Note 10 : Other assets**

(Rs. in lakhs)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Current	Non- Current	Current	Non- Current
Security Deposits	-	43.73	-	43.63
Capital advances	-	0.69	-	0.89
VAT receivable	20.58	-	20.58	-
Balances with government authorities (other than income taxes):				
GST credit receivables	-	-	41.13	-
Others:				
(a) Export incentive	69.79	-	36.68	-
(b) Advances to employees	8.72	-	11.53	-
(c) Advances to suppliers	1.92	21.50	19.65	21.50
Less: Allowance for doubtful advances	-	(21.50)	-	(21.50)
Prepayments	22.88	2.24	21.41	2.24
<b>Total</b>	<b>123.89</b>	<b>46.66</b>	<b>150.98</b>	<b>46.75</b>

**NRB Industrial Bearings Limited**

**Notes to the Consolidated Financial Statements for the Year ended March 31, 2021**

**Note 11 : Inventories**

(Rs. in lakhs)

Particulars	As at March 31, 2021		As at March 31, 2020	
Inventories (lower of cost and net realisable value)				
(a) Raw materials	674.58		363.59	
- Goods in Transit	-	674.58	-	363.59
(b) Work-in-progress		848.36		850.53
(c) Finished goods		569.58		690.28
(d) Stores and spares		88.38		74.47
<b>Total</b>		<b>2,180.90</b>		<b>1,978.87</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

### Notes:

- 1 The cost of inventories recognised as an expense during the year was Rs. 2,632.32 lakhs (for the year ended March 31, 2020: Rs.1,701.71 lakhs).
- 2 The cost of inventories recognised as an expense includes Rs. 2.22 lakhs (during 2019-2020: Rs. 4.75 lakhs) in respect of write-downs of inventory to net realisable value, Rs. 25 lakhs (during 2019-2020: Rs. Nil) in respect of the Slow and non moving inventory.
- 3 The mode of valuation of inventories has been stated in note 2 (f).
- 4 Assets pledged as security

Refer Note 17A and 17B on Borrowings.

### Note 12 : Trade receivables

(Rs. in lakhs)

Particulars	As at March 31, 2021				As at March 31, 2020			
	Current		Non Current		Current		Non Current	
Trade receivables outstanding for a period exceeding six months from the date they are due for payment:								
(a) Unsecured, considered good - (Refer Note 41)	191.61		149.00		173.79		144.11	
(b) Unsecured, credit impaired	178.68		-		162.34		-	
	370.29		149.00		336.13		144.11	
Allowance for doubtful debts (expected credit loss allowance)	(178.68)	191.61	-	149.00	(162.34)	173.79	-	144.11
Other trade receivables:								
Secured, considered good	-		-		-		-	
(a) Unsecured, considered good	1,308.99		-		538.75		-	
(b) Unsecured, significant increase in credit risk.	-	1,308.99	-	-	-	538.75	-	-
<b>Total</b>		<b>1,500.60</b>		<b>149.00</b>		<b>712.54</b>		<b>144.11</b>

### Note: Trade receivables include debts due from:

(Rs. in lakhs)

	As at March 31, 2021	As at March 31, 2020
Private company in which directors are directors		
NRB-IBC Bearings Private Limited (NIBC) (Refer note 37)	-	-
NIBL- Korta Engineering Private Limited (formerly known as Korta Engineering India Private Limited) (Refer note 37)	13.65	1.99
	<b>13.65</b>	<b>1.99</b>

Also refer Note 40 - (a)

The credit period on sales of goods ranges from 30 to 75 days.

Receivables of Rs. 209.05 Lakhs is from one customer who contributes 10% or more to the total receivables as At March 31, 2021 and Receivables of Rs. 191.05 Lakhs is from one customer who contributes 10% or more to the total receivables as At March 31, 2020.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021**
**Movement in the expected credit loss allowance** (Rs. in lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>Balance as at beginning of the year</b>	162.34	147.50
Movement in the expected credit loss allowance on trade receivables calculated at life time expected credit losses.	16.34	14.84
<b>Balance at end of the year</b>	<b>178.68</b>	<b>162.34</b>

**Note 13 : Cash and Cash equivalents and Other bank balances** (Rs. in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>A. Cash and cash equivalents</b>		
(a) Cash on hand	0.24	0.81
(b) Balances with banks in current accounts	420.10	36.30
<b>Total</b>	<b>420.34</b>	<b>37.11</b>
<b>B. Other bank balances</b>		
Balances with banks in earmarked deposit account (held as security against the guarantees) exceeding three months but less than twelve months	5.45	5.45
<b>Total</b>	<b>5.45</b>	<b>5.45</b>

**Note 14 : Current tax assets and liabilities** (Rs. in lakhs)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Current	Non-current	Current	Non-current
<b>Current tax assets</b>				
Tax refund receivable	-	38.15	18.52	25.84
<b>Current tax liabilities</b>				
Income tax payable	-	-		
<b>Total</b>	<b>-</b>	<b>38.15</b>	<b>18.52</b>	<b>25.84</b>

**Note No. 14A : Current Tax and Deferred Tax**

(a) Income Tax recognised in profit or loss (Rs. in lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>Current Tax</b>		
In respect of current year	-	-
In respect of previous years	-	-
<b>A</b>	<b>-</b>	<b>-</b>
<b>Deferred Tax</b>		
In respect of current year	-	-
In respect of previous years	-	-
<b>B</b>	<b>-</b>	<b>-</b>
<b>Total Income tax expense recognised in the current year (A+B)</b>	<b>-</b>	<b>-</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021**
**(b) Income Tax recognised in Other comprehensive income** (Rs. in lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>Deferred tax (credit) / charge on:</b>		
Remeasurement of defined benefit obligation	-	-

**(c) Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:** (Rs. in lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>Profit before tax from continuing operations</b>	422.03	(1,890.52)
Current Tax	109.73	-
Income Tax	-	-
Charge/(credit) in respect of previous years	-	-
Adjusted Against unabsorbed Depreciation	(109.73)	
<b>Current Tax Total</b>	-	-
<b>Deferred Tax</b>		
Effect of expenses that are allowable on payment basis	2.79	1.41
Depreciation	58.03	73.69
Unabsorbed Business Losses	(60.82)	(75.10)
Exceptional Gain	335.00	-
Unabsorbed Depreciation	(335.00)	-
Income tax expense recognised In profit or loss from continuing operations	-	-

The tax rate used for the year 2020-21 is 26.00% (25% + health and education cess @ 4% ) and year 2019-20 is 26.00% (25% + health and education cess @ 4% ) and reconciliations payable on taxable profits under the Income Tax Act, 1961.

**Note No. 14B : Current Tax and Deferred Tax**
**(d) Movement in Deferred tax balances** (Rs. in lakhs)

Particulars	For the Year ended March 31, 2021			
	Opening Balance	Recognised in profit and Loss	Recognised in OCI	Closing Balance
Tax effect of items constituting deferred tax assets / (liabilities)				
Property, Plant and Equipment	(1,024.67)	58.03	-	(966.64)
Provision for doubtful debts and advances	47.80	4.25	-	52.05
Provision for Employee Benefits	37.27	0.10	(18.68)	18.69
Effect of expenses that are allowable on payment basis	9.46	(1.55)	-	7.91
Unabsorbed Business Losses	930.14	(60.83)	18.68	888.00
Exceptional Gain	-	335.00	-	335.00
Unabsorbed Depreciation	-	(335.00)	-	(335.00)
<b>Net Tax Asset (Liabilities)</b>	-	-	-	-

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021**

(Rs. in lakhs)

Particulars	For the Year ended March 31, 2020			
	Opening Balance	Recognised in profit and Loss	Recognised in OCI	Closing Balance
Tax effect of items constituting deferred tax assets / (liabilities)				
Property, Plant and Equipment	(1,098.35)	73.69	-	(1,024.67)
Provision for doubtful debts and advances	43.94	3.86	-	47.80
Provision for Employee Benefits	23.76	0.26	13.25	37.27
Fair valuation of derivative contracts	31.86	(31.86)	-	-
Effect of expenses that are allowable on payment basis	12.17	(2.71)	-	9.46
Unabsorbed Business Losses	986.62	(43.24)	(13.25)	930.14
<b>Net Tax Asset (Liabilities)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**(e) Amounts on which Deferred tax asset has not been created:**

Deferred tax assets on carry forward unused tax losses have been recognised to the extent of deferred tax liabilities on taxable temporary differences available. It is expected that any reversals of the deferred tax liability would be offset against the reversal of the deferred tax asset.

**As at March 31, 2021**

(Rs. in lakhs)

Nature of unrecognised deferred tax assets	No expiry	Expiring within one year	Expiring in Greater than one year, less than five years	Expiring in Greater than five years	TOTAL
Business Loss	-	-	129.51	3,683.69	3,813.20
Unabsorbed depreciation	6,407.76	-	-	-	6,407.76
<b>Total</b>	<b>6,407.76</b>	<b>-</b>	<b>129.51</b>	<b>3,683.69</b>	<b>10,220.96</b>

**As at March 31, 2020**

(Rs. in lakhs)

Nature of unrecognised deferred tax assets	No expiry	Expiring within one year	Expiring in Greater than one year, less than five years	Expiring in Greater than five years	TOTAL
Business Loss	-	-	566.27	2,769.00	3,335.27
Unabsorbed depreciation	7,017.78	-	-	-	7,017.78
<b>Total</b>	<b>7,017.78</b>	<b>-</b>	<b>566.27</b>	<b>2,769.00</b>	<b>10,353.05</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021**
**Note 15 : Equity Share Capital**
**(Rs. in lakhs)**

	As at March 31, 2021	As at March 31, 2020
Equity share capital	484.61	484.61
	<b>484.61</b>	<b>484.61</b>

**(Rs. in lakhs)**

<b>Particulars</b>	<b>As at March 31, 2021</b>		<b>As at March 31, 2020</b>	
	<b>No. of shares</b>	<b>Amount</b>	<b>No. of shares</b>	<b>Amount</b>
<b>Authorised:</b>				
Equity shares of Rs. 2/- each	25,000,000	500.00	25,000,000	500.00
<b>Issued, Subscribed and Fully Paid:</b>				
Equity shares of Rs. 2/- each	24,230,650	484.61	24,230,650	484.61
<b>Total</b>	<b>24,230,650</b>	<b>484.61</b>	<b>24,230,650</b>	<b>484.61</b>

**(i) (a) Rights attached to equity shares:**

- 1) The Company has only one class of equity shares having a face value of Rs. 2 each. The Equity Shareholders have all the rights of equity shares as provided by the Companies Act, 2013 and Rules & Regulations made thereunder.
- 2) 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.
- 3) 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.

**(ii) Reconciliation of the number of shares outstanding at the beginning and at the end of the period.**

<b>Particulars</b>	<b>No. of shares</b>	<b>Share Capital ( Amount)</b>
<b>Balance at April 1, 2020</b>	24,230,650	484.61
Movements	-	-
<b>Balance at March 31, 2021</b>	<b>24,230,650</b>	<b>484.61</b>

**(iii) Details of shares held by each shareholder holding more than 5% shares**

<b>Name of shareholder</b>	<b>As at March 31, 2021</b>		<b>As at March 31, 2020</b>	
	<b>No. of shares</b>	<b>Percentage</b>	<b>No. of shares</b>	<b>Percentage</b>
Equity shares:				
Trilochan Singh Sahney ( Refer Note below)	2,929,101	12.09%	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%	9,438,910	38.95%

**Note :** Consequent to the demise of Mr. Trilochan Singh Sahney, the Company has not received share transmission application from legal heirs of Late Mr. Trilochan Singh Sahney and accordingly the name of Late Mr. Trilochan Singh Sahney is still appearing in register of Members and is accordingly disclosed above.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021**

**Note 16 : Other equity**

(Rs. in lakhs)

Paticulars	As at March 31, 2021	As at March 31, 2020
(a) Capital reserve	5,700.16	5,700.16
(b) Deemed capital contribution	5,486.43	5,486.43
(c) Retained earnings	(11,562.61)	(12,033.83)
<b>Total</b>	<b>(376.02)</b>	<b>(847.24)</b>

**(i) Movement in other equity:**

(Rs. in lakhs)

	Paticulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>(I) Capital Reserve ( Refer Note 1)</b>	Opening balance	5,700.16	5,700.16
	Movement	-	-
	<b>Closing balance</b>	<b>5,700.16</b>	<b>5,700.16</b>
<b>(II) Deemed capital contribution</b>	Opening balance	5,486.43	3,705.94
	Recognition of equity component on issue of redeemable preference shares	-	1,780.49
	<b>Closing balance</b>	<b>5,486.43</b>	<b>5,486.43</b>
<b>(III) Retained earnings</b>	Opening balance	(12,033.83)	(10,036.01)
	Profit / (Loss) for the year	397.58	(1,931.02)
	Other Comprehensive Income for the year - Remeasurement of net defined benefit obligation (net of taxes)	71.83	(50.96)
	Share issue expenses for increase in authorised capital	-	(19.00)
	Reclassified to Profit & Loss	1.81	3.16
	<b>Closing balance</b>	<b>(11,562.61)</b>	<b>(12,033.83)</b>

**Deemed capital contribution**

This represents the difference between fair valuation and transaction price on initial recognition of preference shares issued to a Promoter shareholder.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021**


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**Note 17 :Borrowings**
**A. Non-Current Borrowings** (Rs. in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>I. Secured - at amortised cost</b>		
<b>Term loans:</b>		
<b>From bank</b>		
Less: Current maturities of long term debt (refer note 19)	176.66	-
	(10.01)	-
	<b>166.65</b>	-
<b>From others</b>		
Less: Current maturities of long term debt (refer note 19)	684.39	639.30
	(185.83)	(161.65)
	<b>498.56</b>	<b>477.65</b>
<b>II. Unsecured - at amortised cost</b>		
<b>Term loan:</b>		
Loans from related parties		
Preference Shares	3,961.29	3,485.59
<b>Total</b>	<b>4,626.50</b>	<b>3,963.24</b>

Also refer Note 40 - (a)

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

(a) Rs. 176.66 lakhs (March 31, 2020 Rs. Nil) secured by second charge on all present and future stock and book debts of the Company and second pari passu charge over immovable Property, plant and equipment (buildings), leasehold land of the Company and its movable plant & machinery, furniture & fixtures and other movable assets at its factory at Shendra (near Aurangabad). The working capital term loan is repayable in 36 equal monthly instalments of Rs. 5.50 lakhs each starting from January, 2022 till December, 2024 and carries interest rate of 7.5 % p.a.

**Term loan from Others**

(b) Rs. 35.35 lakhs (March 31, 2020 Rs. 27.55 lakhs) secured by hypothecation of vehicles. Out of these , the term loan of Rs. 2.27 lakhs (March 31, 2020 Rs. 4.17 lakhs) carrying interest rate of 8.82 % is repayable in remaining 25 equal monthly instalments by April, 2022, the term loan of Rs. 17.24 lakhs (March 31, 2020 Rs. 23.39 lakhs) carrying interest rate of 8.63 % is repayable in remaining 41 equal monthly instalments by August, 2023 and the term loan of Rs. 15.84 lakhs (March 31, 2020 Rs. Nil) carrying interest rate of 8.21 % is repayable in remaining 56 equal monthly instalments by November, 2025.

(c) Rs. 453.9 lakhs (March 31, 2020 Rs. 611.75 lakhs) secured by first pari- pasu charge over Land and Building situated at Shendra, MIDC Aurangabad and first pari-passu over Plant and Machinery situated at Shendra, MIDC Aurangabad and pledge of 600,000 shares (March 31, 2020 600,000 shares) of NRB Bearings Limited held by a director of the Company. The working capital term loan is repayable in remaining 12 quarterly instalments Rs. 40 lakhs each and carries interest rate of 13%.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(d) Rs. 132.23 lakhs (March 31, 2020 Rs. Nil) secured by second pari- passu charge over Land and Building situated at Shendra, MIDC Aurangabad and second pari-passu over Plant and Machinery situated at Shendra, MIDC Aurangabad and pledge of 600,000 shares (March 31, 2020 Nil shares) of NRB Bearings Limited held by a director of the Company. The working capital term loan is repayable in 13 quarterly instalments and carries interest rate of 14%.

(e) Rs. 62.91 lakhs (March 31, 2020 Rs. Nil) secured by second pari- passu charge over Land and Building situated at Shendra, MIDC Aurangabad and second pari-passu over Plant and Machinery situated at Shendra, MIDC Aurangabad and pledge of 600,000 shares (March 31, 2020 Nil shares) of NRB Bearings Limited held by a director of the Company. The working capital term loan is repayable in 3 monthly instalments Rs. 20.85 lakhs each and carries interest rate of 13 %.

### Unsecured

#### Loans from related parties

(e) 100 lakhs each 6 % Redeemable Cumulative Non-Convertible Preference shares of Rs. 10 each fully paid up were issued to a Promoter shareholder in March 2016 and in April 2016 with redemption at the end of 5 years from the date of issue. During the year ended March 31, 2018, the terms of existing Redeemable Cumulative Non-Convertible Preference shares were changed w.e.f. February 15, 2018, the preference dividend rate is modified to 2% and redemption term is changed to 10 years for above said preference shares. 200 lakhs 2% Redeemable Cumulative Non-Convertible Preference shares of Rs. 10 each fully paid up were issued to a Promoter shareholder in February 2018 with redemption at the end of 10 years. 100 lakhs and 35 lakhs 2% Redeemable Cumulative Non-Convertible Preference shares of Rs. 10 each fully paid up were issued to a Promoter shareholder in January 2019 and in March 2019 respectively with redemption at the end of 10 years. 50 lakhs, 15 lakhs, 150 lakhs and 50 lakhs 2% Redeemable Cumulative Non-Convertible Preference shares of Rs. 10 each fully paid up were issued to a Promoter shareholder in June 2019, August, 2019, December, 2019 and in March, 2020 respectively with redemption at the end of 10 years.

#### (i) Preference Share Capital

(Rs. in lakhs)

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of shares	Amount	No. of shares	Amount
<b>Authorised:</b>				
Redeemable cumulative non-convertible preference shares of Rs. 10/- each	80,000,000	8,000.00	80,000,000	8,000.00
<b>Total</b>	<b>80,000,000</b>	<b>8,000.00</b>	<b>80,000,000</b>	<b>8,000.00</b>
<b>Issued, Subscribed and Fully Paid:</b>				
Redeemable cumulative non-convertible preference shares of Rs. 10/- each	80,000,000	8,000.00	80,000,000	8,000.00
<b>Total</b>	<b>80,000,000</b>	<b>8,000.00</b>	<b>80,000,000</b>	<b>8,000.00</b>

#### (ii) Reconciliation of the number of shares outstanding at the beginning and at the end of the period.

Particulars	No. of shares	Share capital (Amount)
<b>Balance at April 01, 2020</b>	80,000,000	8,000.00
Issued during the year	-	-
<b>Balance at March 31, 2021</b>	<b>80,000,000</b>	<b>8,000.00</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

### (iii) Details of shares held by each shareholder holding more than 5% shares

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of shares	Percentage	No. of shares	Percentage
<b>Equity shares:</b>				
Trilochan Singh Sahney ( Refer Note below)	40,000,000	50.00%	40,000,000	50.00%
Devesh Singh Sahney	40,000,000	50.00%	40,000,000	50.00%
<b>Total</b>	<b>80,000,000</b>	<b>100%</b>	<b>80,000,000</b>	<b>100%</b>

**Note :** Consequent to the demise of Mr. Trilochan Singh Sahney, the Company has not received share transmission application from legal heirs of Late Mr. Trilochan Singh Sahney and accordingly the name of Late Mr. Trilochan Singh Sahney is still appearing in register of Members and is accordingly disclosed above.

### B. Current Borrowings

(Rs. in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020	
<b>I. Secured - at amortised cost</b>			
(a) Loans repayable on demand <b>From banks</b>	1,012.40	999.26	
<b>II. Unsecured - at amortised cost</b>			
(a) Loans repayable on demand Interest free loan from Directors	4,341.15	5,690.13	
<b>Total</b>	<b>5,353.55</b>	<b>6,689.39</b>	

#### Footnotes:

##### (i) Loans repayable on demand from banks

Rs. 1012.40 lakhs (March 31, 2020 Rs. 999.26 lakhs ) secured by first pari passu charge on all present and future stock and book debts of the Company and first pari passu charge over immovable Property, plant and equipment ( buildings ), leasehold land of the Company and its movable plant & machinery, furniture & fixtures and other movables at its factory at Shendra (near Aurangabad). The present interest rate is in the range of 9.15 % to 11.50 % p.a.

The Company has not defaulted on repayment of loans and interest during the year.

### Note 18 : Trade Payables

(Rs. in lakhs)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Current	Non- Current	Current	Non- Current
Trade payables				
- Total outstanding dues of Micro Enterprises and Small Enterprises (see Footnote)	-	-	-	-
- Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises (Refer Note 41)	2,102.28	86.93	1,558.71	83.83
<b>Total</b>	<b>2,102.28</b>	<b>86.93</b>	<b>1,558.71</b>	<b>83.83</b>

Also refer Note 40 - (a)

#### Notes:

1. The company does not have any dues outstanding to Micro and Small Enterprises as mentioned in the Micro, Small and Medium Enterprises Development Act 2006. This is determined on the basis of information available with the Company. This has been relied upon by the auditors.
2. The credit period ranges from 45 days to 90 days .

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021**

**Note 19 : Other financial liabilities**

(Rs. in lakhs)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Current	Non- Current	Current	Non- Current
<b>Other Financial Liabilities measured at amortised cost</b>				
(a) Current maturities of long-term debt	195.84	-	161.65	-
(b) Interest accrued	54.73	-	-	-
<b>Other Financial Liabilities measured at Fair Value</b>				
(a) Interest Rate Swap	-	-	-	-
<b>Total</b>	<b>250.57</b>	-	<b>161.65</b>	-

**Note 20 : Other current liabilities**

(Rs. in lakhs)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Current	Current	Current	Current
(a) Advances received from customers ( Refer Note Below)		100.58		52.66
(b) Security Deposits		12.00		10.50
(c) Payables for capital supplies		9.08		27.17
(d) Others				
Statutory remittances (Super annuation, Withholding tax, Service Tax, VAT etc.)		111.17		25.73
Other payable		-		24.59
<b>Total</b>		<b>232.83</b>		<b>140.65</b>

**Note: Advances received from customers include advance from:**

(Rs. in lakhs)

	As at March 31, 2021		As at March 31, 2020	
Private company in which directors are directors				
NRB-IBC Bearings Private Limited (NIBC) (Refer note 37)		93.60		24.41
		93.60		24.41

**Note 21 : Provisions**

(Rs. in lakhs)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Current	Non- Current	Current	Non- Current
<b>Provision for employee benefits</b>				
1) Compensated absences	8.41	25.21	3.12	37.05
2) Gratuity	38.26	-	103.16	-
<b>Total</b>	<b>46.67</b>	<b>25.21</b>	<b>106.28</b>	<b>37.05</b>

(i) As at March 31, 2021, the decrease in the carrying amount of the provision for compensated absences results from benefits being paid during the year ended March 31, 2021 as well contributions made & changes in financial assumptions. As at March 31, 2020, the decrease in the carrying amount of the provision for compensated absences results from benefits being paid during the year ended March 31, 2020.

(ii) Refer note 35 for Employee Benefits related disclosures.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021**
**Note 22 : Revenue from Operations**

(Rs. in lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>Revenue from contract with customers</b>		
Sale of products	5,418.35	3,847.42
Rendering of services		
(a) Agency Commission	-	4.97
(b) Job work charges	79.88	174.36
(c) Service Charges	48.00	48.00
Other operating revenues		
(d) Sale of scrap	28.95	23.23
(e) Export incentives	56.41	59.19
(f) Royalty Income	9.29	11.75
<b>Total</b>	<b>5,640.88</b>	<b>4,168.92</b>

**Note :**

1. Refer Note 36 for geography wise revenue from contracts with customers.

**Note 23 : Other Income**

(Rs. in lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>Interest income on financial assets at amortised cost</b>		
(a) Interest income on bank deposits	0.69	2.22
(b) Other Interest income	9.09	3.61
<b>Other non-operating income</b>		
Rent income	84.48	84.48
<b>Other gains and losses</b>		
(a) Liability no longer payable required written back	8.40	18.03
(b) Foreign exchange fluctuation (gain) / loss	31.97	39.11
(c) Gain arising on financial liabilities / assets designated at FVTPL	-	4.61
<b>Total</b>	<b>134.63</b>	<b>152.06</b>

**Note 24 : Cost of material consumed**

(Rs. in lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Opening stock	363.59	476.46
Add: Purchases	2,522.76	1,260.73
Less: Closing stock	(674.58)	(363.59)
<b>Total</b>	<b>2,211.77</b>	<b>1,373.60</b>

**Note 25 : Purchases of stock in trade**

(Rs. in lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Purchases of stock in trade	-	-

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021**

**Note 26 : Changes in inventories of finished goods, work-in-progress and stock-in-trade** (Rs. in lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Opening stock		
- Work in progress	850.53	827.12
- Finished goods	690.28	747.22
Closing stock		
- Work in progress	(848.36)	(850.53)
- Finished goods	(569.58)	(690.28)
<b>Net (increase)/Decrease</b>	<b>122.87</b>	<b>33.54</b>

**Note 27 : Employee Benefits Expense** (Rs. in lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Salaries and wages	1,135.38	1,415.98
Contribution to provident and other funds (Refer note 35)	125.01	139.21
Staff welfare expenses	69.05	67.25
<b>Total</b>	<b>1,329.44</b>	<b>1,622.44</b>

**Note 28 : Finance Costs** (Rs. in lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>(a) Interest costs :-</b>		
- Interest on borrowings from banks	214.66	341.32
- Interest on non convertible redeemable preference shares		
- Interest on Preference shares	475.70	347.84
- Other interest expense	0.45	0.89
<b>(b) Net loss on foreign currency transactions (considered as finance cost)</b>	<b>-</b>	<b>38.51</b>
<b>(c) Other borrowing cost</b>	<b>24.40</b>	<b>57.18</b>
<b>Total</b>	<b>715.21</b>	<b>785.74</b>

**Note 29 : Depreciation and amortisation expense** (Rs. in lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation of property, plant and equipment	878.86	876.97
Right of Use Assets	8.18	8.21
Amortisation of intangible assets	5.00	5.41
<b>Total</b>	<b>892.04</b>	<b>890.59</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021**
**Note 30 : Other Expenses**
**(Rs. in lakhs)**

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Consumption of Stores and spares parts	297.68	294.57
Power & Fuel	309.81	340.59
Rent	3.48	5.09
Repairs and maintenance:		
- Buildings	1.23	2.00
- Plant & machinery	1.53	4.29
- Others	45.12	50.22
Insurance	13.89	12.18
Rates and taxes	22.62	34.21
Travelling and Conveyance expense	30.53	89.96
Printing and stationary	3.21	9.21
Freight and Forwarding	177.24	108.59
Business Promotion	8.41	20.47
Legal and other professional expenses	75.14	115.01
Auditors remuneration (See Footnote below)	32.77	32.04
Allowance for doubtful debts	16.34	14.84
Director sitting fees	5.00	5.90
Loss arising on financial liabilities / assets designated at FVTPL	-	21.95
Security and houskeeping Charges	219.51	167.97
IT related expenses	44.14	31.97
Bank charges	4.94	8.12
Bad debts / advances written off	-	47.16
Miscellaneous expenses	58.01	89.27
<b>Total</b>	<b>1,370.60</b>	<b>1,505.59</b>

**Footnote:**
**Details of Auditors' remuneration:**

(excluding service tax / GST)

As auditors (for audit, review of unaudited quarterly results and audit of consolidated financial statement)	26.50	26.50
Taxation matters	5.50	5.50
out-of-pocket expenses	0.77	0.04
<b>Total</b>	<b>32.77</b>	<b>32.04</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

### Note 31: Earnings per share

Basic and Diluted Earnings per Share (EPS) is calculated as under:

Particulars		Year ended March 31, 2021	Year ended March 31, 2020
<b>Basic / Diluted</b>			
Loss after tax attributable to equity shares (Rs. in lakhs)	(A)	397.58	(1,931.02)
Weighted average number of Shares	(B)	24,230,650	24,230,650
<b>Basic &amp; Diluted EPS (in Rs.)</b>	<b>(A) / (B)</b>	<b>1.64</b>	<b>(7.98)</b>
<b>Nominal value of equity share (in Rs.)</b>		<b>2.00</b>	<b>2.00</b>

#### Note:

There is no dilution to the basic EPS as there are no outstanding potentially dilutive equity shares.

### Note 32 : Leases

#### 1. Lease Expense:

The Company has taken land, office and residential premises on operating lease. The lease term in respect of the leasehold land is 87 years.

The Company has paid the entire lease premium upfront for the lease hold land as a result of which there is no corresponding Lease liability against the Right-of-Use asset.

In respect of the above mentioned leases, the additional information is as under:

(Rs. in lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation charge for Right-of-Use assets	8.18	8.21
Low value leases accounted for on a straight line basis (included in Note 30)	3.48	5.09
<b>Total cash outflow for leases</b>	<b>3.48</b>	<b>5.09</b>

General description of lease agreements:

- (a) Refundable interest free deposit have been given and contain a provision for renewal.
- (b) 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 had entered into lease agreement effective from March 8, 2013 for certain portion of its factory and office premises including furniture and fixtures, electrical installation, etc. During the year, Rs. 84.48 lakhs (previous year Rs. 84.48 lakhs) recognised as rental income in the Statement of Profit and Loss. The agreement contains renewal clause. The Company has entered in to a new agreement with effect from April 1, 2018 for 5 years with same terms and conditions.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

### Note 33 - Contingent liabilities not provided for:

(Rs. in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>(i) Bank guarantees</b>		
- To Maharashtra Pollution Control Board	5.00	5.00
- To President of India through Commissioner of Customs	0.45	0.45
<b>(ii) Claims against the company not acknowledged as debt:-</b>		
Matters decided against the company in respect of which the company has preferred an appeal		
Service tax matters	-	9.38
<b>Total</b>	<b>5.45</b>	<b>14.83</b>

**Footnote:** The Company did not expect any outflow of economic resources in respect of the above and therefore no provision was made in respect thereof.

### Note 34 - Commitments

(Rs. in lakhs)

	Particulars	As at March 31, 2021	As at March 31, 2020
1.	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	2.78	4.15
	<b>Total</b>	<b>2.78</b>	<b>4.15</b>

### Note 35 : Employee Benefits

#### Brief description of the Plans:

##### 1) Defined contribution plans :

###### a) 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

###### b) 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 has recognized, in the Statement of profit and loss for the year, an amount of Rs. 78.94 lakhs ( March 31, 2020 Rs. 98.73 lakhs) as expenses under defined contribution plans.

(Rs. in lakhs)

Benefit (Contribution to)	Year ended March 31, 2021	Year ended March 31, 2020
i) Employer's Contribution to Provident Fund	30.09	47.49
ii) Employer's Contribution to Family Pension Fund	30.54	24.86
iii) Employer's Contribution to Superannuation Fund	18.31	26.38
<b>Total</b>	<b>78.94</b>	<b>98.73</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

### 2) Defined Benefit Plans : (Gratuity Funded)

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.

#### Nature of benefits:

The gratuity benefits payable to the employees are based on the employee's service and last drawn salary at the time of leaving. The employees do not contribute towards this plan and the full cost of providing these benefits are met by the Company.

#### Regulatory framework:

There are no minimum funding requirements for a gratuity plan in India. The trustees of the gratuity fund have a fiduciary responsibility to act according to the provisions of the trust deed and rules. Since the fund is income tax approved, the Company and the trustees have to ensure that they are at all times fully compliant with the relevant provisions of the income tax and rules. Besides this if the Company is covered by the Payment of Gratuity Act, 1972 then the Company is bound to pay the statutory minimum gratuity as prescribed under this Act.

#### Governance of plan:

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.

#### Inherent risk

The plan is of a final salary defined benefit in nature which is sponsored by the Company and hence it underwrites all the risks pertaining to the plan. In particular, there is a risk for the Company that any adverse salary growth or demographic experience or inadequate returns on underlying plan assets can result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature the plan is not subject to any longevity risks.

The most recent actuarial valuation of the present value of the defined benefit obligation was carried out at March 31, 2020 by an independent actuary. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

#### A. Principal actuarial assumptions used:

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Discount Rate	6.44% p.a.	6.82% p.a.
Expected return on plan assets	6.44% p.a.	6.82% p.a.
Salary escalation rate	5.00% p.a.	7.00% p.a.
Attrition rate	8.00 % p.a	8.00 % p.a
Mortality Rate During Employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021**
**B. Expenses recognised in Statement of Profit and Loss** (Rs. in lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Current Service Cost	24.90	19.63
Interest on net defined benefit liability/ (asset)	7.03	3.34
<b>Total Expenses / (Income) recognised in the Statement of Profit And Loss*</b>	<b>31.93</b>	<b>22.97</b>

\* The current service cost and the net interest expenses for the year are included in the 'Employee benefits expenses' Note : 27 in the statement of profit & loss

**C. Expenses Recognized in the Other Comprehensive Income (OCI)** (Rs. in lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Actual return on plan assets in excess of the expected return	(17.79)	8.11
Actuarial (Gain)/Loss on account of :		
- Financial Assumptions	(24.84)	10.63
- Experience Adjustments	(29.20)	32.22
<b>Net (Income)/Expense For the Period Recognized in OCI</b>	<b>(71.83)</b>	<b>50.96</b>

**D. Net Asset/(Liability) recognised in the Balance Sheet** (Rs. in lakhs)

Particulars	As at March 31,	
	2021	2020
Present Value of Defined Benefit Obligation as at the end of the year	199.69	229.39
Fair Value of plan assets	161.43	126.22
<b>Net asset/(liability) recognised in the Balance Sheet</b>	<b>(38.26)</b>	<b>(103.16)</b>
<b>Recognised under:</b>	<b>2021</b>	<b>2020</b>
Long term provision (Refer note 21)	-	-
Short term provision (Refer note 21)	(38.26)	(103.16)
<b>Total</b>	<b>(38.26)</b>	<b>(103.16)</b>

**E. Movements in the present value of defined benefit obligation are as follows:** (Rs. in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Present value of defined benefit obligation at the beginning of the year	229.39	187.39
Expenses Recognised in Profit and Loss Account:		
Current Service Cost	24.90	19.63
Interest cost	15.65	13.89
Liability Transferred Out/ Divestments	-	(7.05)
Recognised in Other Comprehensive Income		
Remeasurement (gains)/losses		
- Financial Assumptions	(24.84)	10.63
- Experience Adjustments	(29.20)	32.22
Benefit payments	(16.21)	(27.31)
<b>Present value of defined benefit obligation at the end of the year</b>	<b>199.69</b>	<b>229.39</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021**
**F. Movements in the fair value of the plan assets are as follows:**
**(Rs. in lakhs)**

<b>Particulars</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
Fair value of the plan assets at the beginning of the year	126.22	141.10
Contribution made	25.02	10.00
Income Recognised in Profit and Loss Account:		
Interest income	8.61	10.54
Recognised in Other Comprehensive Income		
Remeasurement gains/(losses)		
- Actual Return on plan assets in excess of the expected return	17.79	(8.11)
Benefits paid	(16.21)	(27.31)
<b>Fair value of the plan assets at the end of the year</b>	<b>161.43</b>	<b>126.22</b>

**G. The major categories of plan assets are as follows:**
**(Rs. in lakhs)**

<b>Particulars</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
Insurer managed funds (100%)	161.43	126.22

**H. Sensitivity Analysis**

Gratuity is a lump sum plan and the cost of providing these benefits is typically less sensitive to small changes in demographic assumptions. The key actuarial assumptions to which the benefit obligation results are particularly sensitive to are discount rate and future salary escalation rate. The following table summarizes the impact on the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 100 basis points.

These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analyses.

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

**(Rs. in lakhs)**

<b>Principal assumptions</b>	<b>Year</b>	<b>Changes in assumption</b>	<b>Impact on defined benefit obligation</b>	
			<b>Increase in assumption</b>	<b>Decrease in assumption</b>
Discount rate	2021	1%	(12.83)	14.69
	2020	1%	(15.97)	18.42
Salary escalation rate	2021	1%	14.75	(13.11)
	2020	1%	18.20	(16.08)

The above sensitivity analyses are based on change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

### I. Expected future benefits payable - Maturity profile of defined benefit obligation (Rs. in lakhs)

Projected Benefits Payable in Future Years From the Date of Reporting	Estimated as at March 31, 2021	Estimated as at March 31, 2020
1st Following Year	17.85	20.42
2nd Following Year	17.37	17.90
3rd Following Year	18.55	17.79
4th Following Year	19.54	19.58
5th Following Year	16.50	21.28
Sum of Years 6 to 10	119.94	150.34
Sum of Years 11 and above	140.92	197.04

### J. Other Disclosures

- a) The weighted average duration of the obligations as at March 31, 2021 is 8 years (March 31, 2020: 9 Years).
- b) The Company expects to contribute Rs. 43.33 lakhs to the plan during financial year 2020-21.

### Note 36 : Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Company. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director and Chief Financial Officer of the Company. The Company operates only in one Business Segment i.e. industrial bearings, hence does not have any reportable Segments as per Ind AS 108 "Operating Segments".

Particulars	Revenue from operations		Non Current Assets		(Rs. in lakhs)
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020	
India	4,055.68	2,742.24	8,445.00	9,762.25	
Outside India	1,585.20	1,426.68	149.00	144.11	
	<b>5,640.88</b>	<b>4,168.92</b>	<b>8,594.00</b>	<b>9,906.36</b>	

All the non-current assets of the Company are located in India.

Particulars	Revenue from major products and services		(Rs. in lakhs)
	Year ended March 31, 2021	Year ended March 31, 2020	
(a) Ball & roller bearings	5,177.68	3,514.40	
(b) Roller	346.22	291.60	
<b>Total</b>	<b>5,523.90</b>	<b>3,806.00</b>	

### Information about major customers:

Revenues of approximately Rs. 560.54 Lakhs arise from sales to one customer who contributes 10% or more to the Company's revenue for year ended March 31, 2021. 'Revenues of approximately Rs. 449.55 Lakhs arise from sales to one customer who contributes 10% or more to the Company's revenue for year ended March 31, 2020.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021**

**Note 37 : Related Party transactions**

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

Sr. no.	Nature of relationship	Names of related parties
(a)	Associate	NRB IBC Bearings Private Limited NIBL- Korta Engineering Private Limited (formerly known as Korta Engineering India Private Limited)
(b)	Key Management Personnel (KMP)	Mr. Devesh S. Sahney, Chairman and Managing Director Mr. Manish Choksi (upto June 6, 2020) Mr. Gaurav Motwane (upto June 16, 2020) Mr. Nikhilesh Panchal Mrs. Aarti Sahney (from October 7, 2019) Mr. Ashish Chhugani (from June 16, 2020) Mr. Samrat Nirmal Zaveri (from November 7, 2020)
(c)	Relative of Key Management Personnel	Mrs. Harshbeena S. Zaveri, Director (up to August 6, 2019 ), Sister of Mr. Devesh Singh Sahney Ms. Mallika Sahney - AGM Strategy, daughter of Mr. Devesh Singh Sahney
(d)	A Company over which KMP are able to exercise significant influence.	Khaitan & CO.
(e)	A Company over which relatives of KMP are able to exercise significant influence.	NRB Bearings Limited NRB Bearings (Thailand) Limited

**B) Related Party Transactions:**

**(Rs. in lakhs)**

Sr. No.	Nature of Transactions	Associate		A Company over which KMP / relatives of KMP are able to exercise significant influence.		Key Management Personnel and their Relative		Total	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
1	<b>Sale of finished Goods</b> NRB Bearings (Thailand) Limited NRB Bearings Limited NIBL- Korta Engineering Private Limited	-	-	-	-	-	-	-	-
		0.01	0.58	-	-	-	-	0.01	0.58
2	<b>Sale of Semi Finished Material</b> NRB IBC Bearings Private Limited	-	1.73	-	-	-	-	-	1.73
3	<b>Income from job work</b> NRB Bearings Limited NRB IBC Bearings Private Limited	-	-	-	-	-	-	66.39	174.28
4	<b>Rent Income</b> NRB IBC Bearings Private Limited	84.48	84.48	-	-	-	-	84.48	84.48
5	<b>Service Charges</b> NRB IBC Bearings Private Limited NIBL- Korta Engineering Private Limited	36.00 12.00	36.00 12.00	-	-	-	-	36.00 12.00	36.00 12.00
6	<b>Royalty income</b> NRB IBC Bearings Private Limited	9.29	11.75	-	-	-	-	9.29	11.75

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021**
**(Rs. in lakhs)**

Sr. No.	Nature of Transactions	Associate		A Company over which KMP / relatives of KMP are able to exercise significant influence.		Key Management Personnel and their Relative		Total	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
7	<b>Payments made/ expenses incurred on behalf of related party</b> NRB IBC Bearings Private Limited	79.54	89.21	-	-	-	-	79.54	89.21
8	<b>Purchase of material</b> NRB Bearings Limited NRB IBC Bearings Private Limited NIBL- Korta Engineering Private Limited	-	-	-	-	-	-	-	-
		2.67	2.08	-	-	-	-	2.67	2.08
		3.11	2.42	-	-	-	-	3.11	2.42
9	<b>Payments made/ expenses incurred by related party</b> NRB IBC Bearings Private Limited	-	-	-	-	-	-	-	-
10	<b>Job work charges</b> NIBL- Korta Engineering Private Limited	-	-	-	-	-	-	-	-
11	<b>Loan taken</b> Mr. D. S. Sahney The Estate of Mr. T. S. Sahney	-	-	-	-	35.02	4,009.00	35.02	4,009.00
12	Loan repayment Mr. D. S. Sahney The Estate of Mr. T. S. Sahney	-	-	-	-	1,378.00	2,865.00	1,378.00	2,865.00
		-	-	-	-	6.00	-	6.00	-
13	<b>Issue of Preference shares</b> Mr. D. S. Sahney Late Mr. T. S. Sahney ( Refer foot note to Note 17 (A) (iii))	-	-	-	-	-	-	-	-
14	<b>Sub-Lease of Flat</b> Mr. D. S. Sahney	-	-	-	-	1,378.00	-	1,378.00	-
15	<b>Sitting Fees</b> Mr. Manish Choksi Mr. Gaurav Motwane Mr. Nikhilesh Panchal Mrs. Aarti Sahney (from October 7, 2019) Mrs. Harshbeena S. Zaveri Mr. Ashish Chhugani Mr. Samrat Nirmal Zaveri	-	-	-	-	0.55	1.95	0.55	1.95
		-	-	-	-	0.25	1.40	0.25	1.40
		-	-	-	-	1.75	1.95	1.75	1.95
		-	-	-	-	0.90	0.45	0.90	0.45
		-	-	-	-	-	0.15	-	0.15
		-	-	-	-	1.20	-	1.20	-
		-	-	-	-	0.35	-	0.35	-
16	<b>Legal and Professional Fees</b> Khaitan and Co.	-	-	19.35	32.65	-	-	19.35	32.65
16	<b>Remuneration to relative of KMP</b> Ms. Mallika Sahney	-	-	-	-	20.84	26.84	20.84	26.84

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021**

Sr. No.	Nature of Transactions	Associate		A Company over which KMP / relatives of KMP are able to exercise significant influence.		Key Management Personnel and their Relative		(Rs. in lakhs)	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
1	Trade Receivables								
	NRB Bearings (Thailand) Limited	-	-	4.30	4.64	-	-	4.30	4.64
	NRB IBC Bearings Private Limited	-	-	-	-	-	-	-	-
	NIBL- Korta Engineering Private Limited	13.65	1.99	-	-	-	-	13.65	1.99
2	Other Receivables								
	NRB IBC Bearings Private Limited	-	-	-	-	-	-	-	-
3	Trade Payables								
	NRB Bearings Limited	-	-	17.37	17.37	-	-	17.37	17.37
	NIBL- Korta Engineering Private Limited	9.90	-	-	-	-	-	9.90	-
	Khaitan and Co.	-	-	7.92	23.04	-	-	7.92	23.04
4	Advances received from customers								
	NRB IBC Bearings Private Limited	93.60	-	-	-	-	-	93.60	-
5	Loan outstanding								
	Mr. D. S. Sahney	-	-	-	-	1,438.65	2,781.63	1,438.65	2,781.63
	The Estate of Mr. T. S. Sahney	-	-	-	-	2,902.50	2,908.50	2,902.50	2,908.50

**Footnote:**

- i) No amounts pertaining to related parties have been provided for as doubtful debts. Further, no amounts have either been written off or written back during the period.
- ii) Outstanding balances (other than borrowings) at the year-end are unsecured and interest free and settlement occurs in cash.
- iii) The transactions with related parties are made in the normal course of business and on terms equivalent to those that prevail in arm's length transactions. All the Related Party Transactions are reviewed and approved by the Audit Committee.
- iv) **Compensation of key managerial personnel**

The remuneration of directors and other members of key management personnel during the year is as follows:

Particulars	(Rs. in lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
Short-term benefits	87.22	87.40
Post-employment benefits @	14.24	17.17
<b>Total</b>	<b>101.46</b>	<b>104.57</b>

@ Compensation of key managerial personnel excludes provision for gratuity and compensated absences which is determined on the basis of actuarial valuation done on overall basis for the Company.

- v) The Company has entered into sub-lease deed dated November 06, 2020 with Mr. Devesh Singh Sahney to sub lease residential property for the period commencing from October 01, 2020 and ending on September 30, 2111 (both days inclusive) for a total consideration of Rs. 1378 Lakhs.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021**


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**Note 38 : Expenditure on Research and Development ( R & D)**
**(Rs. in lakhs)**

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
a) Charged to Statement of Profit and Loss	95.35	119.45
b) Capitalized to Fixed Assets	-	-
<b>Total</b>	<b>95.35</b>	<b>119.45</b>

**Footnote:**

The Department of Scientific and Industrial Research has given recognition to the In- House R & D unit of the Company at B -18, Five star MIDC area, Shendra, Aurangabad from 28 October, 2014.

**Note 39 : Capital management and Risk management**
**I Capital Management**

The Company's capital management strategy is to effectively determine, raise and deploy capital so as to create value for its shareholders. The same is done through a mix of either equity and/or preference and/or combination of short term /long term debt as may be appropriate. The Company determines the amount of capital required on the basis of its product, capital expenditure, operations and strategic investment plans. The same is funded through a combination of capital sources be it either equity and/or preference and/or combination of short term/long term debt as may be appropriate.

**II Financial Risk Management Framework**

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk . In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

**A CREDIT RISK**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables).

**Trade receivables**

Customer credit risk is managed as per the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on payment performance over the period of time. The Company's exposure of its customers are continuously monitored based on the customer's past performance and business dynamics. Credit exposure is controlled by customer's credit limits that are reviewed and approved by the management at regular intervals.

An impairment analysis is performed at each reporting date. The Company applies the simplified approach to providing for expected credit losses prescribed by Ind AS 109, which permits the use of the lifetime expected loss provision for all trade receivables. The Company has computed expected credit losses based on a provision matrix which uses historical credit loss experience of the Company and where applicable, specific provisions are made for individual receivables.

**B LIQUIDITY RISK**
**(i) Liquidity risk management**

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

an appropriate liquidity risk management framework for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by way of banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

### (ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

Maturities of Financial Liabilities	Weighted average effective interest rate	March 31, 2021				Total	Carrying amount	(Rs in lakhs)
		Upto 1 year	1 to 3 years	3 to 5 years	Above 5 years			(Rs in lakhs)
Non-interest bearing		6,498.16	86.93	-	-	6,585.09	6,585.09	
Variable interest rate instruments		-	-	-	-	-	-	
Fixed interest rate instruments	4.76%	1,318.10	656.64	1,138.84	7,000.00	10,113.59	5,834.74	
		<b>7,816.26</b>	<b>743.57</b>	<b>1,138.84</b>	<b>7,000.00</b>	<b>16,698.68</b>	<b>12,419.83</b>	

Maturities of Financial Liabilities	Weighted average effective interest rate	March 31, 2020				Total	Carrying amount	(Rs in lakhs)
		Upto 1 year	1 to 3 years	3 to 5 years	Above 5 years			(Rs in lakhs)
Non-interest bearing		7,248.83	83.83	-	-	7,332.65	7,332.67	
Variable interest rate instruments		-	-	-	-	-	-	
Fixed interest rate instruments	8.52%	1,357.23	421.44	173.65	8,000.00	9,952.34	5,124.15	
		<b>8,606.06</b>	<b>505.27</b>	<b>173.65</b>	<b>8,000.00</b>	<b>17,284.99</b>	<b>12,456.82</b>	

### Interest Rate sensitivity

Interest rate risk is the risk that the fair value of future cash flows of a financial instruments will fluctuate because of changes in market interest rate. As at March 31, 2021 and as at March 31, 2020 the Company does not have significant interest rate risk as the Company's debt obligations are with fixed interest rates.

### **C Market Risks**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company uses derivatives to manage any significant market risks. Derivatives are only used for economic hedging purposes and not as speculative investments. All such transactions are carried out within the guidelines set by the Board of Directors.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

### (i) Currency Risk

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company's exposure to currency risk relates primarily to the Company's operating activities when transactions are denominated in a different currency from the Company's functional currency.

The Company's foreign currency exposure are denominated in US Dollar, Pound Sterling, Euro and Japanese Yen which arise mainly from foreign exchange imports, exports and foreign currency borrowings.

As at the end of the reporting period, the carrying amounts of the company's foreign currency denominated financial assets and financial liabilities are as follows:

(Rs. in lakhs)

<b>As at March 31, 2021</b>		<b>In foreign currency in lakhs</b>	<b>Equivalent Rs in lakhs</b>
Financial Assets			
Trade Receivables	EURO	7.68	661.21
	USD	0.19	14.18
Advance to suppliers	EURO	0.26	22.32
	JPY	4.33	2.86
	USD	0.22	15.90
<b>Financial Liabilities</b>			
Trade Payables	EURO	1.05	90.51
	USD	0.03	1.87
Advance from customers	EURO	0.02	2.10

<b>As at March 31, 2020</b>		<b>In foreign currency in lakhs</b>	<b>Equivalent Rs in lakhs</b>
Financial Assets			
Trade Receivables	EURO	5.56	375.94
	USD	0.19	14.32
Advance to suppliers	EURO	0.08	6.27
	USD	0.04	3.21
	JPY	1.82	1.28
<b>Financial Liabilities</b>			
Trade Payables	EURO	1.03	85.38
Advance from customers	EURO	0.32	26.61

### (ii) Interest Rate Risk

Refer note B (ii) for interest rate sensitivity

The Company has entered in to Interest Rate Swap contract wherein the Company has converted its floating interest rate loan into a fixed interest rate loan, in order to reduce the Company's cash flow exposure resulting from variable interest rates on borrowings.

### (iii) Raw material price risk

The Company does not have significant risk in raw material price variations. In case of any variation in price same is passed on to the customer through appropriate adjustments to selling prices.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

### Note 40 : Fair Value Disclosures

This section explains the judgment and estimates made in determining the fair value of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair value are disclosed in financial statements. To provide an indication about the reliability of the inputs used in determining the fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standards.

#### a) Categories of Financial Instruments:

(Rs. in lakhs)

Financial assets/ financial liabilities	Fair value hierarchy as at March 31, 2021			Total
	Level-1	Level-2	Level-3	
<b>Financial assets</b>				
Financial assets carried at amortised cost				
Trade Receivables	-	1,649.60		1,649.60
Cash and cash equivalents	-	420.34		420.34
Other Bank balances	-	5.45		5.45
Other Financial Assets	-	7.95		7.95
<b>Total</b>	-	<b>2,083.34</b>		<b>2,083.34</b>
<b>Financial liabilities</b>				
Financial liabilities held at amortised cost				
Borrowings	-	10,175.89		10,175.89
Trade Payables	-	2,189.21		2,189.21
Other financial liabilities	-	54.73		54.73
<b>Total</b>	-	<b>12,419.83</b>		<b>12,419.83</b>

(Rs. in lakhs)

Financial assets/ financial liabilities	Fair value hierarchy as at March 31, 2020			Total
	Level-1	Level-2	Level-3	
<b>Financial assets</b>				
Financial assets carried at amortised cost				
Trade Receivables	-	856.65		856.65
Cash and cash equivalents	-	37.11		37.11
Other Bank balances	-	5.45		5.45
Other Financial Assets	-	7.26		7.26
<b>Total</b>	-	<b>906.46</b>		<b>906.46</b>
<b>Financial liabilities</b>				
Financial liabilities held at amortised cost				
Borrowings	-	10,814.28		10,814.28
Trade Payables	-	1,642.54		1,642.54
Other financial liabilities	-	-		-
<b>Total</b>	-	<b>12,456.82</b>		<b>12,456.82</b>

**Note:** Investments representing equity interest in associates are carried at cost less any provision for impairment.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

### b) Fair Value Hierarchy and Method of Valuation

The following table presents fair value of assets and liabilities measured at fair value on recurring basis as of March 31, 2021

Financial assets/ (Financial liabilities)	Fair value hierarchy	Valuation technique(s) and key input(s)	March 31, 2021	March 31, 2020
<b>Derivative Assets / (Liabilities) measured at FVTPL:</b>				
(i) Interest rate swap	Level 2	Discounted Cash Flow based on prevailing / forward interest rates in market	-	-
<b>Total</b>			-	-

### c) **Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required):**

The Company consider that the carrying amount of financial asset and financial liabilities recognised in the financial statements approximate their fair value.

#### Note 41 :

The Company and NRB IBC Bearings Private Limited (NIBC) have transactions with IBC INDUSTRIAL BEARINGS AND COMPONENTS AG (IBC AG) and IBC Walzlager, GmbH ( IBC GmbH ) in nature of export of goods and import of raw materials since December 2013. For transactions held between December 2013 and August 2015, IBC AG and IBC GmbH has netted off the outstanding receivables and payables in their books of accounts and remitted Euro 28,079 in October 2015 for the same.

As per RBI Circular RBI/2014-15/5 Master Circular No.14/2014-15 dated July 1, 2014 Clause C.25, RBI had delegated the powers to accept the application for set-off of export receivables against import payables to Authorised Dealer bank (AD) on behalf of RBI .

The Company had made the statutory application to its AD bank along with all the necessary documents seeking approval for set off of export receivables against import payables in the books of the Company. Pending approval the Company has disclosed receivables of Rs. 149.00 lakhs ( March 31, 2020 Rs. 144.11 lakhs ) as Non current Trade Receivable in Note 12 and payable of Rs. 86.93 lakhs ( March 31, 2020 Rs. 83.83 lakhs ) as non current trade payable in Note 18.

#### Note 42 :

The figures for the previous year have been regrouped / restated where necessary to conform to the current year's classification.

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

**D. S. Sahney**  
Chairman and Managing Director

**Gulestan Kolah**  
Chief Financial Officer

**Sushama Kadam**  
Company Secretary

**Place : Mumbai**  
**Date : June 12, 2021**

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**Product Portfolio**



**Deep Groove Ball Bearings**

**Range :**  
6000 - 6022, 6200 - 6218  
6300 - 6319  
Available in Open, Sealed & Shield Version



**Angular Contact Ball Bearings**

**Contact Angle :** 40°  
**Range :**  
7201 - 7215,  
7301 - 7312



**Self Aligned Ball Bearing**

**Series :**  
12 Series,  
22 Series



**Taper Roller Bearing**

**Range :**  
30306  
32206 - 32307



**Needle Roller Bearing**

**Series :**  
NB, NBI,  
NA-49,  
NA-69



**Bottom Roller Bearings**

**Range :**  
UN 2803 - UN 3235



**Full Complement Needle Roller Bearings**

**Series :**  
RNA, NA - 1000,  
2000, 3000



**Needle & Roller Thrust Bearings**

**Series :**  
**Thrust Bearings :**  
AX Thin, AX Thick, ARZ, AXZ  
**Thrust Plates :**  
CP Thin, CP Thick



**Cylindrical Roller Bearings**

**Range :** N, NU, NJ, NUP  
**Series :** 202 - 228,  
303 - 319, 1005 - 1026,  
2203 - 2222, 2304 - 2319,  
WDR Series



**Spherical Roller Bearing**

**Series :**  
22205 - 22228  
22308 - 22344  
23026 - 23234  
24030 - 24060



**Cam Followers : Stud Type**

**Series :**  
KR, KRV



**Cam Followers : Yoke Type**

**Series :**  
NATV, NATR,  
NUTR



**Needle Bushes**

**Series :**  
DB (HK),  
DBF (BK)



**Combined Bearings**

**Series :**  
RAX 400 & RAXPZ 500



**Wide Inner Ring Ball Bearings**

**Series :** YAS (UCP), YCR (UCFC),  
YTU (UCT), YCJ (UCF), YCJT (UCFL)  
**Insert :** GY (UC), GYE (UC), GRE  
(AEL), GE (UEL), GKE (UK), RAE  
(AEL), GRAE (AEL)



**Magneto Bearing**

**Range :**  
E15 & L17

## Segments Served



Machine Tool



Textile



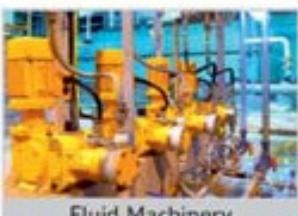
Industrial Gearbox



Cranes & Conveyors



Cement, Mining & Minerals



Fluid Machinery  
(Pumps, Fans & Blowers)



Harvester



Metals



Process Industry (Fertiliser,  
Sugar, Paper & Pulp)



Bottling, Canning &  
Packaging



Medical (X-Ray &  
Imaging Equipments)



Industrial Electrical (Electric  
Motors & Circuit Breakers)



Industrial Automation



Power Generation