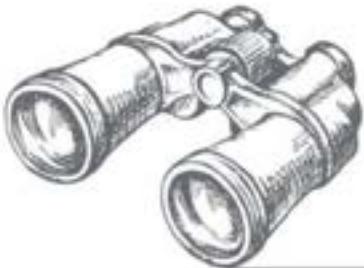


9<sup>th</sup> Annual Report  
2019-20



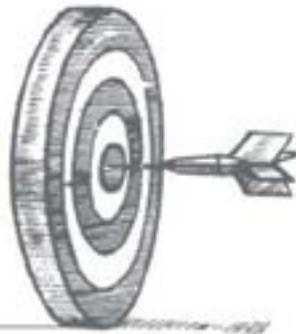
**MOVING THE WHEELS OF INDUSTRY**



## **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

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

### **Financial Year 2019-20**

**Board Of Directors**

: Mr. Devesh Singh Sahney - Chairman and Managing Director  
Mrs. Aarti Devesh Sahney - Non Executive Director  
(Appointed w.e.f. 7<sup>th</sup> October, 2019)  
Mr. Nikhilesh Panchal - Independent Director  
Mr. Ashish Chhugani - Independent Director  
(Appointed w.e.f. 16<sup>th</sup> June, 2020)  
Mrs. Harshbeena Zaveri - Non Executive Director  
(Resigned w.e.f. 7<sup>th</sup> August, 2019)  
Mr. Manish Choksi - Independent Director  
(Ceased to be Independent Director w.e.f. 6<sup>th</sup> July, 2020)  
Mr. Gaurav Motwane - Independent Director  
(Resigned w.e.f. 16<sup>th</sup> June, 2020)

**Key Managerial Personnels**

: Mr. Devesh Singh Sahney - Chairman and Managing Director  
Mr. Ratnakar G. Mehendale - Chief Financial Officer  
(Resigned w.e.f. 4<sup>th</sup> February, 2020)  
Mrs. Gulestan Kolah - Chief Financial Officer  
(Appointed w.e.f. 5<sup>th</sup> February, 2020)  
Mrs. Ratika Gandhi - Company Secretary and Compliance Officer

**Bankers**

: Bank of Maharashtra

**Statutory Auditor**

: Deloitte Haskins & Sells LLP

**Internal Auditor**

: J. K. Delvadavala & Company

**Secretarial Auditor**

: AJS and Associates

**Registered Office**

: 2nd floor, Dhannur building,  
15, Sir P.M. Road, Fort,  
Mumbai - 400 001,  
Maharashtra, India  
Tel. : 022-61207500

**Factory Premises**

: B-18, Five Star, M.I.D.C Area, D-Zone,  
Shendra, Aurangabad - 431 154  
Maharashtra, India

**Registrar and Transfer Agents**

: Universal Capital Securities Pvt. Ltd.  
(Formerly known as: M/S. Mondkar Computers Pvt. Ltd.)  
21, Shakil Niwas, Mahakali Caves Road,  
Andheri (East), Mumbai - 400 093 Email: investorcare@nibl.in  
Tel.: 022-28207203/05, 28257641

**CIN**

: L29253MH2011PLC213963

**GST No.**

: 27AADCN5657L1ZY

**Website**

: [www.nrbindustrialbearings.com](http://www.nrbindustrialbearings.com)

**Email Address**

: [investorcare@nibl.in](mailto:investorcare@nibl.in)

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## LETTER TO THE SHAREHOLDERS

**Dear Shareholders,**

Your company believes in being an anomaly. This year has been one of great economic tests, however; your company through robust strategic thought and action has adapted to the slowdown in economic domestic and global growth resiliently.

The global economy demand slackened with a reduction in growth in major economies with financial disruptions and uncertainty in trade tensions between the US and China.

Growth in most Emerging Market and Developing Economies (EMDE) regions which contributes to around 59% of total global GDP has drastically underperformed, reflecting downgrades to almost half of Emerging Markets and Developing Economies. Furthermore, the global growth decelerated to an estimated 2.4 percent in 2019 from 3.6% in 2018.

The Indian economy is forecasted a receding rate, with at a 7-year-low GDP growth rate which precludes India's vulnerability to an extended economic slowdown. Adding to the weakened manufacturing and domestic and international demand; COVID-19 has created a breakdown in global supply chains at a time of organizations worldwide relying on the philosophies of globalization. An already fragile economy and uncertainty of production cycles Automobile sales in India across categories declined 19.08% in February as economic slowdown continued to hit demand.

Analysts predict further deceleration of Indian economy due to the economic spill over effects of COVID-19. In India, the growth and economic rebound is depend on the duration of lockdowns and the government policies to ensure a recovery. India to achieve a target goal five trillion dollar economy, requires a 10-11% growth rate. The correlation to our growth rate and progressive and incremental reforms by are government is supreme.

In an uncertain and challenging global environment last financial year, your company is pleased to report a turnover of Rs. 4168.92 Lakhs for financial year ended March 31, 2020 as against Rs. 5609.46 Lakhs in the previous year.

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.

NRB Industrials bearing's vision is to be the leader in Friction Management in every market we serve, for the betterment of our customers, employees, and shareholders. 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. Internally we continuous aim to grow with a strong culture and progressive thoughts. This has allowed your company to attract and retain talented and passionate professionals, who further enhance our brand by providing dynamic thought and executable strategic value. With our sturdy and positively increasing order book coupled with your company's knowledgeable and experience team your company has significant potential for further improvement in performance.

Your company has been closely monitoring the status of the pandemic outbreak and its potential unforeseen adverse impact. Anticipating the further time-scape of the current restrictions implemented by the Government of India across all States & Union Territories, to curb the outbreak of virus in the coming days, all our critical business functions and support facilities have geared up to adapt to this novel working environment to create a robust dynamic structure for business continuity with contingency plans into action.

Our top priority is the safety and well-being of our employees, who are vital to support our customers and the communities we operate in. Considering the potential risks of safety we have implemented a number of preventative and precautionary actions with immediate effect to ensure employee well-being and continued service of our customers.

Our hearts go out to anyone who's been impacted by the virus, either directly or indirectly. Our thoughts are especially with those who are sick, to whom we extend our heartfelt wishes for a full recovery. And we're truly inspired by 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 safely from this notified disaster soon.

We are grateful to our clients for their trust, to our employees for their steadfast efforts and to our stockholders for believing in our strategy and its potential for creation of value. At NRB Industrial Bearings we aim to be an anomaly and strive to meet to realize our growth potential in 2020 - 21 and beyond.

Stay Safe & Stay Healthy

Warm Regards,

**Devesh Singh Sahney**

Chairman and Managing Director

(DIN : 00003956 )

**AGM NOTICE**

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

NOTICE IS HEREBY GIVEN THAT THE NINETH ANNUAL GENERAL MEETING ("AGM") OF THE MEMBERS OF NRB INDUSTRIAL BEARINGS LIMITED WILL BE HELD ON TUESDAY, AUGUST 4<sup>TH</sup>, 2020, AT 2.00P.M. THROUGH VIDEO CONFERENCING BY WEBCAST FACILITY PROVIDED TO MEMBERS TO TRANACT THE FOLLOWING BUSINESSES:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt:
  - a. the Audited Financial Statements of the Company for the financial year ended March 31, 2020, 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, 2020, together with the Report of the Auditors thereon.
2. To appoint a Director in the place of Mr. Devesh Singh Sahney (DIN: 00003956), who retires by rotation and being eligible, has offered himself for re-appointment.

**SPECIAL BUSINESS:**

3. APPOINTMENT OF MRS. AARTI SAHNEY (DIN: 08579914) AS A DIRECTOR OF THE COMPANY:

*To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution:***

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152, 160, 161 and other applicable provisions, if any, of the Companies Act, 2013 (**the Act**) and read with Rule 3, 8 and 13 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) Mrs. Aarti Sahney (DIN: 08579914), who was appointed as additional director of the Company on October 7, 2019 and who holds office till the date of this Annual General Meeting, in respect of whom the Company has received a notice in writing from a Member proposing her candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company liable to retire by rotation.

**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. APPOINTMENT OF MR. ASHISH CHHUGANI (DIN: 00009654) AS AN INDEPENDENT DIRECTOR FOR A SECOND TERM OF FIVE YEARS:

*To consider and if thought fit, to pass, 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, Mr. Ashish Chhugani (DIN: 00009654), who was appointed as an independent director of the Company on June 16, 2020 holds office up to conclusion on 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 and in respect of whom the Company has received a notice in writing under section 160 of the Act from a member proposing his candidature be and hereby appointed as an Independent Director of the Company to hold office for his second term of 5 (five) consecutive years w.e.f August 4, 2020 and whose office shall not be liable to determination by retirement of directors by rotation;

**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."

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

**Ratika Gandhi**

Company Secretary & Compliance Officer  
(ACS: 29732)

**Registered Office:**

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

**Place:** Mumbai

**Date :** June 16, 2020

**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 (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 and 4 above and the relevant details of the Directors seeking appointment and re – appointment under Item No(s). 3 and 4 above as required by Regulation 26(4) and 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 (hereinafter referred to as "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 2019-20 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, representatives of the members may be appointed for the purpose of voting through e-Voting or for participation and voting in the meeting held through VC/OAVM.**

**4) Book Closure:**

The Register of Members and Share Transfer Books of the Company will remain **closed from Wednesday, 29<sup>th</sup> July, 2020 to Tuesday, 4<sup>th</sup> August, 2020 (both days inclusive)**.

SEBI vide its Circular No. SEBI/LAD-NRO/GN/2018/24 dated 8<sup>th</sup> June, 2018, amended Regulation 40 of Listing Regulations pursuant to which from 1<sup>st</sup> April, 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 27<sup>th</sup> March, 2019 has clarified that the share transfer deed(s) once lodged prior to the deadline of 31<sup>st</sup> March, 2019 and returned due to deficiency in documents submitted, may be re-logged for transfer.

**5) The company has provided to the shareholders the facility of attending the meeting through video conferencing and evoting 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 2019-20 :**

Sr. No	Circular no.
1	General Circular No. 14/2020 dated 8 <sup>th</sup> April, 2020
2	General Circular No 17/2020 dated 13 <sup>th</sup> April, 2020
3	General Circular No. 20/2020 dated 5 <sup>th</sup> May, 2020

**6) Annual Report physical copies:**

**a) Pursuant to the General Circular No. 20/2020 dated 5th May, 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 2019-20 (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 Mitra (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, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company / Depositories. Members may note that the Notice and Annual Report 2019-20 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) 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.**

**8) The details Pursuant to the Regulation 36(3) of the SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Clause 1.2.5 of the Secretarial Standards-2 regarding the appointment, re-appointment and approval of remuneration of Directors are annexed to this notice.**

**9) Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before August 2<sup>nd</sup>, 2020 through email on**

**investorcare@nibl.in. The same will be replied by the Company suitably.**

**10) 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 (Formerly known as M/s. Mondkar Computers Private Limited), 21, Shakil Niwas, Mahakali Caves Road, Andheri (East), Mumbai – 400 093 Tel.: 022-2820 7203-05, 022-2836 6620 Fax – 022-28369704, 022-28207207. the Members holding shares in dematerialised form should approach their respective Depository Participants for the same.**

**11) Members holding shares in physical form are requested to submit a copy of their PAN card and Bank Account details, in the form of a canceled cheque or self-attested copy of pass book, with the Company or the Share Transfer Agent as per the directives of the Securities and Exchange Board of India. Since shares 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.**

**12) 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).**

**13) Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.**

**14) 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 July 28, 2020**, to exercise their right to vote by electronic means on any or all of the businesses specified in the accompanying Notice.**
- b. The Company have appointed Mr. Sanjog Narvankar, 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.

- c. 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.
- d. The Company has engaged the services of Central Depository Services (India) Limited ("CDSL") as the Agency to provide e-voting facility.
- 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. July 28, 2020**. 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.
- f. 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.
- g. **Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e. August 4, 2020.**

#### **15) CDSL E-Voting System for remote E-Voting And E-Voting During AGM:**

- 1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
- 2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure

Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

- 3. 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.
- 4. **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.**
- 5. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013. 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.
- 6. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
- 7. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.nrbindustrialbearings.com](http://www.nrbindustrialbearings.com). The Notice can

also be accessed from the 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.

The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).

8. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.

**16) The Instructions for shareholders voting electronically are as under:**

- i. The voting period begins **on August 1, 2020 at 10.00 a.m. and ends on August 3, 2020 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 July 28, 2020 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.

**Method of eVoting:**

- iii. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- iv. Click on "Shareholders" module.
- v. 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.

OR

Alternatively, if you are registered for CDSL's EASI/EASIEST e-services, you can log-in at <https://www.cdslindia.com> from Login - Myeasi using your login credentials. Once you successfully log-in to CDSL's EASI/EASIEST e-services, click on e-Voting option and proceed directly to cast your vote electronically

- vi. Next enter the Image Verification as displayed and Click on Login.
- vii. 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.

- viii. If you are a first time user follow the steps given below:

<b>For Shareholders holding shares in Demat Form and Physical Form</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 which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.</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 as mentioned in instruction (v).</li> </ul>
ix.	After entering these details appropriately, click on "SUBMIT" tab.
x.	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.
xi.	For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
xii.	Click on the EVSN for the NRB Industrial Bearings Limited on which you choose to vote.
xiii.	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.
xiv.	Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
xv.	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.

- xvi. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvii. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- xviii. 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.
- xix. Shareholders can also cast their vote using CDSL's mobile app "m-Voting". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

**17) The process for those shareholders whose email addresses are not registered with the depositories for obtaining login credentials for E-voting for the resolutions proposed in this Notice:**

- i. **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 at [investorcare@nibl.in](mailto:investorcare@nibl.in) /RTA at [info@unisec.in](mailto:info@unisec.in).
- ii. **For Demat shareholders** - please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to Company at [investorcare@nibl.in](mailto:investorcare@nibl.in) /RTA at [info@unisec.in](mailto:info@unisec.in).
- iii. The Company/RTA shall co-ordinate with CDSL and provide the login credentials to the above mentioned shareholders.

**18) The instructions for shareholders attending the annual general meeting through VC/OAVM are as under:**

- 1. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
- 2. Shareholders are encouraged to join the Meeting through Laptops / iPads for better experience.
- 3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- 4. 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.

- 5. **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 48 hours prior to meeting mentioning their name, demat account number/folio number, 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 24 hours prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [investorcare@nibl.in](mailto:investorcare@nibl.in).** These queries will be replied to by the company suitably by email.

- 6. **Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.**

**19) Instructions for shareholders for e-voting during the annual general meeting are as under:-**

- 1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
- 2. 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.
- 3. 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.
- 4. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
  - i. Note for Non – Individual Shareholders and Custodians
    - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](https://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). (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [HYPERLINK "http://www.evotingindia.com"](http://www.evotingindia.com) [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [HYPERLINK "mailto:helpdesk.evoting@cdslindia.com"](mailto:mailto:helpdesk.evoting@cdslindia.com) [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact Mr. Nitin Kunder (022-23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, 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 [HYPERLINK "mailto:helpdesk.evoting@cdslindia.com"](mailto:mailto:helpdesk.evoting@cdslindia.com) [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

For **NRB Industrial Bearings Limited**

**Ratika Gandhi**  
Company Secretary & Compliance Officer  
(ACS: 29732)

**Registered Office:**

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

**Place:** Mumbai

**Date :** June 16, 2020

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

**Item No.3**

The Board of Directors, based on the recommendation of the Nomination and Remuneration Committee, appointed MRS. AARTI SAHNEY (DIN: 08579914) as an Additional Director (Non-Executive, Non-Independent) of the Company, with effect from October 07, 2019. Pursuant to the provisions of Section 161 of the Act and Article 114 of the Articles of Association of the Company, MRS. AARTI SAHNEY (DIN: 08579914) will hold office up to the date of the ensuing Annual General Meeting ('AGM') and is eligible to be appointed as a Director of the Company. The Company has, in terms of Section 160(1) of the Act, received a notice from a Member, proposing the candidature of Mrs. Sahney for the office of Director. Mrs. Sahney, once appointed will be liable to retire by rotation and will be subject to the Company's Policy on Retirement of Directors.

The Company has received from MRS. AARTI SAHNEY (DIN: 08579914) DIR-2 i.e. consent in writing to act as Director and DIR-8 a declaration to the effect that she is not disqualified under Section 164(2) of the Act.

Mrs. Sahney placed affirmation that she is not debarred from holding the office of Director by virtue of any SEBI order or any other such authority.

The profile and specific areas of expertise of Mrs. Sahney are provided as annexure to this Notice. The Board recommends the Resolution set forth in Item No. 3 for the approval of the Members.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives, except MRS. AARTI SAHNEY (DIN: 08579914) and MR. DEVESH SINGH SAHNEY (DIN: 00003956) and MS. MALLIKA SAHNEY, employee in place of profit is concerned or interested in the Resolution mentioned at Item No. 3 of the Notice.

**Item No. 4:**

During his first term, Mr. Ashish Chhugani (DIN: 00009654) was been appointed as an Independent Director of the Company by the Shareholders of the Company at the 4<sup>th</sup> Annual General Meeting held on July 07, 2015, for a period of five years with effect from July 07, 2015 up to July 06, 2020. During the said period Mr. Ashish Chhugani had resigned from his directorship in the Company with effect from October 31, 2018, due to unavoidable personal commitments.

It is been informed that Mr. Chhugani has placed his interest to be appointed as Independent director. The Board of Directors at its meeting held on June 16, 2020, based on the recommendations of the Nomination and Remuneration Committee and pursuant to the performance evaluation of Mr. Ashish Chhugani (DIN: 00009654) as a Member of the Board and considering his wide and in depth knowledge in financial markets would be beneficial to the Company, hence proposed to re-appoint Mr. Chhugani as an Independent Director of the Company, who shall not be liable to retire

by rotation, for a second term with effect from August 04, 2020 up to August 03, 2025. Further, the Company has, in terms of Section 160(1) of the Act, received a notice from a Member proposing the candidature of Mr. Chhugani for the office of Independent Director.

The Company has received from Mr. Chhugani 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 Listing Regulations, each as amended, the re-appointment of Mr. Chhugani as an Independent Director of the Company for a second term commencing from August 04, 2020 up to August 03, 2025 is being placed before the Shareholders for their approval by way of a special resolution. Mr. Chhugani, once appointed, will not be liable to retire by rotation.

In the opinion of the Board, Mr. Chhugani is a person of integrity, fulfils the conditions specified in the Act and the Rules made thereunder read with the provisions of the Listing Regulations, each as amended and is independent of the Management of the Company. A copy of the draft letter of appointment of Mr. Chhugani as an Independent Director setting out the terms and conditions is available for 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. Chhugani are provided as annexure to this Notice.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives, except Mr. Chhugani, to whom the resolution relates, is concerned or interested in the Resolution mentioned at Item No. 4 of the Notice.

The Board recommends the Resolution set forth in Item No. 4 for the approval of the Members.

Mr. Ashish Chhugani (DIN: 00009654), who was appointed by the Board of Directors as an Additional Director of the Company with effect from June 16, 2020 and who holds office upto the date of the ensuing Annual General Meeting of the Company under Section 161 of the Companies Act, 2013 and is eligible for appointment as an Independent Director.

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 Ankur Capital in India and before that MD of Antfactory 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 Firstsource.

In terms of Section 149 of the Companies Act, 2013 Mr. Ashish Chhugani is proposed to be appointed as an Independent Director of the Company for a term of five consecutive years w.e.f August 04, 2020 of this Annual General Meeting. The Company has received a notice under Section 160 of the Companies Act, 2013 from a member proposing Mr. Ashish Chhugani for the office of Independent Director of the Company.

Mr. Ashish Chhugani has nil equity shares in the Company and his Other Directorships/Committee memberships are as follows:

<b>Name of the Company</b>	<b>Board Position held</b>	<b>Committee memberships</b>	<b>Status</b>
BBIPL Infrastructure (India) Pvt. Ltd.	Director	Nil	Under Liquidation
Expressit Logistics Worldwide Limited	Director	Nil	Under Liquidation

Note: There is no disqualification under Section 164 of Companies Act 2013. The above mentioned companies are under liquidation process as same is expected to complete the process in next three years.

In the opinion of the Board, Mr. Ashish Chhugani fulfills the conditions specified in the Companies Act, 2013 and rules made there under for his appointment as an Independent Director of the Company. The Board considers that his association with the Company as Independent Director would benefit the Company and hence desirable to continue to avail his services as an Independent Director. Accordingly, the Board recommends the resolution in relation to the appointment of Mr. Ashish Chhugani as an Independent Director, for the approval of the members of the Company.

None of the Board of Directors, Key Managerial Personnel of the Company or their respective relatives other than Mr. Ashish Chhugani is in any way concerned or interested, financially or otherwise in the said resolution.

**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]

<b>Name of the Director</b>	<b>Mrs. Aarti Sahney (DIN: 08579914)</b>	<b>Mr. Ashish Chhugani (DIN: 00009654)</b>
Date of Birth	27/07/1970	18/09/1966
Age	49	53
Date of Appointment	07/10/2019	16/06/2020
Date of first appointment on the Board	07/10/2019	07/07/2015
Qualifications	Bachelor of Arts, University of Mumbai from Saint Xavier's College, Business Leadership Program at Harvard Business School.	MBA from Duke University and M.Com from Mumbai 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. Ashish Chhugani 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.	Appointment as Independent Director for a term of five years and 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
Remuneration last drawn	Not applicable	Not applicable
Directorship in other companies	None	None
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, 2020	1,06,550	-
Number of Board meetings attended during the year	3	NA
Relationship with other directors KMPs	Mr. Devesh Singh Sahney (Husband)	-

## DIRECTOR'S REPORT

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

The Directors submit this 9<sup>th</sup> 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, 2020. 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)

<b>Particulars</b>	<b>For the Financial Year ended March 31, 2020</b>	<b>For the Financial Year ended March 31, 2019</b>
Revenue from Operations	4320.98	5806.01
EBITA	(265.15)	284.74
Loss before Exceptional items and Tax	(1890.52)	(1398.49)
Exceptional Items	-	-
Loss Before Tax	(1890.52)	(1398.49)
Tax Expenses	-	-
Loss after Tax	(1890.52)	(1398.49)
Other Comprehensive Income	50.96	9.83
Total Comprehensive Income	(1941.48)	(1408.32)
Earnings Per Share	(7.80)	(5.77)

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, 2019 to March 31, 2020 (hereinafter referred as "financial year").

#### **b. Transfer to Reserves:**

In view of the losses incurred, no amount has been transferred to reserves during the year under review.

#### **c. Dividend:**

In view of the losses incurred, 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 2019-2020.

#### **f. Loan From Directors**

During the Financial Year 2019-20, 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, 2020, 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 during the period from the end of the financial year on 31<sup>st</sup> March, 2020 to the date of this Report.

### **2. Operational Overview:**

Overall business trends in 2019 were on downturn due to a reduction in domestic demand and global turmoil. Companies are trying to have their stand for sustainability in such tangible crisis, which has created the disruption in the market, your company is trying to maintain its continuity in the business as a coping mechanism.

Last quarter of financial year 2019-20 revealed the positive indication in terms of demands from domestic market. With the outbreak of COVID-19 in March 2020, possibility of improvement in Q1 in 2020-21 looks challenging.

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 expending 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.

The export business focus is to add new dimensions in your company's export business by expanding geographical reach.

Your company's growth strategy is to focus specific OEM segment like Textile, Material Handling, Agriculture, Industrial Electrical 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, and Textile, Metal, Cement and mining.

**Dealers Symposium:** Your Company had organized its 6<sup>th</sup> Dealer Symposium in April 2019 with Theme of "Let's Run Together". The symposium helps creating the team bonding and synergy. High performing distributors were recognized and felicitated in Dealer Symposium.

Your company has participated in exhibition both at Domestic and International level.

This year your company specifically focused on "Value Creation" for NIBL brand. We improved our brand acceptability with value addition in terms of our pricing policy.

The market is very unpredictable but company is trying to understand the new gradually evolving dynamics of the market.

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 is on experimental mode to try new avenues with help of technology in this digital era.

**a) Financial Results:**

Your Company's turnover stood at Rs. 4168.92 lakhs for the financial year ended March 31, 2020 as against Rs. 5609.46 lakhs in the previous year. Company registered fall in growth of 25.68% over previous year.

Export turnover of your Company for the financial year was Rs. 1426.68 lakhs as against previous year Rs. 1601.35 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 :**

**a) Increase in the Authorized Share Capital:**

During the financial year, the authorized share capital of the Company has been increased from Rs. 65,00,00,000/- (Rupees Sixty Five Crores only) divided into 2,50,00,000 equity share of Rs 2/- each and 6,00,00,000 preference shares of ₹ 10/- each to 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 ₹ 10/- each.

**b) Issue and Allotment of Preference shares to Mr. Devesh Singh Sahney (DIN: 00003956), Chairman and Managing Director of the Company:**

During the year, the Company allotted 2,65,00,000 Cumulative Redeemable Non-Convertible Preference shares of a face value of Rs. 10/- each for an amount aggregating to Rs. 26,50,00,000/- (Rupees Twenty Six Crores Fifty Lakh only) to Mr. Devesh Singh Sahney (DIN: 00003956) Chairman and Managing Director.

During the financial year other than aforesaid, the Company has neither issued any shares nor has granted stock options or sweat equity.

**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 October 7, 2019, the Board of Directors of the Company at their meeting, appointed Mrs. Aarti Devesh Sahney (DIN: 08579914) as an Additional (Non-Executive) Director of the Company subject to approval of members at 9<sup>th</sup> Annual General Meeting of the Company. The Board recommends to the members, the approval of appointment of Mrs. Sahney as a Director of the Company. The resolution for confirming the appointment of **Mrs. Sahney as Director of the Company forms part of the Notice convening the 9<sup>th</sup> Annual General Meeting.**

b) Upon the recommendation of Nomination and Remuneration Committee at its meeting held on June 16, 2020, the Board of Directors of the Company at their meeting of even date, 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 9<sup>th</sup> Annual General Meeting of the Company. The Board recommends to the members, the approval of appointment of Mr. Chhugani as an Independent Director of the Company. The resolution for confirming the appointment of Mr. Chhugani as Independent Director of the Company forms part of the Notice convening the 9<sup>th</sup> Annual General Meeting.

**Re-appointments:**

c) In accordance with the provisions Section 152 of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Devesh Singh Sahney (DIN: 00003956) is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. Your Directors recommend re-appointment of Mr. Devesh Singh Sahney (DIN: 00003956), Chairman & Managing Director of the Company, liable to retire by rotation in ensuing annual general meeting.

**The necessary resolution for re-appointment of Mr. Devesh Singh Sahney forms part of the notice convening the ensuing 9<sup>th</sup> Annual General Meeting.**

**Cessation:**

d) During the year, Mrs. Harshbeena Zaveri (DIN: 00003948), Director and Mr. Gaurav Motwani (DIN: 00746165) the Independent Director of the Company had tendered their resignations w.e.f. August 7, 2019 and June 16, 2020 respectively. The Board of Directors of the Company records its deep appreciation for the valuable contributions and guidance provided by Mrs. Harshbeena Zaveri and Mr. Gaurav Motwani during their noteworthy association with the Company.

e) 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 has not seeks re-appointment and hence he shall be ceased to be the Independent Director of the Company w.e.f. July 6, 2020.

f) During the year, Mr. Ratnakar Mehendale, the Chief Financial Officer of the Company retired from the Company w.e.f. February 4, 2020 and based on the recommendation of the Audit Committee and the Nomination and Remuneration Committee, the Board of Directors of the Company at its meeting held on February 4, 2020, appointed Mrs. Gulestan Kolah as the Chief Financial Officer of the Company w.e.f from February 5, 2020.

g) 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. Ratika Gandhi, Company Secretary and Compliance Officer

h) 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 and 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, 2020, 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 2019-20 sales turnover of the Company was Rs. 1374.24 lacs as compared to previous

FYs turnover of Rs. 1656.19 lacs. Domestic Sales Turnover decreased to Rs. 387.29 lacs from Rs. 789.30 lacs. Export market grew healthy. Export Sales Turnover increased from Rs. 866.89 lacs to Rs. 986.95 lacs. 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. Investment in Korta was a strategic decision considered by your company in order to have diversified market reach and to provide customers with wide range of products.

During the FY 2019-2020 the Sales Turnover of the Company was Rs. 458.60 lacs as compared to previous FYs turnover of Rs. 611.05 lacs. Domestic Sales Turnover decreased to Rs. 448.31 lacs from Rs. 567.30 lacs. The Export Sales turnover also decreased to Rs. 10.28 lacs from Rs. 43.37 lacs. New customers were added in this financial year which would help the company with favourable results in coming years.

In term of Section 129(3) of the Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014, the Company have prepared the consolidated financial statements of the Company and all its Associate Companies, which form part of this Annual Report. A statement containing salient features of the financial statements of the Company's joint venture/associate company in Form AOC-1 is annexed as '**Annexure: III**' to this Annual Report.

During the year no new Company become or existing Company ceased to be a subsidiary, joint venture or associate of the Company. A policy on material subsidiaries has been formulated and hosted on the website of the Company at [www.nrbindustrialbearings.com](http://www.nrbindustrialbearings.com).

## **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, 2020. 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:**

Five meetings of the Board of Directors were held during the financial year 2019-20 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. The Audit Committee consists of four Directors; Mr. Manish Choksi as the Chairman, Mr. Devesh Sahney, Mr. Gaurav Motwane and Mr. Nikhilesh Panchal 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 7<sup>th</sup> Annual General Meeting (AGM) held on 2<sup>nd</sup> August, 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 7<sup>th</sup> AGM upto the conclusion of 12<sup>th</sup> AGM of the Company.

The Auditor's Report on the Standalone and Consolidated Financial Statement of the Company for the Financial Year 2019-20, 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 2019-20. 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 2019-20.

#### **21. Particulars of employees:**

The statement under Section 134(3) (q) and Section 197 (12) of 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 2019-20 to both the Stock Exchanges well within the specified time.

#### **24. Extract of Annual Return:**

The extract of Annual Return in form MGT-9 pursuant to Section 92 (3) read with Rule 12 of the Companies (Management and Administration) Rules, 2014 MGT-9, is furnished on Company's website at: [www.nrbindustrialbearings.com](http://www.nrbindustrialbearings.com) and forms part of this Report as **Annexure 'VI'**.

#### **25. Corporate Governance Report:**

As per the Regulation 15 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Regulations), based on the paid up equity share

capital and net worth of the Company, the corporate governance provisions mentioned in SEBI 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:**

<b>Annexure No.</b>	<b>Particulars</b>
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.
VI	Form no. MGT-9 – Extract of Annual Return

#### **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 2019-20 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 2019-20.

- 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**

**Place: Mumbai**

**Date : 16<sup>th</sup> June, 2020**

**Devesh Singh Sahney**

**Chairman and Managing Director  
(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, 2020:**

**a) Conservation of Energy:**

- i. **Steps taken or impact on conservation of energy:** On all machines in factory, air pressure setting done as per manufacturer recommendations. This has reduced compressor loading setting from 6.8 to 6.3 bar resulting in a saving of 8,060 KWh per month i.e. 96,720 KWh per year. The saving amounts to about Rs 7.63 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 amounting to Rs 7.63 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	2019-20	Previous Year (2018-19)
<b>Purchased</b>			
1	Purchased power units, (in KWh)	41,77,988	47,52,653
2	Purchased power amount (Rs in lakhs)	329.8	353
3	Purchased power rate (in Rs per KWh)	7.89	7.43
4	Own power generation, (in KWh)	13,552	6,941
<b>Through Diesel Generator</b>			
5	Units generated, (in KWh )	13,552	6,941
6	Diesel oil consumed (in liters)	3,940	2,149
7	Power generation (KWh per liter)	3.44	3.22
<b>Through Steam Turbine / Generator</b>			
8	Propane gas consumption (in tons)	16.51	15.22
9	Tons of steel heat treated per ton of propane gas consumed.	18.82	25.72
10	Propane gas cost in Rs per ton	48,200	57,720
<b>Consumption per unit production</b>			
11	Production value of bearings (in Rs Lakhs)	3,982	4,970
12	Electricity (purchased and own generation), consumed in KWh per Rs lakh value of bearings produced	1052.62	957.64
13	HT furnace production (in ton)	310.78	391.63

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

1. Electricity: 57,687 KWh Units in FY 2019-20 as compared 63503 KWh Units in FY 2018-19.

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

1. 45 no's of new product developed.
2. Development of radial and axial needle thrust bearings.
3. Development of needle bush bearings.
4. Developed machine for measurement of radial clearance of ball bearings.
6. Enhancement of In house product testing facility for CRB & Ball bearings.

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

1. Developed 45 products to enhance business in the area of existing as well new application for existing as well as new customer base in domestic and export market.
2. Improved product quality and performance.

**c) Future Plan of action:**

1. Extension of product range of combined bearings.
2. Widen ACBB range for export as well as for domestic market.
3. New range of Needle bearings for wider applications.
4. Enhancing range of needle bush bearings.

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

1.	Capital	:	FY: 2019-20	:	NIL	PY: 2018-19 : NIL
2.	Recurring	:	FY: 2019-20	:	Rs. 119.45 Lakhs	PY: 2018-19 : Rs.118.35 Lakhs
3.	Total	:	FY: 2019-20	:	Rs. 119.45 Lakhs	PY: 2017-18 : Rs.118.35 Lakhs
4.	Total R&D as a percentage of Total turnover				FY 2019-20– 2.86%,	PY 2018-19 – 2.10%

**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 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. Implemented the technology absorbed in development of special needle bearings with cage.
2. New design & development thrust bearing cages to improve the bearing performance.
3. New design and development of needle bush bearings

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

**Form C: Foreign Exchange Earnings and Outgo:**

**c) Foreign Exchange earnings and outgo: -**

Total Foreign Exchange earnings : FY 2019-20 Rs. 1421.71 Lakhs, PY Rs. : 1668.5 Lakhs

Total Foreign Exchange outgo : FY 2019-20 Rs.25.42 Lakhs, PY Rs. : 46.46 Lakhs

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

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

**Place: Mumbai  
Date : 16<sup>th</sup> June, 2020**

**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. Company has not entered into any contract/arrangement/transaction with its related parties which are not in ordinary course of business in the FY 2019-20. All the related party transactions forms part of the financials note no. 37.

<b>Sr. no</b>	<b>Particulars</b>	<b>Remarks</b>
(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:	Not Applicable as all transactions are at arm's length
(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:**

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

<b>Sr. No.</b>	<b>Nature of relationship</b>	<b>Names of related parties</b>
(a)	Entity on which the Company can exercise significant influence	NRB-IBC Bearings Private Limited NIBL-Korta Engineering Private Limited
(b)	Key Management Personnel (KMP)	Mr. Devesh Singh Sahney, Chairman and Managing Director
(c)	Relative of Key Management Personnel	Ms. Mallika Devesh Sahney, Assistant General Manager (Strategy)
(d)	A Company over which relatives of KMP are able to exercise significant influence.	NRB Bearings Limited NRB Bearings (Thailand) Limited SNL Bearings 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

30<sup>th</sup> May, 2019, 8<sup>th</sup> August, 2019, 7<sup>th</sup> October, 2019, 7<sup>th</sup> November, 2019 and 4<sup>th</sup> February, 2020

**(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 : 16<sup>th</sup> June, 2020**

### 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, 2020, 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**

(Rs. In Lakhs)

Name of associates/Joint Ventures	NRB-IBC Bearings Private Limited	NIBL-Korta Engineering Private Limited
Latest audited Balance Sheet Date	31.03.2020	31.03.2020
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) 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, 2020.	627.05	(147.16)
Profit/Loss for the year	19.3	(147.62)
Considered in Consolidation	NIL	(51.67)
Not Considered in Consolidation	6.75	NIL

- 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 : 16<sup>th</sup> June, 2020**

**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 31<sup>st</sup> MARCH 2020**

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

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 31<sup>st</sup> March, 2020, ("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 31<sup>st</sup> March, 2020, 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 12<sup>th</sup> September, 2013 and sections and Rules notified and came into effect from 1<sup>st</sup> April, 2014 and amendments thereof;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made hereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed hereunder;
- (iv) Reserve Bank of India Act, 1934;
- (v) Foreign Exchange Management Act, 1999 and the rules and regulations made there under 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(not applicable to the Company during the Audit period);
  - 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 28<sup>th</sup> 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 (not 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 Bombay Stock Exchange Limited and new SEBI (Listing Obligation and Disclosure Requirement) 2015, effective from 01<sup>st</sup> 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**

**Date : - June 06, 2020**

**Place: - Mumbai**

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

**Annexure - I**

**List of documents verified:**

1. Memorandum & Articles of Association of the Company.
2. Annual Report for the financial year ended 31<sup>st</sup> March, 2020.
3. Minutes of the meetings of the Board of Directors, Audit Committee, Nomination & Remuneration Committee, Stakeholders' Relationship Committee held and along with Attendance Register maintained 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 was timely complied.

**For AJS & ASSOCIATES**

**Date : - June 06, 2020**

**Place: - Mumbai**

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

### **Annexure II**

To,

**The Members,**

**NRB INDUSTRIAL BEARINGS LIMITED**

15, Dhannur, Sir P. M. Road, Fort  
Mumbai - 400 001 India

My report (for FY 2019-20) 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**

**Date : - June 06, 2020**

**Place: - Mumbai**

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

## 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 Rule5(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 - 14% Mr. Ratnakar G. Mehendale, CFO - NIL Mrs. Ratika Gandhi,CS - NIL
(iii)	the percentage increase in the median remuneration of employees in the financial year;	26.58%
(iv)	the number of permanent employees on the rolls of company;	274 employees as on 31.03.2020
(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): - 8% 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, 2020 is as per the Remuneration Policy of the Company.

**Details of Directors/ KMP/Appointed/Resigned during the) ear 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. Ashish Chhugani	Independent Director	Appointed w.e.f. 16 <sup>th</sup> June, 2020
2	Mr. Nikhilesh Panchal	Independent Director	Appointed w.e.f 4 <sup>th</sup> February, 2019
3	Mrs. Harshbeena Zaveri	Director	ceased w.e.f. 7 <sup>th</sup> August, 2019
4	Mrs. Aarti Sahney	Director	appointed w.e.f. 7 <sup>th</sup> October, 2019

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

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

**Place:** Mumbai  
**Date :** 16<sup>th</sup> June, 2020

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**ANNEXURE VI**  
**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**

**As on the Financial Year ended 31<sup>st</sup> March, 2020**

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

**I. REGISTRATION AND OTHER DETAILS:**

i.	CIN	L29253MH2011PLC213963
ii.	Registration Date	24/02/2011
iii.	Name of the Company	NRB Industrial Bearings Limited
iv.	Category / Sub-Category of the Company	Company Limited by Shares
v.	Address of the Registered Office and Contact Details	2nd floor, Dhannur Building, 15 Sir P.M. Road, Fort, Mumbai – 400 001. Email ID: investorcare@nibl.in Tel No: 022-45417553
vi.	Whether Listed	Yes (BSE Limited & National Stock Exchange of India Limited)
vii.	Name, Address and Contact details of Registrar and Share Transfer Agents, if any	<b>Universal Capital Securities Private Limited</b> 21, Shakil Niwas, Opp. Satya Saibaba Temple, Mahakali Caves Road, Andheri (E), Mumbai – 400 093. Tel.: 022-2820 7203-05 / 2825 7641, E-mail: info@unisec.in

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

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

SN	Name and Description of main products / services	NIC Code of the Product / service	% of total turnover of the Company
1	Ball and Roller bearings	2814	100

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

SN	Name And Address Of The Company	Company Identification number	Holding / Subsidiary/ Associate	% of shares held	Applicable Section
1	NRB-IBC Bearings Private Limited 15, Dhannur, Sir P. M. Road, Fort, Mumbai - 400 001	U29268MH2011PTC214811	Associate	35	2(6)
2	NIBL-Korta Engineering Private Limited 163, 10th Main, Peenya Industrial Area 3rd Phase, Bangalore - 560058	U29299KA2007PTC043899	Associate	35	2(6)

**IV. Shareholding Pattern (Equity Share Capital Breakup as percentage of total equity) as on 31<sup>st</sup> March, 2020 –**

i. Category wise Shareholding Pattern :

Category of Shareholders	No. of Shares held at the beginning of the year (01.04.2019)				No. of Shares held at the end of the year (31.03.2020)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>1. Indian</b>									
a. Individual/ HUF	7615624	0	7615624	31.43	8242701	0	8242701	34.02	2.59
b. Central Govt.	0	0	0	0.00	0	0	0	0	0.00
c. State Govt.(s)	0	0	0	0.00	0	0	0	0	0.00

d. Bodies Corp	9438910	0	9438910	38.95	9438910	0	9438910	38.95	0.00
e. Banks / FI	0	0	0	0	0	0	0	0	0.00
f. Any Other	0	0	0	0	0	0	0	0	0.00
<b>Sub-total(A) (1):-</b>	<b>17054534</b>	<b>0</b>	<b>17054534</b>	<b>70.38</b>	<b>17681611</b>	<b>0</b>	<b>17681611</b>	<b>72.97</b>	<b>2.59</b>
<b>2. Foreign</b>									
a. NRIs-Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b. Other-Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c. Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
d. Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
e. Any Other	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total (A)(2):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Total share- holding of Promoter (A) = (A)(1) +(A)(2)</b>	<b>17054534</b>	<b>0</b>	<b>17054534</b>	<b>70.38</b>	<b>17681611</b>	<b>0</b>	<b>17681611</b>	<b>72.97</b>	<b>2.59</b>
<b>B. Public Share- holding</b>									
<b>1. Institutions</b>									
a. Mutual Funds	0	1750	1750	0.007	0	1750	1750	0.007	0.00
b. Banks / FI	200	0	200	0.001	0	0	0	0.00	(0.001)
c. Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
d. State Govt.(s)	0	0	0	0.00	0	0	0	0.00	0.00
e. Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f. Insurance Com- panies	0	0	0	0.00	400686	0	400686	1.65	1.65
g. FIIs / Foreign Portfolio Investor	0	0	0	0.00	0	0	0	0.00	0
h. Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0
i. Others (specify)	0	0	0	0.00	0	0	0	0.00	0
<b>Sub-total(B)(1)</b>	<b>200</b>	<b>1750</b>	<b>1950</b>	<b>0.008</b>	<b>400686</b>	<b>1750</b>	<b>402436</b>	<b>1.66</b>	<b>1.652</b>
2. Non Institutions									
a. Bodies Corp.									
(i) Indian	1491175	1000	1492175	6.15	178549	1000	179549	0.74	(5.41)
(ii) Overseas	0	0	0	0	0	0	0	0	0
b. Individuals									
(i) Individual shareholders hold- ing nominal share capital upto Rs.1 lakh	3317221	107882	3425103	14.13	3573459	101620	3675079	15.16	1.03
(ii) Individual shareholders hold- ing nominal share capital in excess of Rs 1 lakh	1759374	0	1759374	7.26	1634159	0	1634159	6.74	(0.52)
c. NBFC	775	0	775	0.003	775	0	775	0.003	0
d. Others(Specify)									

i) Clearing Members	62987	0	62987	0.26	3792	0	3792	0.02	(0.24)
ii) NRI's	125534	859	126393	0.52	152433	859	153292	0.63	0.11
iii) LLP/Partnership Firm	24854	0	24854	0.10	24075	0	24075	0.10	0.00
v) HUF	282505	0	282505	1.17	475882	0	475882	1.96	0.79
Sub-total(B)(2)	<b>7064425</b>	<b>109741</b>	<b>7174166</b>	<b>29.60</b>	<b>6043124</b>	<b>103479</b>	<b>6146603</b>	<b>25.36</b>	<b>(4.24)</b>
Total Public Shareholding (B)=(B)(1)+(B)(2)	<b>7064625</b>	<b>111491</b>	<b>7176116</b>	<b>29.62</b>	<b>6443810</b>	<b>105229</b>	<b>6549039</b>	<b>27.02</b>	<b>(2.60)</b>
C. Shares held by Custodian for GDRs &ADRs	0	0	0	0					
<b>Grand Total(A+B+C)</b>	<b>24119159</b>	<b>111491</b>	<b>24230650</b>	<b>100.00</b>	<b>24125421</b>	<b>105229</b>	<b>24230650</b>	<b>100.00</b>	<b>0.00</b>

ii. Shareholding of Promoters -

SN	Shareholders Name	Shareholding at the beginning of the Year – 1 <sup>st</sup> April, 2019			Shareholding at the end of the Year – 31 <sup>st</sup> March, 2020			% change in shareholding
		No. of Shares	% of Total Shares of the Company	% of Shares Pledged / Encumbered to Total Shares	No. of Shares	% of Total Shares of the Company	% of Shares Pledged / Encumbered to Total Shares	
1	Aarti D. Sahney	106550	0.44	-	106550	0.44	-	-
2	Ambita Sahney	373175	1.54	-	373175	1.54	-	-
3	Anjana Sahney Thakkar	373200	1.54	-	373200	1.54	-	-
4	Bhupinder Singh Sahney	240432	0.99	-	240432	0.99	-	-
5	Brijveen Kaur Sahney	629850	2.60	-	629850	2.60	-	-
6	Devesh S Sahney	1000667	4.13	-	1000667	4.13	-	-
7	Deepika Sahney	373425	1.54	-	373425	1.54	-	-
8	Hanwantbir Kaur Sahney	97000	0.40	-	97000	0.40	-	-
9	Harshbeena Sahney Zaveri	1097199	4.53	-	1097199	4.53	-	-
10	Jasmin Sahney Pillai	376725	1.55	-	376725	1.55	-	-
11	Trilochan Singh Sahney	2929101	12.09	-	2929101	12.09	-	-
12	Trilochan Singh Sahney (Trust)	9438910	38.95	-	9438910	38.95	-	-
13	Mallika Sahney	18300	0.08	-	645377	2.66	-	2.58

iii. Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
1.	<b>Ms. Mallika Sahney</b>				
	At the beginning of the year	95200	0.39	95200	0.39
	Increase Dt. 27/02/2020 acquisition	444452	1.83	539652	2.23
	Increase Dt. 06/03/2020 acquisition	7450	0.03	547102	2.26
	Increase Dt. 11/03/2020 acquisition	23449	0.10	570551	2.35
	Increase Dt. 12/03/2020 acquisition	19418	0.08	589969	2.43
	Increase Dt. 13/03/2020 acquisition	1006	0.00	590975	2.44
	Increase Dt. 17/03/2020 acquisition	23680	0.10	614655	2.54
	Increase Dt. 19/03/2020 acquisition	4819	0.02	619474	2.56
	Increase Dt. 20/03/2020 acquisition	53	0.00	619527	2.56

	Increase Dt. 20/03/2020 acquisition	5370	0.02	624897	2.58
	Increase Dt. 21/03/2020 acquisition	17485	0.07	642382	2.65
	Increase Dt. 24/03/2020 acquisition	2995	0.01	645377	2.66
	At the End of the year	<b>645377</b>	<b>2.66</b>	<b>645377</b>	<b>2.66</b>

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

SN	Particulars	Shareholding at the start of the Year – 1 <sup>st</sup> April, 2019		Shareholding at the end of Year – 31 <sup>st</sup> March, 2020	
		No. of Shares	% of total shares	No. of Shares	% of total shares
1.	ICICI Prudential Life Insurance Company	1326786	5.48	400686	1.65
2.	Rajkumar Harlalka	372000	1.54	362000	1.49
3.	Jagruti Rajiv Dutia	300000	1.24	300000	1.24
4.	Sunil Bodaram Luthria	116360	0.48	204570	0.84
5.	Rajkumar Devansh HUF	3140	0.00	181482	0.75
6.	Arvinder Singh Kohli	12162	0.00	144529	0.60
7.	Pooja Prakash Lodha	140000	0.58	140000	0.58
8.	Shivani Tejas Trivedi	154514	0.64	132869	0.55
9.	Bharat Jain HUF	92685	0.38	90331	0.37
10.	Kedar Nath	100	0.00	83324	0.34
	<b>Total</b>	<b>2973845</b>	<b>10.34</b>	<b>2039791</b>	<b>8.42</b>

vi. Shareholding of Directors and Key Managerial Personnel

SN	Name of the Director / KMP	Shareholding at the beginning of the Year – 1 <sup>st</sup> April, 2019		Shareholding at the end of the Year – 31 <sup>st</sup> March, 2020	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Devesh Sahney	1000667	4.13	1000667	4.13
2	Ratika Gandhi	617	0.00	617	0.00
3	Ratnakar Mehendale	10	0.00	10	0.00

## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment are as follows:

(Rs. In lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	2435.16	7213.32	0	9648.48
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	<b>2435.16</b>	<b>7213.32</b>	<b>0</b>	<b>9648.48</b>
Change in Indebtedness during the financial year				
• Addition	21.82	1144	0	1165.82
• Reduction	818.43	2667.19	0	3485.62

<b>Net Change</b>	<b>(796.61)</b>	<b>(1523.19)</b>	<b>0</b>	<b>(2319.80)</b>
Indebtedness at the end of the financial year				
i) Principal Amount	1638.55	5690.13	0	7328.68
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	<b>1638.55</b>	<b>5690.13</b>	<b>0</b>	<b>7328.68</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to MD, Whole-Time Director and / or Manager as on March, 2020:

SN	Particulars of Remuneration	Name of MD
		Devesh Singh Sahney
1.	Gross Salary	
a)	Salary as per provisions contained in section 17(1) of the Income Tax Act.	81,62,262
b)	Value of perquisites u/s 17(2) of Income Tax Act, 1961	15,31,510
2	Stock Option	NIL
3	Sweat Equity	NIL
4	Commission - As % of Profit - Others, specify	NIL
5	Others, please specify - Provident Fund	7,63,200
	<b>Total</b>	<b>1,04,56,972</b>

*Ceiling as per the Act – 5% of the Net Profit of the Company.*

**Company has taken approval from shareholders vide Postal Ballot Resolution dated 20<sup>th</sup> December, 2018 of company for limits exceeding under Part II of Schedule V under Companies act 2013. Paid remuneration is within the prescribed approved limits.**

B. Remuneration to other directors:

Sr. No.	Particulars of Remuneration	Name of Directors			Total Amount
	<b>Independent Directors</b>	Mr. Manish Choksi	Mr. Gaurav Motwane	Mr. Nikhillesh Panchal	
	Fee for attending board / committee meetings	1,95,000	1,40,000	1,95,000	5,30,000
	Commission	0	0	0	0
	Others, please specify	0	0	0	0
	<b>Total</b>	<b>1,95,000</b>	<b>1,40,000</b>	<b>1,95,000</b>	<b>5,30,000</b>
	<b>Other Non-Executive Directors</b>	Mrs. Harshbeena Zaveri		Mrs. Aarti Devesh Sahney	
	Fee for attending board / committee meetings	15,000		45,000	60,000
	Commission	0		0	0
	Others, please specify	0		0	0
	<b>Total</b>	<b>15,000</b>		<b>45,000</b>	<b>60,000</b>

C. Remuneration To Key Managerial Personnel Other Than MD/MANAGER/WTD

SN	Particulars of Remuneration	Name of KMP		
		Ratnakar Mehendale Chief Financial Officer Till 04/02/2020	Gulestan Kolah Chief Financial Officer w.e.f. 05/02/2020	Ratika Gandhi Company Secretary
1.	Gross Salary	10,92,678	4,74,436	14,74,829
a.	Salary as per provisions contained in section 17(1) of the Income Tax Act	-	-	-
b.	Value of perquisites u/s 17(2) of Income Tax Act, 1961	-	-	-
2.	Stock Option	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL
4.	Commission - As % of Profit - Others, specify	NIL	NIL	NIL
5.	Others, please specify - Provident Fund & Other Funds - Performance Bonus	NA	11,900 NIL	71,400 NIL
<b>Total</b>		<b>10,92,678</b>	<b>4,86,336</b>	<b>15,46,229</b>

**VII. Penalties / Punishment / Compounding Of Offences**

There are no Penalties, Punishment or Compounding of Offences done by the Company in the previous Financial Year.

## MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

### I. Outlook/ Business Overview

The Indian Economy registered a slowdown along with a cyclic turbulence in 2019 - 20 with GDP growth falling from 6.8% in 2018 - 19 to 5% in the 1<sup>st</sup> quarter of 2019 - 20, 4.5% in the second quarter of 2019 - 20 and 4.7 per cent in October-December 2019. A small positive news which built a little hopes was the Industrial growth in the 3<sup>rd</sup> quarter of 2019, as measured by the index of industrial production (IIP), it rose 1.8% in November compared with a 3.9% contraction in October 2019. Following measures announced in November 2019 and then in February 2020 Budget - including restructuring of corporate income tax - it was expected that the manufacturing sector would respond positively. But its growth slowed down in February 2020 too. PMI data show that manufacturing sector growth declined from seven-year high of 55.3 in January to 54.5 in February. Exports of Goods and Services declined by 1.3% during 2019 - 20 followed by decline in Imports too by 2.4%. Due to weakening of demand pressure in the economy from April 2019 to Dec 2019, the Wholesale Price Index (WPI) based inflation stood at 1.5% vis-à-vis 4.3% in 2018 - 19. Also the Consumer Price Index (CPI) based inflation stood at 3.3% in the first half but increased to 7.53% in Dec 2019 due to food inflation. The grim sentiment of the market is reflected in credit flow from the banks. It is a key indicator to gauge the undercurrents of a major economy. In India, the bank credit growth declined to 8.5 per cent in January 2020 compared to 13.5 per cent during the same month last year. Gross bank credit flow to the industrial sector saw a slow growth of 2.4% in November 2019 as compared to 6.9% in March 2019, due to negative growth of credit to Micro, Small and Medium Enterprise, who's contribution to GDP is estimated to be 30%.

Measures taken by Government of India in 2019 - 20 like, RBI's repo-rate cut by 110 basis points since April 2019 to ease the credit flow in the economy and improve consumption growth, cut in the basic corporate tax rate to 22% from 30% for existing companies and to 15% from 25% for new manufacturing companies, announcement of INR 102 Lac Crore on infrastructure through the National Infra Pipeline ( NIP ) and many more such policy reforms, helped build some temporary positive sentiments to hold on the economy throughout the year. In the last quarter Indian Economy had started seeing some positive revivals where Industrial production in India jumped 2% in January 2020, following a revised 0.1% rise in December 2020, biggest annual gain in industrial output since August 2020.

But in January 2020 when CORONA Pandemic was at its infancy stage in few pockets outside India, few market analyst in their estimate had already started cutting down forecast for India's GDP growth for 2019-20 from 5.1 per cent to 4.9 per cent, and from 5.9 per cent to 5.4 per cent for 2020-21. Slowly with the increasing outbreak of corona the entire world started grappling with the pandemic.

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 52% of domestic bearing demand which is largely driven by 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.

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 financial year, the authorized share capital of the Company has been increased from Rs. 65,00,00,000/- (Rupees Sixty Five Crores only) divided into 2,50,00,000 equity share of Rs 2/- each and 6,00,00,000 preference shares of ₹ 10/- each to Rs. 85,00,00,000/- (Rupees Eighty Five Crore only) divided into 2,50,00,000 equity shares of Rs. 2/- each and 8,00,00,000 preference shares of ₹ 10/- each.

#### 2. Reserves and Surplus

The balance of Capital Reserve as at March 31, 2020 amounted to Rs. 5700.16 lakhs, Retained Earnings of the Company for the financial year ended March 31, 2020 stood at negative Rs.11594.90 and deemed capital contribution is Rs. 5486.43 lakhs.

#### 3. Fixed Assets

During the year, we capitalized Rs. 75.03 lakhs to our gross block comprising Rs. 1.71 lakhs for Furniture &Fixture, Rs. 0.33 lakhs for Computer, Rs. 70.37 lakhs for Plant & Machinery and Rs. 2.62 lakhs for office equipment's.

#### **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. 856.66 lakhs as at March 31, 2020 compared to Rs. 1248.53 lakhs as March 31, 2019.

Debtors are at 20.55% of revenues for the year ended March 31, 2020, compared to 21.50% as on March 31, 2019.

#### **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	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019
Capital advance	0.89	3.51
Security deposits	43.63	47.17
<b>Total</b>	<b>44.51</b>	<b>50.68</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 31<sup>st</sup> December, 2013.

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

Further there's no change for the year ended 31<sup>st</sup> March, 2020.

#### **8. Liabilities**

##### Long term Liabilities

(Rs. In Lakhs)

Particulars	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019
Secured Term Loan	477.66	1334.27
Other Loan	3485.59	4935.43
<b>Total</b>	<b>3963.25</b>	<b>6269.70</b>

#### **Term Loan from Bank**

##### **Secured:**

(a) Rs. Nil (March 31, 2019 Rs. 1415.56 lakhs) secured by subservient charge on current assets and movable Property, plant and equipment and pledge of Nil shares (March 31, 2019 1,958,350 shares) of NRB Bearings Limited held by a director of the Company. The working capital term loan was repayable in remaining 16 quarterly instalments comprising of 4 Quarterly instalment of Euro 0.38 lakh each till 2<sup>nd</sup> March 2020 and 12 Quarterly instalment of Euro 1.42 lakhs each starting from 1 June, 2020 till 28 February 2023 and carried interest rate of EURIBOR 6M + 3.05 % which was converted in to a fixed rate loan carrying interest rate of a 6.3 % p.a through Interest rate Swap. The term loan is fully repaid in August 2019.

##### **Term loan from others**

(b) Rs. 27.55 lakhs (March 31, 2019 Rs. 42.17 lakhs) secured by hypothecation of vehicles. Out of these, the term loan of Rs. 0.65 lakhs (March 31, 2019 Rs. 7.88 lakhs) carrying interest rate of 12.75 % is repayable in remaining 12 equal monthly instalments by April, 2020, the term loan of Rs. 4.17 lakhs (March 31, 2019 Rs. 5.92 lakhs) carrying interest rate of 8.82 % is repayable in remaining 37 equal monthly instalments by April, 2022 and the term loan of Rs. 23.39 lakhs (March 31, 2019 Rs. 29.04) carrying interest rate of 8.63 % is repayable in remaining 53 equal monthly instalments by August, 2023.

(c) Rs. 611.75 lakhs (March 31, 2019 Rs. Nil ) 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, 2019 Nil ) of NRB Bearings Limited held by a director of the Company. The working capital term loan is repayable in remaining 16 quarterly installments Rs. 40 lakhs each and carries interest rate of 13 % .

##### **Unsecured**

##### **Term loan from others**

(d) Rs. Nil (March 31, 2019 Rs. 2667.19 lakhs) secured by pledge of Nil shares (March 31, 2018 2,998,697 shares ) of NRB Bearings Limited held by a director and a promoter of the Company. The term loan was repayable in eight equal quarterly installments of Rs. 334.38 lakhs starting from 6 Dec, 2019 and carries interest rate of 10.5 % to 11 % p.a. However loan is fully repaid in August 2019

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

(e) Rs. 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. Rs. 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. Rs. 100 lakhs and Rs. 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. Rs. 50 lakhs, Rs. 15 lakhs, Rs. 150 lakhs and Rs. 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)

<b>Particulars</b>	<b>31st March, 2020</b>	<b>31st March, 2019</b>
Maturities of Long Term Debt	161.65	789.08
Interest accrued but not due on borrowings	-	7.25
Current Liabilities	140.65	93.88
<b>Total</b>	<b>302.30</b>	<b>890.21</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, 2019 was Rs. 49.41 Lakhs compared to Rs.106.28 Lakhs for the financial year ended March 31, 2020.

Long term provisions for the previous financial year ended March 31, 2019 was Rs. 41.97 Lakhs compared to Rs. 37.05 Lakhs for the financial year ended March 31, 2020.

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

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

(Rs. In Lakhs)

<b>Particulars</b>	<b>For the Financial Year ended March 31, 2020</b>	<b>For the Financial Year ended March 31, 2019</b>
Revenue from Operations	4320.98	5806.01

EBITA	-265.15	284.74
Loss before Exceptional items and Tax	-1890.52	-1398.49
Exceptional Items	-	-
Loss Before Tax	-1890.52	-1398.49
Tax Expenses	-	-
Loss after Tax	-1890.53	-1398.49
Other Comprehensive Income	50.96	9.83
Total Comprehensive Income	-1941.47	-1408.31
Earnings Per Share	-7.80	-5.77

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

Health and Safety of the employees is considered at priority and are maintain at the benchmarks set for standard Industrial practices.

Your Company provides trainings to employees on the Safety measures and has Zero tolerance towards negligence provoking hazards accidents. There are regular programmes 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 head office and 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.

#### **IV. Human Resources**

Since its inception, your Company has always viewed its employees as its greatest asset. Your Company endeavours 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.

We have conducted an internal employee satisfaction survey.

#### **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 & Head Office, 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 successful business relies on many things, but

most important are our employees. They not only keep a company going, but they are also the face of the company and help to promote a company wherever they are.

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

**IV. 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.

**V. 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.

**VI. 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.

**VII. 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 therefor, including:**

<b>Sr. No.</b>	<b>Ratios</b>	<b>FY 2019-20</b>	<b>FY 2018-19</b>	<b>Explanation for significant change</b>
a.	Debtors Turnover	5.04	5.53	Due to lock down measures implemented by the Government authorities, there were lower collection in the Month of March 2020.
b.	Inventory Turnover	2.18	3.04	Severe disruption to regular business operations during last 10 days of Financial year ended 31 <sup>st</sup> March 2020 due to lock down restrictions and other emergency measures imposed by the Government.
c.	Interest Coverage Ratio	(0.61)	0.48	Overall Revenue is down by 25 % due to Economic slowdown and disruption in sales during last 10 days of Financial year ended 31 <sup>st</sup> March 2020 due to lock down .
d.	Current Ratio	1.48	1.26	Current ratio as improved as company has repaid substantial borrowings from Banks and Financial Institution.
e.	Debt Equity Ratio	0.19	0.87	Debt equity ratio has improved as Company has repaid substantial borrowings from Banks and Financial Institution.
f.	Operating Profit Margin (%)	(6)%	5%	Over all Revenue is down by 25 % due to Economic slowdown and disruption in sales during last 10 days of Financial year ended 31 <sup>st</sup> March 2020 due to lock down. Unabsorbed Fixed cost has resulted in operating loss.
g.	Net Profit Margin (%)	(45)%	-24%	Over all Revenue is down by 25 % due to Economic slowdown and disruption in sales during last 10 days of Financial year ended 31 <sup>st</sup> March 2020 due to lock down. Unabsorbed Fixed cost has resulted in Net loss.

## CORPORATE GOVERNANCE REPORT

Your Directors are pleased to present your Company's Report on Corporate Governance for the Financial Year ended March 31, 2020.

### **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 "SEBI 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.

<b>Category</b>	<b>Name of Directors</b>	<b>Designation</b>	<b>No. of shares held as on March 31, 2020</b>
Promoter Directors	Mr. Devesh Singh Sahney	Executive Chairman and Managing Director	10,00,667
	<sup>1</sup> Mrs. Harshbeena Zaveri	Non-Executive Director	10,97,199
	<sup>2</sup> Mrs. Aarti Devesh Sahney	Non-Executive Director	1,06,550
Independent Director	Mr. Manish Choksi	Director	NIL
	Mr. Gaurav Motwane	Director	NIL
	Mr. Nikhilesh Panchal	Director	NIL

<sup>1</sup>Ceased to be a director of the Company upon her resignation w.e.f. August 7, 2019.

<sup>2</sup>Appointed as Director w.e.f. October 7, 2019.

##### **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 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 (Bombay) (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 Bombay in various departments. He also served as Vice Chairman on the Board of Schneberger 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 Bombay 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.

### **Mrs. Aarti Devesh Sahney:**

Mrs. Aarti Sahney 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.

### **Mr. Manish Choksi:**

Mr. Manish joined our Board w.e.f 2<sup>nd</sup> May, 2014. Manish joined Asian Paints Limited in the year 1992 as an Executive and has grown in ranks by holding various positions across Sales, Information Technology, Supply Chain, Chemicals, HR and General Management in the Company. Before being inducted as the Vice Chairman/ Non - Executive Director on the Board of Directors of the Company in October 2018, he held the position of President - International Business, IT, HR and Chemicals. He was a member of the Executive Council of Asian Paints group and reported to the Managing Director & CEO of the Company. He spearheaded the Information Technology function of the Company and has been instrumental in leveraging IT solutions across the extended enterprise and achieving improved business performance. He led the International Business of the Company and has led the Company's efforts in expansion of its emerging markets portfolio. He has been a catalyst for the company's foray into home improvement. Manish has significantly contributed in achieving the Company's growth plans and more particularly in the critical areas of implementation of digital, IT and supply chain management solutions. He has also played an active role in restructuring the Joint Venture companies of the Company with PPG Industries Inc., USA. Manish joined Asian Paints in 1992.

A leader in the IT community and the past Chairman of INDUS, a 1100+ company network of SAP users. He has been on the advisory boards of IBM's Collaboration business, the Asia Pacific Executive Advisory Board of SAP APAC, member of the Global Chemical Executive Advisory Board of SAP SE and a member of SUGEN, a global executive network of the all SAP user groups worldwide.

He is an active angel investor with particular interest in investing in companies that champion cross leverage of omnichannel models with a focus on consumers, health, fintech and data / analytics.

### **Mr. Gaurav Motwane:**

Mr. Motwane holds a Bachelor's Degree from The Wharton School, University of Pennsylvania, USA. He holds position of Managing Director in MSL Driveline Systems Limited which is an ISO/TS 16949 certified Tier ONE supplier of

automotive components to the leading OEM's both domestic and International. He is a member of various Business Organizations namely the Confederation of Indian Industries, Automotive Components Manufacturers Association and YPO Bombay Chapter.

### **Nikhilesh Panchal**

Mr. Nikhilesh Panchal holds masters degree in law and is practicing as a lawyer for more than 39 years. He is registered Advocate 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.

He is a partner at M/s. Khaitan & Co since 2005. Prior to that Nikhilesh was partner at M/s. Little & Co.

Nikhilesh has rich experience in Corporate and Commercial laws and in particular acquisitions, mergers and amalgamations, capital market transactions including primary market transactions involving domestic and international capital raising process by Indian companies and secondary market transactions, including takeover; Nikhilesh also has substantial experience in foreign collaborations, joint ventures and technology transfers involving Intellectual Property and related rights matters and connected procedures under Foreign Exchange Management Act (FEMA).

### **Directorship:**

Nikhilesh has and continues to serve as an Independent Non-Executive Director on the Board of Directors of several listed and unlisted companies, some of the recent companies are:

- Mahindra EPC Irrigation Limited (formerly known as EPC Industries Limited)
- Meru Travel Solutions Private Limited
- Gromax Agri Equipment Limited
- Bristlecone Indian Limited
- Unilever India Exports Limited
- Lakme Lever Private Limited
- MSL Driveline Systems Limited
- NRB Industrial Bearings Limited

### **Ashish Chhugani**

Mr. Ashish Chhugani (DIN: 00009654) is a qualified MBA from Duke University and M.Com from Mumbai University and has over 25 years of experience spanning private equity, venture capital, investment banking and commercial banking of which 11 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 proposed to be appointed as an Independent Director of the Company for a term of five consecutive years w.e.f June 16, 2020 of this Annual General Meeting. The Company has received a notice under Section 160 of the Companies Act, 2013 from a member proposing Mr. Ashish Chhugani for the office of Independent Director of the Company

### **1.3. Attendance at Board Meetings and last Annual General Meeting, Relationship between Directors inter-se, 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, 2020, are given below:

<b>Name</b>	<b>Category</b>	<b>Relationship with other Directors</b>	<b>Attendance at the Board Meetings</b>	<b>Attendance at AGM held on August, 14 2019</b>	<b><sup>3</sup> No of other Directorships</b>	<b>Committee position in India</b>	
						<b>Chairman</b>	<b>Member</b>
Mr. Devesh Singh Sahney	Executive-Chairman & Managing Director	Husband of Mrs. Aarti Sahney	5 out of 5	Yes	4	0	0
<sup>1</sup> Mrs. Aarti Devesh Sahney	Non-Executive Non Independent Director	Wife of Mr. Devesh Sahney	3 out of 5	Not Applicable	0	0	0
Mr. Manish Choksi	Independent Director	None	5 out of 5	Yes	10	0	1
Mr. Gaurav Motwane	Independent Director	None	4 out of 5	Yes	6	0	0
Mr. Nikhilesh Panchal	Independent Director	None	5 out of 5	Yes	8	0	1
<sup>2</sup> Mrs. Harshbeena Zaveri	Non-Executive Non Independent Director	Sister of Mr. Devesh Sahney and Sister in law of Mrs. Aarti Sahney	1 out of 5	Yes	5	0	4

<sup>1</sup>Appointed as Director w.e.f. October 7, 2019.

<sup>2</sup>Ceased to be a director of the Company upon her resignation w.e.f. August 7, 2019.

<sup>3</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:**

<b>Sr. No.</b>	<b>Name of the Director</b>	<b>Name of the listed Company</b>	<b>Category of Directorship</b>
1.	Mr. Devesh Singh Sahney	NRB Bearings Limited	Non-Executive - Non Independent Director
2.	<sup>1</sup> Mrs. Aarti Devesh Sahney	-	-
3.	Mr. Manish Choksi	Asian Paints Limited	Non-Executive - Non Independent Director
4.	Mr. Gaurav Motwane	-	-
5.	Mr. Nikhilesh Panchal	Mahindra EPC Irrigation Limited	Non-Executive - Independent Director
6.	<sup>2</sup> Mrs. HarshbeenaZaveri	NRB Bearings Limited	Managing Director
		SNL Bearings Limited	Non-Executive - Non Independent Director-Chairperson

<sup>1</sup>Appointed as Director w.e.f. October 7, 2019.

<sup>2</sup>Ceased to be a director of the Company upon her resignation w.e.f. August 7, 2019.

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

5 (Five) Board Meetings were held during the financial year 2019-20 on May 30, 2019, August 8, 2019, October 7, 2019, November 7, 2019 and February 4, 2020 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:**

In terms of relevant provisions of the Companies Act, 2013, as amended, Mr. Devesh Singh Sahney (DIN: 00003956) is liable to retire by rotation at the ensuing Annual General Meeting ('AGM') and being eligible, seeks re-appointment.

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

- Appointed Mrs. Aarti Devesh Sahney (DIN: 08579914) as an Additional (Non-Executive, Non-Independent) Director with effect from October 07, 2019.
- Proposes to re-appoint 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.

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.

<b>Sr. No.</b>	<b>List of skills/ expertise/ competence</b>	<b>Availability of the core skills/ expertise/ competence as on March 31, 2020</b>
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, 2020, 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 4<sup>th</sup>February, 2020 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 non-executive 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:**

The Audit Committee comprised of Mr. Manish Choksi (Chairman), Mr. Devesh Singh Sahney, Mr. Gaurav Motwane and Mr. Nikhilesh Panchal as members. Mr. Manish Choksi was present at the Annual General Meeting held on August 14, 2019.

During the financial year 2019-20, the Audit Committee met 5 (five) times on May 30, 2019, August 8, 2019, October 7, 2019, November 7, 2019 and February 4, 2020. 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>Designation</b>	<b>No. of meetings attended</b>
Mr. Manish Choksi	Chairman	5 out of 5
Mr. Devesh Singh Sahney	Member	5 out of 5
Mr. Gaurav Motwane	Member	4 out of 5
Mr. Nikhilesh Panchal	Member	5 out of 5

#### **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:**

The Nomination and Remuneration Committee (NRC) comprised of Mr. Gaurav Motwane (Chairman), Mr. Manish Choksi and Mr. Nikhilesh Panchal as members. Mr. Gaurav Motwane was present at the Annual General Meeting held on August 14, 2019.

The Committee met 3 (three) times during the year on May 30, 2019, October 7, 2019 and February 4, 2020 and the attendance details are given below:

<b>Name of the Directors</b>	<b>Designation</b>	<b>No. of meetings attended</b>
Mr. Gaurav Motwane	Chairman	3 out of 3
Mr. Manish Choksi	Member	3 out of 3
Mr. Nikhilesh Panchal	Member	3 out of 3

**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
- 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.1,04,56,972/- (Rupees One Crore Four Lakh Fifty Six Thousand Nine Hundred and Seventy Two Only) as Managerial Remuneration according to the provisions of Section 197 of the Companies Act, 2013 for the Financial Year ended March 31, 2020.

Details of remuneration paid to other non-executive directors in the form of sitting fees is provided in Extract of Annual Return in Form MGT-9 which forms part of this Annual Report.

**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:**

The Stakeholders' Relationship Committee comprised of Mr. Gaurav Motwane (Chairman), Mr. Manish Choksi and Mr. Nikhilesh Panchal as members. Mr. Gaurav Motwane was present at the Annual General Meeting held on August 14, 2019.

During the year under review, the Stakeholders' Relationship Committee met 4 (four) times on May 30, 2019, August 8, 2019, October 7, 2019 and February 4, 2020

All the members were present at the said meeting.

**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. Ratika Gandhi-Company Secretary
Address	15, Dhannur, Sir P. M. Road, Fort, Mumbai - 400001
Telephone Number	022-61207500
E-mail	investorcare@nibl.in

### 5.4. Details of Shareholders' Complaints

Details of investor complaints received and resolved during the year ended 31st March, 2019 are as follows:

Complaints Pending as on 01/04/2019	Complaints Received during the year	Complaints Resolved during the year	Complaints Pending as on 31/03/2020
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
2018-19	8th	August 14, 2019	11.00 AM	M. C. Ghia Hall, K. DubashMarg, Mumbai 400 001
2017-18	7th	August 2, 2018	11.00 AM	M. C. Ghia Hall, K. DubashMarg, Mumbai 400 001
2016-17	6th	August 3, 2017	11.00 AM	M. C. Ghia Hall, K. DubashMarg, Mumbai 400 001

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

AGM	Date of AGM	Special Resolution
8th	August 14, 2019	None
7th	August 2, 2018	None
6th	August 3, 2017	<p><u>Resolution No. 4:</u> To approve remuneration of Mr. Devesh Singh Sahney, Managing Director for a further period from October 1, 2016 to September 30, 2017.</p> <p><u>Resolution No. 5:</u> To reappoint Mr. Devesh Singh Sahney, Managing Director for a further period of five years from October 1, 2017 to September 22, 2022 and to approve managerial remuneration for the period of three years from October 1, 2017 to September 30, 2020.</p> <p><u>Resolution No. 6:</u> To approve Issue and offer of Redeemable, Cumulative, Non-Convertible Preference share son Private Placement.</p>

#### 6.3. Postal Ballot:

During the year under review, the Company has passed following two Special Resolutions by way of postal ballot:

- To increase the Authorized Share capital of the Company from Rs. 65,00,00,000/- (Rupees Sixty Five Crores only) to Rs. 85,00,00,000/- (Rupees Eighty Five Crore only).
- To avail loan from Mr. Devesh Singh Sahney with an option to convert such loan in to Cumulative Redeemable Non- Convertible Preference Shares of the Company.

#### 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 the increase in Authorized Share Capital of the Company and amend the Memorandum of Association	Special	42,66,592	100	1	0
ii.	To avail loan from Mr. Devesh Singh Sahney with an option to convert such loan in to Cumulative Redeemable Non- Convertible Preference Shares of the Company	Special	42,66,592	100	1	0

**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 Naravanker, (Membership No. A37746) proprietor of M/s. SVN & Associates, Practicing Company Secretary, as the scrutineer 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 on October 30, 2019 to its members whose names appeared on Register of Members/ List of Beneficiaries as on October 18, 2019.
- iv. The voting period for postal ballot began on October 31, 2019 and concluded on November 29, 2019.
- v. The scrutineer declared the voting result of postal ballot on November 29, 2019.
- 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 newspapers in Mumbai Tarun Bharat 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 2019-20.

**8. General Shareholder Information:**

**8.1. 9<sup>th</sup> Annual General Meeting:**

Date	Time	Venue
August 4, 2020	2:00 p.m.	Through Video Conferencing

**8.2. Financial Year:** 2019-20

**8.3. Book closure dates:** The Register of Members and Share Transfer Book shall remain close from Wednesday, 29<sup>th</sup> July, 2020 to Tuesday, 4<sup>th</sup> August, 2020.

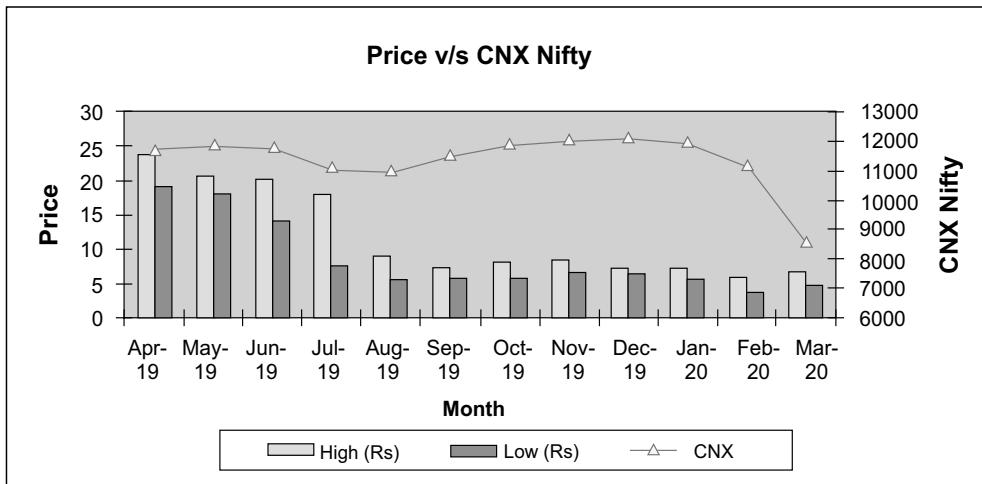
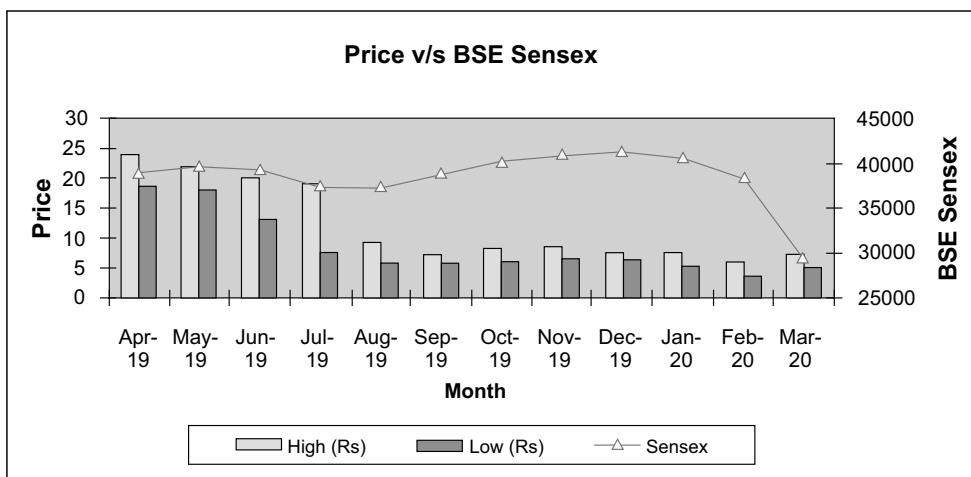
**8.4. Listing of Equity Shares on Stock Exchanges and Stock Codes:**

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	INE047001014

The Company has paid Annual Listing fees to the Stock Exchanges for the year 2020-21.

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

Bombay Stock Exchange Limited				National Stock Exchange of India Limited			
Month	High (Rs)	Low (Rs)	Sensex (closing)	Month	High (Rs)	Low (Rs)	CNX NIFTY (Closing)
Apr-19	23.9	18.75	39031.55	Apr-19	23.85	19.1	11748.15
May-19	22	18.1	39714.2	May-19	20.65	18.05	11922.8
Jun-19	20.05	13	39394.64	Jun-19	20.3	14.05	11788.85
Jul-19	18.9	7.65	37481.12	Jul-19	17.9	7.65	11118
Aug-19	9.35	5.74	37332.79	Aug-19	9.2	5.6	11023.25
Sep-19	7.3	5.8	38667.33	Sep-19	7.25	5.7	11474.45
Oct-19	8.34	5.96	40129.05	Oct-19	8.2	5.8	11877.45
Nov-19	8.49	6.58	40793.81	Nov-19	8.4	6.6	12056.05
Dec-19	7.48	6.37	41253.74	Dec-19	7.25	6.45	12168.45
Jan-20	7.41	5.4	40723.49	Jan-20	7	5.55	11962.1
Feb-20	5.98	3.62	38297.29	Feb-20	5.9	3.7	11201.75
Mar-20	7.16	5.09	29468.49	Mar-20	6.9	4.8	8597.75



**8.6. Distribution of shareholding as on March 31, 2020:**

<b>Slab of Shareholding</b>	<b>No. of Shareholders</b>	<b>No. of Shares</b>	<b>% of Shareholders</b>
1 to 500	6396	822431	85.61
501 to 1000	439	362728	5.88
1001 to 2000	268	412479	3.59
2001 to 3000	116	303321	1.55
3001 to 4000	45	156765	0.60
4001 to 5000	41	193457	0.55
5001 to 10000	72	498417	0.96
10,001 and above	94	21481052	1.26
<b>Total</b>	<b>7,471</b>	<b>2,42,30,650</b>	<b>100</b>

**8.7. Shareholding Pattern as on March 31, 2020:**

<b>Category</b>	<b>No. of Shares Held</b>	<b>Percentage</b>
<b>Promoter &amp; Promoters Group</b>		
Individuals	82,42,701	34.02
Trust	94,38,910	38.95
<b>Institutions</b>		
Banks / Bodies Corporate / FPI	10,82,717	4.47
<b>Non-Institutions</b>		
Individuals & others	54,66,322	22.56
<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:

21, Shakil Niwas, Opp. Satyasaibaba Temple, Mahakali Caves Road, Andheri (East), Mumbai, Maharashtra, 400093. Tel no.: 022-28207203-05.

**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 Pvt. Ltd, 21, Shakil Niwas, Opp. Satya saibaba Temple, Mahakali Caves Road, Andheri (East), Mumbai, Maharashtra, 400093. Tel: 022-2836 66 20, 28207203-05, Fax: 022-2836 9704, 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, 2020, 2,41,25,421 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 2019-20, 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. Ratika Gandhi (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 Note No. 37 of 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 2019-20.

#### **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	0.04
	<b>Total</b>	<b>32.04</b>

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

Number of Complaints filed during the year 2019-20	Number of Complaints disposed-off during year	Number of Complaints Pending as on March 31, 2020
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 and obtaining certificate from auditor or practicing company secretary regarding compliance of conditions of corporate governance, 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:**

<b>Sr. No.</b>	<b>Particulars</b>	<b>Status</b>
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, 2019.	Nil
b)	Number of shareholders who approached issuer for transfer of shares from suspense account during the year 2019-2020	Nil

c)	Number of shareholders to whom shares were transferred from suspense account during the year 2019-2020	Nil
d)	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year March 31, 2020	Nil

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

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

**Place:** Mumbai  
**Date :** 16<sup>th</sup> June, 2020

**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, 2020.

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

**Place:** Mumbai  
**Date :** 16<sup>th</sup> June, 2020

**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, 2020 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**

**Place:** Mumbai  
**Date :** 16<sup>th</sup> June, 2020

**Gulestan Kolah**  
Chief Financial Officer

**Devesh Singh Sahney**  
Chairman and Managing Director

**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, 2020.**

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 31<sup>st</sup> March 2020, 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 1<sup>st</sup> April 2019 to 31<sup>st</sup> March, 2020 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**

**Date : 4<sup>th</sup> June, 2020**  
**Place: Mumbai**

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

## **INDEPENDENT AUDITOR'S REPORT**

### **To The Members of NRB Industrial Bearings Limited Report on the Audit of 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 31 March 2020, 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 31 March 2020, and its loss, total comprehensive loss, 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><b>Inventory - Provision for slow and non-moving inventory of finished goods.</b></p> <p>The Company is in the business of manufacturing of industrial bearings. The inventory of the company includes Raw Materials, Work-in- Progress, and Finished goods are stated at lower of cost and net realisable value. Determination of slow moving and non-moving inventory involves significant management judgment and estimate.</p> <p>The Company has certain non-moving finished goods inventory as at 31 March 2020 lying at factory. This inventory is physically verified quarterly by the Company. Management applies judgment in determining the appropriate provisions for such slow, damaged &amp; non-moving inventory based upon its detailed analysis of old inventory, net realizable value, quarterly movement of such inventory, its physical condition and future use. Accordingly determining slow, damaged and non-moving items of such inventory including assessment of their physical condition and consequent amount of provision required for such inventory requires the Company to make significant judgment and estimates about their recoverable value and future use.</p> <p>Refer to Note 2(f) and 11 of the standalone financial statements for the above matter.</p>	<ol style="list-style-type: none"> <li>1. Review of accounting policies established by the Company with reference to the requirements of Ind AS 2, the process followed by the management, control environment and control procedures in place. We have ensured that the procedures were appropriately structured to obtain all necessary information for accounting and disclosures.</li> <li>2. We have evaluated the design and tested the implementation of internal controls on the judgements exercised for provisions made and underlying data, assumption used and record maintained;</li> <li>3. We have tested the operating effectiveness of internal controls relating to provisions made, (i.e. underlying data and related information used in recording of the provision) in accordance with the Company's policies and requirement of Ind AS 2.</li> <li>4. We have observed physical verification of inventory conducted by the Company as at 31 December 2019 and on a test check basis, verified the samples of provisions made with basis, assumptions, approval and supporting documents used by the management.</li> </ol>

Sr. No.	Key Audit Matter	Auditor's Response
2	<p><b>Inventories – Existence</b></p> <p>The Company's management conducts physical verification of inventories during the year at reasonable intervals (quarterly intervals). However, on account of the COVID-19 related lockdown restrictions, management was unable to perform year end physical verification of inventories. Management has carried out other procedures to validate the existence of its inventory as at the year end, such as carrying out consumption analysis and stock movement analysis, performing roll-forward procedures from the interim physical verification date to determine the quantities of the inventory at the balance sheet date.</p> <p>(Refer note 4(b) to the standalone financial statements)</p>	<p>We have performed the following alternate audit procedures to audit the existence of inventories as at the year-end, since we were not able to observe the physical stock verification:</p> <ul style="list-style-type: none"> <li>Understood the process and tested the management's internal controls to establish the existence of inventory in relation to the process of periodic physical verification carried out by the management, the scope and coverage of the periodic verification programme, the results of such verification including analysis of discrepancies, if any;</li> <li>We have attended the physical verification conducted for the quarter ended 31 December 2019. Obtained the roll forward procedures performed by the management from the interim physical verification date to arrive at the quantities as at the balance sheet date.</li> <li>Tested the analytical reviews performed by the Company such as consumption analysis and stock movement analysis for the year in respect of key items of raw material and finished goods at factory.</li> </ul>

#### **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 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 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 has disclosed the impact of pending litigations on its financial position in its standalone financial statements - Refer Note 33 to the standalone financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There 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 and Sells**  
Chartered Accountants  
(Firm's Registration No. 117365W)

**Kedar Raje**  
(Partner)  
(Membership No. 102637)  
(UDIN: 20102637AAAABN5489)

Place: Mumbai  
Date : 16 June, 2020

## **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 31 March 2020)

### **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 31 March 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the 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 2020, based on the criteria for internal financial control over financial reporting established by the respective 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 and Sells**  
Chartered Accountants  
(Firm's Registration No. 117365W)

**Kedar Raje**  
(Partner)  
(Membership No. 102637)  
(UDIN: 20102637AAAABN5489)

Place: Mumbai  
Date : 16 June, 2020

**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 2020)

- (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 previous period.
- (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, Sales Tax, Service tax, Goods and Services Tax, Value Added Tax, cess and other material statutory dues in arrears as at 31 March 2020 for a period of more than six months from the date they became payable.

(c) Details of dues of Service Tax which have not been deposited as on 31 March 2020 on account of disputes :

Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount involved (Rs. in lakhs)	Amount unpaid (Rs. in lakhs)
The Finance Act, 1994	Service Tax	Commissioner Appeals	December 2015 to June 2017	9.38	9.38

There are no dues of Income-tax, Goods and Service Tax, Excise Duty and Customs Duty as on 31 March 2020 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) According to the information and explanations given to us, the Company has made private placement of shares during the year under review.

In respect of the above issue, we further report that:

- a) the requirement of Section 42 of the Companies Act, 2013, as applicable, have been complied with; and
- b) the amounts raised have been applied by the Company during the year for the purposes for which the funds were raised.
- (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 and Sells**  
Chartered Accountants  
(Firm's Registration No. 117365W)

**Kedar Raje**  
(Partner)  
(Membership No. 102637)  
(UDIN: 20102637AAAABN5489)

Place: Mumbai  
Date : 16 June, 2020

## BALANCE SHEET AS ON MARCH 31, 2020

(Rs. in Lakhs)

A	Particulars	Notes	As at	As at
			March 31, 2020	March 31, 2019
<b>1</b>	<b>ASSETS</b>			
	<b>Non-current assets</b>			
	(a) Property, plant and equipment	6	8,159.67	8,961.62
	(b) Right -of-use assets		716.96	-
	(c) Capital work-in-progress		279.03	271.69
	(d) Other Intangible assets		9.00	12.45
	(e) Financial assets			
	(i) Investments	8	525.00	525.00
	(a) Investments in associates	12	144.11	132.81
	(ii) Trade Receivables	9	-	69.28
	(iii) Other financial assets		25.84	61.03
	(f) Non- Current tax assets (Net)	14		
	(g) Other non-current assets	10	46.75	784.78
	<b>Total non - current assets</b>		9,906.36	10,818.66
<b>2</b>	<b>Current assets</b>			
	(a) Inventories	11	1,978.87	2,123.57
	(b) Financial Assets			
	(i) Trade receivables	12	712.54	1,115.72
	(ii) Cash and cash equivalents	13A	37.11	71.66
	(iii) Bank balances other than (ii) above	13B	5.45	5.45
	(iv) Other financial assets	9	7.26	9.68
	(c) Current tax assets (Net)	14	18.52	-
	(d) Other current assets	10	150.98	349.28
	<b>Total current assets</b>		2,910.73	3,675.36
	<b>Total assets (1+2)</b>		<b>12,817.09</b>	<b>14,494.02</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	(408.32)	(228.33)
	<b>Total equity</b>		<b>76.29</b>	<b>256.28</b>
<b>2</b>	<b>Non-current liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings	17A	3,963.24	5,604.08
	(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	83.83	75.76
	(iii) Other financial liabilities	19	-	84.33
	(b) Deferred tax liabilities (Net)	15A	-	-
	(c) Provisions	21	37.05	41.97
	<b>Total non - current Liabilities</b>		<b>4,084.12</b>	<b>5,806.14</b>
<b>3</b>	<b>Current liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings	17B	6,689.39	5,523.56
	(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	1,558.71	1,930.20
	(iii) Other financial liabilities	19	161.65	834.55
	(b) Other current liabilities	20	140.65	93.88
	(c) Provisions	21	106.28	49.41
	<b>Total current liabilities</b>		<b>8,656.68</b>	<b>8,431.60</b>
	<b>Total liabilities (2+3)</b>		<b>12,740.80</b>	<b>14,237.74</b>
	<b>Total equity and liabilities (1+2+3)</b>		<b>12,817.09</b>	<b>14,494.02</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 : 16 June, 2020

Gulestan Kolah

Chief Financial Officer

Place : Mumbai

Date : 16 June, 2020

Ratika Gandhi

Company Secretary

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020** (Rs. in Lakhs)

	Particulars	Notes	For the year ended March 31, 2020	For the year ended March 31, 2019
I	Revenue from operations	22	4,168.92	5,609.46
II	Other income	23	152.06	196.55
<b>III</b>	<b>Total Income (I + II)</b>		<b>4,320.98</b>	<b>5,806.01</b>
<b>IV</b>	<b>Expenses</b>			
	Cost of materials consumed	24	1,373.60	2,310.15
	Purchases of stock-in-trade	25	-	193.05
	Changes in inventories of finished goods and work-in-progress	26	33.54	(309.71)
	Excise duty on sale of goods		-	-
	Employee benefits expense	27	1,622.44	1,688.79
	Finance costs	28	785.74	801.30
	Depreciation and amortisation expense	29	890.59	881.93
	Other expenses	30	1,505.59	1,638.98
	<b>Total expenses (IV)</b>		<b>6,211.50</b>	<b>7,204.49</b>
<b>V</b>	<b>Loss before tax (III - IV)</b>		<b>(1,890.52)</b>	<b>(1,398.48)</b>
<b>VI</b>	<b>Tax Expense</b>			
(1)	Current tax		-	-
(2)	Deferred tax		-	-
	<b>Total tax expense</b>		-	-
<b>VII</b>	<b>Loss for the year (V -VI)</b>		<b>(1,890.52)</b>	<b>(1,398.48)</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		50.96	9.84
	(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
<b>VIII</b>	<b>Total other comprehensive income (A (i-ii))</b>		<b>50.96</b>	<b>9.84</b>
<b>IX</b>	<b>Total comprehensive income for the year (VII+VIII)</b>		<b>(1,941.48)</b>	<b>(1,408.31)</b>
<b>X</b>	<b>Earnings per equity share</b>	31		
(1)	Basic (in Rs.)		(7.80)	(5.77)
(2)	Diluted (in Rs.)		(7.80)	(5.77)

**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**

**Ratika Gandhi  
Company Secretary**

**Place : Mumbai  
Date : 16 June, 2020**

**Place : Mumbai  
Date : 16 June, 2020**

**STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2020**
**(Rs. in Lakhs)**

<b>Particulars</b>	<b>For year ended March 31, 2020</b>	<b>For year ended March 31, 2019</b>
<b>Cash flows from operating activities</b>		
Loss after tax	(1,890.52)	(1,398.48)
Adjustments for:		
Finance costs	785.74	801.30
Allowance for doubtful debts	14.84	17.69
Bad debts / advances written off	47.16	5.81
Depreciation and amortisation expense	890.59	881.93
(Gain)/Loss arising on Financial Liabilities / assets designated at FVTPL	17.34	(38.22)
Liability no longer payable required written back	(18.03)	-
Interest Income	(5.85)	(6.70)
Foreign exchange loss/ (gain) unrealised	(41.25)	(46.22)
Operating profit before working capital changes	(199.98)	(217.11)
<b>Movements in working capital:</b>		
(Increase)/ decrease in trade receivables	415.49	(111.91)
(Increase)/decrease in inventories	144.69	(281.14)
(Increase)/decrease in other current assets	198.30	72.58
(Increase)/decrease in non current assets	(28.70)	(15.32)
(Increase)/decrease in other financial assets	66.63	(8.94)
Increase/(decrease) in trade payables	(342.61)	666.06
Increase/(decrease) in provisions	0.99	1.27
Increase/(decrease) in other liabilities	25.52	(0.45)
Cash generated from operations	280.33	539.26
Income taxes Paid (Net)	16.66	(13.20)
<b>Net cash generated by operating activities</b>	<b>296.99</b>	<b>526.06</b>

**STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2020**

(Rs. in Lakhs)

Particulars	For year ended March 31, 2020	For year ended March 31, 2019
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment	(60.48)	(230.92)
Bank Balance not considered for cash and cash equivalents	-	10.00
Interest Income	10.91	2.65
Investment in Associates	-	(105.00)
<b>Net cash used in investing activities</b>	<b>(49.57)</b>	<b>(323.27)</b>
<b>Cash flows from financing activities</b>		
Issue of Redeemable Preference Shares (Refer Note 1 below)	650.00	1,350.00
Proceed from non current borrowings	800.00	1,050.00
Repayment of non current borrowings	(2,433.64)	(188.79)
Proceeds/(repayment) from/of current borrowings	1,165.84	(1,824.91)
Share Issue expenses paid	(19.00)	(9.59)
Interest paid	(445.17)	(575.41)
<b>Net cash used in financing activities</b>	<b>(281.97)</b>	<b>(198.70)</b>
<b>Net increase in cash and cash equivalents</b>	<b>(34.55)</b>	<b>4.09</b>
Cash and cash equivalents at the beginning of the year (Refer Note 13A)	71.66	67.57
<b>Cash and cash equivalents at the end of the year (Refer Note 13A)</b>	<b>37.11</b>	<b>71.66</b>

**Note**

The above excludes issue of 2 % Redeemable Cumulative Non -Convertible Preference shares of Rs. 2,000 Lakhs (Previous Year - Rs. Nil) by conversion of a Promoter Shareholder'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**

**Gulestan Kolah  
Chief Financial Officer**

**Ratika Gandhi  
Company Secretary**

**Place : Mumbai  
Date : 16 June, 2020**

**Place : Mumbai  
Date : 16 June, 2020**

**Statement of changes in equity for the year ended March 31, 2020**

**A) Equity Share Capital**

(Rs. in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
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 April 1, 2018</b>	5,700.16	2,803.98	(8,216.52)	287.62
Loss for the year	-	-	(1,398.48)	(1,398.48)
Other Comprehensive Income for the year	-	-	(9.84)	(9.84)
- Remeasurement of net defined benefit obligation (net of taxes)	-	-	(9.59)	(9.59)
Share issue expenses for increase in authorised capital	-	-	(9.59)	(9.59)
<b>Total Comprehensive Income for the year</b>	<b>-</b>	<b>-</b>	<b>(1,417.91)</b>	<b>(1,417.91)</b>
Recognition of equity component on issue of redeemable preference shares	-	901.96	-	901.96
<b>Balance at April 1, 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	-	-	(50.96)	(50.96)
- Remeasurement of net defined benefit obligation (net of taxes)	-	-	(19.00)	(19.00)
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>

**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**

**Ratika Gandhi  
Company Secretary**

**Place : Mumbai  
Date : 16 June, 2020**

**Place : Mumbai  
Date : 16 June, 2020**

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020****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 October 31, 2012, to the shareholders of NRB whose names appeared in the Register of Members, as on October 25, 2012, being the record date.

All the staff, workmen and employees of Industrial Bearings Undertaking of NRB in service as on October 1, 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 April 9, 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).

The Company has formal Plan for improving profitability of the Company, which mainly includes increase in sales and reduction in operating expenses which are based on board approved projections. Based on the above and commitment of financial support from its promoter director to meet financial obligations as they fall due over the next twelve months, the financial statement of the Company are prepared on a going concern basis.

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 16 June, 2020.

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 116,

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

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.

### 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.

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

### 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.

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

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

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 2 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' which such benefits accrue.

**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.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

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. Lease liability against the Right-of-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 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

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

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.

**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.

**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.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

### **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 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.

#### **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

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020****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.

**(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.

**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). However, on account of the COVID-19 related lockdown restrictions, year end physical verification of inventories could not be conducted. Inventory verification was performed at Company's plant at Shendra, Aurangabad as at December 31 2019 which was observed by Statutory auditors. The management has performed roll forward procedures for the period January 1, 2020 to March 31, 2020.

**5 Recent accounting pronouncements**

The Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 1st April, 2020.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

### NOTE 6 : Property, plant and equipment

(Rs. in Lakhs)

Description	Cost or deemed cost				Accumulated depreciation and impairment				Net Carrying amount
	Balance As at 01.04.19	Additions	Deductions	Balance As at 31.03.20	Balance As at 01.04.19	For the year	On Deductions/Amortisation	Balance As at 31.03.20	Balance As at 31.03.20
Refer foot note 2									
Buildings									
Own Use	3,409.43	-	-	3,409.43	738.30	113.60	-	851.90	2,557.53
	(3,409.43)	-	-	(3,409.43)	(625.01)	(113.29)	-	(738.30)	(2,671.13)
Given under operating lease	307.11	-	-	307.11	62.21	10.29	-	72.50	234.61
	(307.11)	-	-	(307.11)	(51.94)	(10.26)	-	(62.21)	(244.91)
	3,716.54	-	-	3,716.54	800.51	123.89	-	924.40	2,792.14
	(3,716.54)	-	-	(3,716.54)	(676.95)	(123.55)	-	(800.51)	(2,916.04)
Leasehold Improvement	154.51	-	-	154.51	40.19	12.82	-	53.01	101.50
	(154.00)	(0.51)	-	(154.51)	(27.40)	(12.79)	-	(40.19)	(114.32)
Plant and Machinery									
Own Use	7,235.57	70.37	-	7,305.94	1,935.49	657.65	-	2,593.14	4,711.10
	(7,154.39)	(81.18)	-	(7,235.57)	(1,286.97)	(648.52)	-	(1,935.49)	(5,300.08)
Given under operating lease	90.41	-	-	90.41	20.13	6.73	-	26.86	65.25
	(90.41)	-	-	(90.41)	(13.42)	(6.71)	-	(20.13)	(70.28)
	7,325.98	70.37	-	7,396.35	1,955.62	664.38	-	2,620.00	4,776.35
	(7,244.80)	(81.18)	-	(7,325.98)	(1,300.39)	(655.23)	-	(1,955.62)	(5,370.36)
Furniture and fixtures									
Own Use	250.38	1.71	-	252.09	94.20	15.89	-	110.09	142.00
	(249.42)	(0.96)	-	(250.38)	(78.35)	(15.85)	-	(94.20)	(156.18)
Given under operating lease	2.50	-	-	2.50	1.04	0.16	-	1.20	1.30
	(2.50)	-	-	(2.50)	(0.88)	(0.16)	-	(1.04)	(1.46)
	252.88	1.71	-	254.59	95.24	16.05	-	111.29	143.30
	(251.92)	(0.96)	-	(252.88)	(79.23)	(16.01)	-	(95.24)	(157.64)
Computers									
Own Use	75.74	0.33	-	76.07	59.02	3.65	-	62.67	13.40
	(73.50)	(2.24)	-	(75.74)	(51.06)	(7.96)	-	(59.02)	(16.72)
Given under operating lease	0.44	-	-	0.44	0.44	-	-	0.44	-
	(0.44)	-	-	(0.44)	(0.38)	(0.07)	-	(0.44)	-
	76.18	0.33	-	76.51	59.46	3.65	-	63.11	13.40
	(73.94)	(2.24)	-	(76.18)	(51.43)	(8.03)	-	(59.46)	(16.72)
Office equipments									
Own Use	78.07	2.62	-	80.69	68.92	3.15	-	72.07	8.62
	(73.61)	(4.46)	-	(78.07)	(65.23)	(3.69)	-	(68.92)	(9.15)
Given under operating lease	0.35	-	-	0.35	0.34	-	-	0.34	0.01
	(0.35)	-	-	(0.35)	(0.34)	-	-	(0.34)	(0.01)
	78.42	2.62	-	81.04	69.26	3.15	-	72.40	8.64
	(73.96)	(4.46)	-	(78.42)	(65.57)	(3.69)	-	(69.26)	(9.16)
Electrical installations									
Own Use	558.31	-	-	558.31	269.37	41.43	-	310.80	247.51
	(558.31)	-	-	(558.31)	(227.94)	(41.43)	-	(269.37)	(288.94)
Given under operating lease	36.09	-	-	36.09	17.41	2.68	-	20.09	16.00
	(36.09)	-	-	(36.09)	(14.73)	(2.68)	-	(17.41)	(18.68)
	594.40	-	-	594.40	286.78	44.11	-	330.88	263.51
	(594.40)	-	-	(594.40)	(242.67)	(44.11)	-	(286.78)	(307.62)
Vehicles									
	94.06	-	-	94.06	24.29	8.93	-	33.22	60.84
	(58.56)	(35.50)	-	(94.06)	(16.60)	(7.70)	-	(24.29)	(69.76)
<b>Sub Total (A)</b>	<b>12,292.97</b>	<b>75.03</b>	-	<b>12,368.00</b>	<b>3,331.36</b>	<b>876.97</b>	-	<b>4,208.33</b>	<b>8,159.67</b>
<b>Sub Total (B)</b>	<b>(12,168.12)</b>	<b>(124.85)</b>	-	<b>(12,292.97)</b>	<b>(2,460.25)</b>	<b>(871.11)</b>	-	<b>(3,331.36)</b>	<b>(8,961.62)</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 FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

**NOTE 7 : Other Intangible Assets**

(Rs. in Lakhs)

Particulars	Software
<b>I. Deemed cost</b>	
<b>Balance as at 1 April, 2019</b>	<b>52.01</b>
Additions	1.96
Disposals	-
<b>Balance as at 31 March, 2020</b>	<b>53.97</b>
<b>Balance as at 1 April, 2018</b>	<b>52.01</b>
Additions	-
Disposals	-
<b>Balance as at 31 March, 2019</b>	<b>52.01</b>
<b>II. Accumulated amortisation and impairment</b>	
<b>Balance as at 1 April, 2019</b>	<b>39.56</b>
Amortisation expense	5.41
Eliminated on disposal of assets	-
<b>Balance as at 31 March, 2020</b>	<b>44.97</b>
<b>Balance as at 1 April, 2018</b>	<b>28.74</b>
Amortisation expense	10.82
Eliminated on disposal of assets	-
<b>Balance as at 31 March, 2019</b>	<b>39.56</b>
<b>III. Net Carrying amount (I-II)</b>	
Balance as at 31 March, 2020	9.00
Balance as at 31 March, 2019	12.45

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

**NOTE 8 : Investments**

(Rs.inLakhs)

Particular	As at March 31, 2020			As at March 31, 2019		
	No. of shares	Amounts		No. of shares	Amounts	
		Current	Non Current		Current	Non Current
<b>A. Investments carried at cost</b>						
<b>Unquoted Investments (fully paid)</b>						
<b>(a) Investments in equity instruments of Associate</b>						
Equity Shares (of Rs. 10 each) in NRB-IBC Bearings Private Limited (NIBC)	4,200,000	-	420	4,200,000	-	420
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	1,050,000	-	105
<b>Investments carried at cost</b>	5,250,000	-	525	5,250,000	-	525
<b>Total investments at cost</b>	5,250,000	-	525	5,250,000	-	525
<b>Aggregate amount of unquoted investments</b>	-	-	525	-		525
<b>Aggregate amount of impairment in value of investments</b>	-	-	-	-	-	-

**Note :** During the previous year ended March 31, 2019, the Company had entered into a share purchase agreement with Korta Inversiones, S. L of Spain (Korta Spain), in respect to Korta Engineering India Private Limited (Korta India), which was then a subsidiary of Korta Spain, and Late Mr. Trilochan Singh Sahney as part of business strategy. The transfer of shares from Korta Spain to NIBL has been approved by the Board of Directors of the Korta India on June 26, 2018 and all the terms and conditions precedent and subsequent along with their covenants of the share purchase agreement come into effect from the aforesaid date Pursuant to the share purchase agreement NIBL purchased 35% of the Paid up share capital of the Korta India.

**NOTE 9 : Other financial assets**

(Rs. in Lakhs)

Particulars	As at March 31, 2020		As at March 31, 2019	
	Current	Non-current	Current	Non-current
(a) Interest accrued on fixed deposits	2.26	-	0.74	6.59
(b) Fixed Deposits with a Bank and Financial Institution	5.00	-	-	62.69
(c) Receivable from related party	-	-	8.94	-
<b>Total</b>	<b>7.26</b>	<b>0.00</b>	<b>9.68</b>	<b>69.28</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

**NOTE 10 : Other assets**

(Rs. in Lakhs)

Particulars	As at March 31, 2020		As at March 31, 2019	
	Current	Non-current	Current	Non-current
Security Deposits	-	43.63	-	47.17
Capital advances	-	0.89	-	3.51
GST Refund Receivable	-	-	39.47	-
VAT receivable	20.58	-	20.58	-
Balances with government authorities (other than income taxes):				
GST credit receivables	41.13	-	153.42	-
Service tax / excise deposit paid under protest	-	-	2.51	-
Others:				
(a) Export incentive	36.68	-	87.56	-
(b) Advances to employees	11.53	-	2.46	-
(c) Advances to suppliers	19.65	21.50	3.29	21.50
Less: Allowance for doubtful advances	-	(21.50)	-	(21.50)
Prepayments	21.41	2.24	39.99	734.10
<b>Total</b>	<b>150.98</b>	<b>46.75</b>	<b>349.28</b>	<b>784.78</b>

**NOTE 11 : Inventories**

(Rs. in Lakhs)

Particulars	As at March 31, 2020		As at March 31, 2019	
Inventories (lower of cost and net realisable value)				
(a) Raw materials	363.59		476.46	
- Goods in Transit	-	363.59	-	476.46
(b) Work-in-progress		850.53		827.12
(c) Finished goods		690.28		747.22
(d) Stores and spares		74.47		72.77
<b>Total</b>		<b>1,978.87</b>		<b>2,123.57</b>

**Notes:**

- 1 The cost of inventories recognised as an expense during the year was Rs. 1,701.71 lakhs (for the year ended March 31, 2019: Rs. 2,347.11 lakhs).
- 2 The cost of inventories recognised as an expense includes Rs. 4.75 lakhs (during 2018-2019: Rs. 3.96 lakhs) in respect of write-downs of inventory to net realisable value., and has been reduced by Rs. Nil (during 2018-2019: Rs. Nil) in respect of the reversal of such write-downs.
- 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.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

**NOTE 12 : Trade receivables**

(Rs. in Lakhs)

Particulars	As at March 31, 2020			As at March 31, 2019		
	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)	173.79	144.11	113.63	132.81		
(b) Unsecured, credit impaired	162.34	-	147.50	-		
(c) Unsecured, significant increase in credit risk.	-	-	-	-		
	336.13	144.11	261.13	132.81		
Allowance for doubtful debts (expected credit loss allowance)	(162.34)	173.79	144.11	113.63	-	132.81
Other trade receivables:						
Secured, considered good	-	-	-	-		
(a) Unsecured, considered good	538.75	-	1,002.09	-		
(b) Unsecured, credit impaired	-	-	-	-		
(b) Unsecured, significant increase in credit risk.	-	538.75	-	1,002.09	-	
<b>Total</b>	<b>-</b>	<b>712.54</b>	<b>144.11</b>	<b>-</b>	<b>1,115.72</b>	<b>-</b>
						<b>132.81</b>

**Note: Trade receivables include debts due from:**

	As at March 31, 2020	As at March 31, 2019
Private company in which directors are directors		
NRB-IBC Bearings Private Limited (NIBC) (Refer note 37)	-	43.32
NIBL- Korta Engineering Private Limited (formerly known as Korta Engineering India Private Limited) (Refer note 37)	1.99	3.58
	<b>1.99</b>	<b>46.90</b>

The credit period on sales of goods ranges from 30 to 75 days.

Receivables of Rs. 191.01 Lakhs is from one customer who contributes 10% or more to the total receivables as at March 31, 2020 and as at March 31, 2019 ,the Company had no customer that owed the Company more than 10% of total receivables outstanding.

**Movement in the expected credit loss allowance**

(Rs. in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Balance as at beginning of the year</b>	147.50	129.81
Movement in the expected credit loss allowance on trade receivables calculated at life time expected credit losses.	14.84	17.69
<b>Balance at end of the year</b>	<b>162.34</b>	<b>147.50</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

**NOTE 13 : Cash and Cash equivalents and Other bank balances**

(Rs. in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>A. Cash and cash equivalents</b>		
(a) Cash on hand	0.81	1.20
(b) Balances with banks in current accounts	36.30	70.46
<b>Total</b>	<b>37.11</b>	<b>71.66</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, 2020		As at March 31, 2019	
	Current	Non- Current	Current	Non- Current
<b>Current tax assets</b>				
Tax refund receivable	18.52	25.84	-	61.03
<b>Total</b>	<b>18.52</b>	<b>25.84</b>	-	<b>61.03</b>

**NOTE 14A : Current Tax and Deferred Tax**

**(a) Income Tax recognised in profit or loss**

(Rs. in Lakhs)

Particulars	Year ended 31 March, 2020	Year ended 31 March, 2019
<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**

(Rs. in Lakhs)

Particulars	Year ended 31 March, 2020	Year ended 31 March, 2019
Deferred tax (credit) / charge on:		
Remeasurement of defined benefit obligation	-	-

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

**(c) Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:** (Rs. in Lakhs)

Particulars	Year ended 31 March, 2020	Year ended 31 March, 2019
<b>Profit before tax from continuing operations</b>	<b>(1,890.52)</b>	<b>(1,398.48)</b>
<b>Current Tax</b>		
Income Tax	-	-
Charge/(credit) in respect of previous years	-	-
<b>Current Tax Total</b>	-	-
<b>Deferred Tax</b>		
Effect of expenses that are allowable on payment basis	1.41	6.57
Depreciation	73.69	43.81
Fair valuation of derivative contracts	-	(9.54)
Unabsorbed Business Losses	(75.10)	(40.84)
Others	-	-
Income tax expense recognised In profit or loss from continuing operations	-	-

The tax rate used for the year 2019-20 is 26.00% (25% + health and education cess @ 4% ) and year 2018-19 is 26.00% (25% + health and education cess @ 4% ) and reconciliations payable on taxable profits under the Income Tax Act, 1961.

**NOTE 14B : Current Tax and Deferred Tax**

**(d) Movement in Deferred tax balances** (Rs. in Lakhs)

Particulars	For the year ended 31 Mar 2020			
	Opening Balance	Recognised in profit and Loss	Recognised in OCI	Closing Balance
<b><u>Tax effect of items constituting deferred tax assets / (liabilities)</u></b>				
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>	-	-	-	-

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

(Rs. in Lakhs)

Particulars	For the Year ended 31 March 2019			
	Opening Balance	Recognised in profit and Loss	Recognised in OCI	Closing Balance
<b>Tax effect of items constituting deferred tax assets / (liabilities)</b>				
Property, Plant and Equipment	(1,142.16)	43.81	-	(1,098.35)
Provision for doubtful debts and advances	38.96	4.98	-	43.94
Provision for Employee Benefits	20.67	0.53	2.56	23.76
Fair valuation of derivative contracts	41.40	(9.54)	-	31.86
Effect of expenses that are allowable on payment basis	11.11	1.06	-	12.17
Unabsorbed Business Losses	1,030.02	(40.84)	(2.56)	986.62
<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, 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>

**As at March 31, 2019**

(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	-	-	-	3,081.38	3,081.38
Unabsorbed depreciation	6,422.21	-	-	-	6,422.21
<b>Total</b>	<b>6,422.21</b>	<b>-</b>	<b>-</b>	<b>3,081.38</b>	<b>9,503.59</b>

**NOTE 15 : Equity Share Capital**

(Rs.in Lakhs)

	As at March 31, 2020	As at March 31, 2019
Equity share capital	484.61	484.61
	<b>484.61</b>	<b>484.61</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

(Rs. in Lakhs)

Particulars	As at March 31, 2020		As at March 31, 2019	
	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>	24,230,650	484.61	24,230,650	484.61

**(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, 2019</b>	24,230,650	484.61
Movements	-	-
<b>Balance at March 31, 2020</b>	24,230,650	484.61

**(iii) Details of shares held by each shareholder holding more than 5% shares**

Name of shareholder	As at March 31, 2020		As at March 31, 2019	
	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%
ICICI Prudential Life Insurance Company Limited	400,686	1.65%	1,326,786	5.48%

Note : Consequent to the demise of Mr. Trilochan Singh Sahney, the Company has not received share transmission application from legal heirs of Late Mr. T.S. Sahney and accordingly the name of Late Mr. T.S. Sahney is still appearing in register of Members and is accordingly disclosed above.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

**NOTE 16 : Other equity**

(Rs. in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
(a) Capital reserve	5,700.16	5,700.16
(b) Deemed capital contribution	5,486.43	3,705.94
(c) Retained earnings	(11,594.91)	(9,634.43)
<b>Total</b>	<b>(408.32)</b>	<b>(228.33)</b>

**(i) Movement in other equity:**

(Rs. in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<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	3,705.94	2,803.98
Recognition of equity component on issue of redeemable preference shares	1,780.49	901.96
<b>Closing balance</b>	<b>5,486.43</b>	<b>3,705.94</b>
<b>(III) Retained earnings</b>		
Opening balance	(9,634.43)	(8,216.52)
Loss for the year	(1,890.52)	(1,398.48)
Other Comprehensive Income for the year	(50.96)	(9.84)
- Remeasurement of net defined benefit obligation (net of taxes)		
Share issue expenses for increase in authorised capital	(19.00)	(9.59)
<b>Closing balance</b>	<b>(11,594.91)</b>	<b>(9,634.43)</b>

**(ii) Nature and purpose of each reserve within Other equity**

**Deemed capital contribution**

This represents the difference between fair valuation and transaction price on initial recognition of preference shares issued to a Promoter shareholder.

**NOTE 17 : Borrowings**

**A. Non-Current Borrowings**

**(Rs. in Lakhs)**

<b>Particulars</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
<b>I. Secured - at amortised cost</b>		
<b>Term loans:</b>		
<b>From bank</b>	-	1,415.56
Less: Current maturities of long term debt (refer note 19)	-	(108.83)
	-	<b>1,306.73</b>
<b>From others</b>	639.30	42.17
Less: Current maturities of long term debt (refer note 19)	(161.65)	(14.62)
	<b>477.65</b>	<b>27.55</b>
<b>II. Unsecured - at amortised cost</b>		
<b>Term loan:</b>		
<b>From others</b>	-	<b>2,667.19</b>
Less: Current maturities of long term debt (refer note 19)	-	(665.63)
	-	<b>2,001.56</b>
<b>Loans from related parties</b>		
Preference Shares	3,485.59	2,268.24
<b>Total</b>	<b>3,963.24</b>	<b>5,604.08</b>

**Footnotes:**

**Secured**

**Term loans from Bank**

(a) Rs. Nil (March 31, 2019 Rs. 1415.56 lakhs ) secured by subservient charge on current assets and movable Property, plant and equipment and pledge of Nil shares (March 31, 2019 1,958,350 shares ) of NRB Bearings Limited held by a director of the Company. The working capital term loan was repayable in remaining 16 quarterly instalments comprising of 4 Quarterly instalment of Euro 0.38 lakh each till 2nd March 2020 and 12 Quarterly instalment of Euro 1.42 lakhs each starting from 1 June , 2020 till 28 February 2023 and carried interest rate of EURIBOR 6M + 3.05 % which was converted in to a fixed rate loan carrying interest rate of a 6.3 % p.a through Interest rate Swap. The term loan is fully repaid in August 2019.

**Term loan from Others**

(b) Rs. 27.55 lakhs (March 31, 2019 Rs. 42.17 lakhs) secured by hypothecation of vehicles. Out of these, the term loan of Rs. 0.65 lakhs (March 31, 2019 Rs. 7.88 lakhs ) carrying interest rate of 12.75 % is repayable in remaining 12 equal monthly instalments by April, 2020, the term loan of Rs. 4.17 lakhs (March 31, 2019 Rs. 5.92 lakhs) carrying interest rate of 8.82 % is repayable in remaining 37 equal monthly instalments by April, 2022 and the term loan of Rs. 23.39 lakhs (March 31, 2019 Rs. 29.04) carrying interest rate of 8.63 % is repayable in remaining 53 equal monthly instalments by August, 2023.

(c) Rs. 611.75 lakhs (March 31, 2019 Rs. Nil ) 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, 2019 Nil ) of NRB Bearings Limited held by a director of the Company. The working capital term loan is repayable in remaining 16 quarterly instalments Rs. 40 lakhs each and carries interest rate of 13 % .

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

**Unsecured**

**Term loans from others**

(d) Rs. Nil (March 31, 2019 Rs. 2667.19 lakhs) secured by pledge of Nil shares (March 31, 2018 2,998,697 shares ) of NRB Bearings Limited held by a director and a promoter of the Company . The term loan was repayable in eight equal quarterly instalments of Rs. 334.38 lakhs starting from December 6, 2019 and carries interest rate of 10.5 % to 11 % p.a. However loan is fully repaid in August 2019.

**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 year

**(i) Preference Share Capital**

<b>Particulars</b>	<b>As at March 31, 2020</b>		<b>As at March 31, 2019</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	-	-	-	-
Redeemable cumulative non-convertible preference shares of Rs. 10/- each	80,000,000	8,000	60,000,000	6,000
<b>Total</b>	80,000,000	8,000	60,000,000	6,000
<b>Issued, Subscribed and Fully Paid:</b>				
Redeemable cumulative non-convertible preference shares of Rs. 10/- each	80,000,000	8,000	53,500,000	5,350
<b>Total</b>	80,000,000	8,000	53,500,000	5,350

**(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 March 31, 2019</b>	53,500,000	5,350
Issued during the year	26,500,000	2,650
<b>Balance at March 31, 2020</b>	80,000,000	8,000

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

**iii) Details of shares held by each shareholder holding more than 5% shares**

Name of shareholders	As at March 31, 2020		As at March 31, 2019	
	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	74.77%
Trilochan Singh Sahney Trust 1 [held by a trustee (Trilochan Singh Sahney) in his individual name]				
Devesh Singh Sahney	40,000,000	50.00%	13,500,000	25.23%
<b>Total</b>	<b>80,000,000</b>	<b>100.00%</b>	<b>53,500,000</b>	<b>100.00%</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. T.S. Sahney and accordingly the name of Late Mr. T.S. Sahney is still appearing in register of Members and is accordingly disclosed above.

**B. Current Borrowings**

**(Rs. in Lakhs)**

Particulars	As at March 31, 2020		As at March 31, 2019	
<b>I. Secured - at amortised cost</b>				
<b>(a) Loans repayable on demand</b>				
From banks		999.26		977.43
<b>II. Unsecured - at amortised cost</b>				
<b>(a) Loans repayable on demand</b>				
Interest free loan from Directors		5,690.13		4,546.13
<b>Total</b>	<b>6,689.39</b>		<b>5,523.56</b>	

**Footnotes:**

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

Rs. 999.26 lakhs (March 31, 2018 Rs. 977.43 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 11.25% to 11.75 % 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, 2020		As at March 31, 2019	
	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)	1,558.71	83.83	1,930.22	75.76
<b>Total</b>	<b>1,558.71</b>	<b>83.83</b>	<b>1,930.22</b>	<b>75.76</b>

**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 FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

**NOTE 19 : Other financial liabilities**

(Rs. in Lakhs)

Particulars	As at March 31, 2020		As at March 31, 2019	
	Current	Non- Current	Current	Non- Current
<b>Other Financial Liabilities measured at amortised cost</b>				
(a) Current maturities of long-term debt	161.65	-	789.08	-
(b) Interest accrued	-	-	7.25	-
<b>Other Financial Liabilities measured at Fair Value</b>				
(a) Interest Rate Swap	-	-	38.22	84.33
<b>Total</b>	<b>161.65</b>	-	<b>834.55</b>	<b>84.33</b>

**NOTE 20 : Other current liabilities**

(Rs. in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
(a) Advances received from customers (Refer Note Below)	52.66	39.10
(b) Security Deposits	10.50	4.50
(c) Payables for capital supplies	27.17	5.94
(d) Others		
Statutory remittances (Super annuation, Withholding tax, Service Tax, VAT etc.)	25.73	44.34
Other payable	24.59	-
<b>Total</b>	<b>140.65</b>	<b>93.88</b>

**Note: Advances received from customers include advance from:**

Particulars	As at March 31, 2020	As at March 31, 2019
Private company in which directors are directors		
NRB-IBC Bearings Private Limited (NIBC) (Refer note 37)	24.41	-
<b>Total</b>	<b>24.41</b>	<b>-</b>

**NOTE 21 : Provisions**

(Rs. in Lakhs)

Particulars	As at March 31, 2020		As at March 31, 2019	
	Current	Non- Current	Current	Non- Current
Provision for employee benefits				
1) Compensated absences	3.12	37.05	3.12	41.97
2) Gratuity	103.16	-	46.29	-
<b>Total</b>	<b>106.28</b>	<b>37.05</b>	<b>49.41</b>	<b>41.97</b>

- (i) 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. As at March 31, 2019, the decrease in the carrying amount of the provision for compensated absences results from benefits being paid during the year ended March 31, 2019.
- (ii) Refer note 35 for Employee Benefits related disclosures.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

**NOTE 22 : Revenue from Operations**

(Rs. in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>Revenue from contract with customers</b>		
Sale of products	3,847.42	5,252.52
Rendering of services		
(a) Agency Commission	4.97	26.49
(b) Job work charges	174.36	164.02
(c) Service Charges	48.00	33.93
Other operating revenues		
(d) Sale of scrap	23.23	38.63
(e) Export incentives	59.19	78.89
(f) Royalty Income	11.75	14.98
<b>Total</b>	<b>4,168.92</b>	<b>5,609.46</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, 2020	Year ended March 31, 2019
<b>Interest income on financial assets at amortised cost</b>		
(a) Interest income on bank deposits	2.23	6.32
(b) Other Interest income	3.61	0.38
<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	18.03	-
(b) Foreign exchange fluctuation (gain) / loss	39.11	67.15
(c) Gain arising on financial liabilities / assets designated at FVTPL	4.61	38.22
<b>Total</b>	<b>152.06</b>	<b>196.55</b>

**NOTE 24 : Cost of material consumed**

(Rs. in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Opening stock	476.46	523.69
Add: Purchases	1,260.73	2,262.92
Less: Closing stock	(363.59)	(476.46)
<b>Total</b>	<b>1,373.60</b>	<b>2,310.15</b>

**NOTE 25 : Purchases of stock in trade**

(Rs. in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Purchases of stock in trade	-	193.05

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

**NOTE 26 : Changes in inventories of finished goods, work-in-progress and stock-in-trade**

(Rs. in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Opening stock		
- Work in progress	827.12	673.85
- Finished goods	747.22	590.78
Closing stock		
- Work in progress	(850.53)	(827.12)
- Finished goods	(690.28)	(747.22)
Excise Duty	-	-
<b>Net (increase)/ Decrease</b>	<b>33.54</b>	<b>(309.71)</b>

**NOTE 27 : Employee Benefits Expense**

(Rs. in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Salaries and wages	1,415.98	1,497.07
Contribution to provident and other funds (Refer note 35)	139.21	128.25
Staff welfare expenses	67.25	63.47
<b>Total</b>	<b>1,622.44</b>	<b>1,688.79</b>

**NOTE 28 : Finance Costs**

(Rs. in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
(a) Interest costs :-		
- Interest on borrowings from banks	341.32	516.81
- Interest on Preference shares	347.84	227.28
- Other interest expense	0.88	7.49
(b) Net loss on foreign currency transactions (considered as finance cost)	38.51	-
(c) Other borrowing cost	57.18	49.72
<b>Total</b>	<b>785.74</b>	<b>801.30</b>

**NOTE 29 : Depreciation and amortisation expense**

(Rs. in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Depreciation of property, plant and equipment	876.97	871.11
Depreciation on Right of Use Assets	8.21	-
Amortisation of intangible assets	5.41	10.82
<b>Total depreciation and amortisation expense</b>	<b>890.59</b>	<b>881.93</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**
**NOTE 30 : Other Expenses**
**(Rs. in Lakhs)**

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Consumption of Stores and spares parts	294.57	369.72
Power & Fuel	340.59	348.98
Rent	5.09	15.25
Repairs and maintenance:		
- Buildings	2.00	-
- Plant & machinery	4.29	11.91
- Others	50.22	51.17
Insurance	12.18	14.26
Rates and taxes	34.21	16.41
Travelling and Conveyance expense	89.96	136.57
Printing and stationary	9.21	14.46
Freight and Forwarding	108.59	153.65
Business Promotion	20.47	57.59
Legal and other professional expenses	115.01	58.53
Auditors remuneration (See Footnote below)	32.04	32.78
Allowance for doubtful debts	14.84	17.69
Director sitting fees	5.90	-
Loss arising on financial liabilities / assets designated at FVTPL	21.95	-
Security and houskeeping Charges	167.97	136.17
IT related expenses	31.97	62.87
Bank charges	8.12	8.90
Bad debts / advances written off	47.16	5.81
Miscellaneous expenses	89.27	126.26
<b>Total</b>	<b>1,505.59</b>	<b>1,638.98</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	24.25
Taxation matters	5.50	5.50
Other services	-	3.00
out-of-pocket expenses	0.04	0.03
<b>Total</b>	<b>32.04</b>	<b>32.78</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

**NOTE 31 : Earning Per Share**

Basic and Diluted Earning Per Share (EPS) is calculated as under:

Particulars		Year ended March 31, 2020	Year ended March 31, 2019
<b>Basic / Diluted</b>			
Loss after tax attributable to equity shares (Rs. in lakhs)	(A)	(1,890.52)	(1,398.48)
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>(7.80)</b>	<b>(5.77)</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 88 years.

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.

In respect of the above mentioned leases, the additional information is as under:

**(Rs. in Lakhs)**

Particulars	Year ended March 31, 2020
Depreciation charge for Right-of-Use assets	8.21
Low value leases accounted for on a straight line basis (included in Note 30)	5.09
Total cash outflow for leases	5.09

**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.

Since Ind AS 116 has become applicable w.e.f. April 1, 2019, disclosure of comparative information is not applicable.

**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 into a new agreement with effect from 01 April 2018 for 5 years with same terms and conditions.

**NOTE 33 : Contingent liabilities not provided for:**

**(Rs. in Lakhs)**

Particulars	As at March 31, 2020	As at March 31, 2019
(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:-		
Matters decided against the company in respect of which the company has preferred an appeal		
Service tax matters	9.38	39.55

**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 THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

**NOTE 34 : Commitments**

(Rs. in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
1. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	4.15	25.82
<b>Total</b>	<b>4.15</b>	<b>25.82</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. 98.74 lakhs (March 31, 2019 Rs. 93.84 lakhs) as expenses under defined contribution plans.

(Rs. in Lakhs)

Benefit (Contribution to)	Year ended 31 March 2020	Year ended 31 March 2019
i) Employer's Contribution to Provident Fund	47.49	40.50
ii) Employer's Contribution to Family Pension Fund	24.86	24.86
iii) Employer's Contribution to Superannuation Fund	26.38	28.48
<b>Total</b>	<b>98.73</b>	<b>93.84</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.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

**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 31 March 2020	Year ended 31 March 2019
Discount Rate	6.82% p.a.	7.47% p.a.
Expected return on plan assets	6.82% p.a.	7.47% p.a.
Salary escalation rate	7.00% 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 31 March 2020	Year ended 31 March 2019
Current Service Cost	19.63	18.95
Interest on net defined benefit liability/ (asset)	3.34	1.23
Expected Return on Plan Assets	-	-
<b>Total Expenses / (Income) recognised in the Statement of Profit And Loss*</b>	<b>22.97</b>	<b>20.18</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 and Loss

**C. Expenses Recognized in the Other Comprehensive Income (OCI)**

**(Rs. in Lakhs)**

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Actual return on plan assets in excess of the expected return	8.11	0.52
Actuarial (Gain)/Loss on account of :		
- Financial Assumptions	10.63	1.09
- Experience Adjustments	32.22	8.23
<b>Net (Income)/Expense For the Period Recognized in OCI</b>	<b>50.96</b>	<b>9.84</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

**D. Net Asset/(Liability) recognised in the Balance Sheet**

**(Rs. in Lakhs)**

<b>Particulars</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
Present Value of Defined Benefit Obligation as at the end of the year	229.39	187.39
Fair Value of plan assets	126.22	141.10
<b>Net asset/(liability) recognised in the Balance Sheet</b>	<b>(103.16)</b>	<b>(46.29)</b>

<b>Recognised under</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
Long term provision (Refer note 21)	-	-
Short term provision (Refer note 21)	(103.16)	(46.29)
<b>Total</b>	<b>(103.16)</b>	<b>(46.29)</b>

**E. Movements in the present value of defined benefit obligation are as follows:**

**(Rs. in Lakhs)**

<b>Particulars</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
Present value of defined benefit obligation at the beginning of the year	187.39	157.67
Expenses Recognised in Profit and Loss Account:		
Current Service Cost	19.63	18.95
Interest cost	13.89	11.92
Liability Transferred Out/ Divestments	(7.05)	-
Recognised in Other Comprehensive Income		
Remeasurement (gains)/losses		
- Financial Assumptions	10.63	1.09
- Experience Adjustments	32.22	8.23
Benefit payments	(27.31)	(10.47)
<b>Present value of defined benefit obligation at the end of the year</b>	<b>229.39</b>	<b>187.39</b>

**F. Movements in the fair value of the plan assets are as follows:**

**(Rs. in Lakhs)**

<b>Particulars</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
Fair value of the plan assets at the beginning of the year	141.10	141.40
Contribution made	10.00	-
Income Recognised in Profit and Loss Account:		
Interest income	10.54	10.69
Recognised in Other Comprehensive Income		
Remeasurement gains/(losses)		
- Actual Return on plan assets in excess of the expected return	(8.11)	(0.52)
Benefits paid	(27.31)	(10.47)
<b>Fair value of the plan assets at the end of the year</b>	<b>126.22</b>	<b>141.10</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

**G. The major categories of plan assets are as follows:**

**(Rs. in Lakhs)**

Particulars	As at March 31, 2020	As at March 31, 2016
Insurer managed funds (100%)	126.22	141.10

**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	Impact on defined benefit obligation	
			Increase in assumption	Decrease in assumption
Discount rate	2020	1%	(15.97)	18.42
	2019	1%	(11.38)	12.85
Salary escalation rate	2020	1%	18.20	(16.08)
	2019	1%	12.90	(11.42)

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, 2020	Estimated as at March 31, 2019
1st Following Year	20.42	29.25
2nd Following Year	17.90	14.01
3rd Following Year	17.79	14.86
4th Following Year	19.58	14.16
5th Following Year	21.28	18.90
Sum of Years 6 to 10	150.34	72.57
Sum of Years 11 and above	197.04	192.39

**J. Other Disclosures**

- The weighted average duration of the obligations as at March 31, 2020 is 9 years (March 31, 2019: 8 Years).
- The Company expects to contribute Rs. 49 lakhs to the plan during financial year 2020-21.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

### 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".

#### Geographic information

(Rs. in Lakhs)

Particulars	Revenue from operations		Non-Current Assets	
	Year ended 31 March, 2020	Year ended 31 March, 2019	Year ended 31 March, 2020	Year ended 31 March, 2019
India	2,742.24	4,008.11	9,762.25	10,685.85
Outside India	1,426.68	1,601.35	144.11	132.81
	<b>4,168.92</b>	<b>5,609.46</b>	<b>9,906.36</b>	<b>10,818.66</b>

All the non-current assets of the Company are located in India.

#### Revenue from major products and services

Particulars	Year ended 31 March, 2020	Year ended 31 March, 2019
(a) Ball & roller bearings	3,514.40	4,626.35
(b) Roller	291.60	363.79
(c) Trading	-	262.38
<b>Total</b>	<b>3,806.00</b>	<b>5,252.52</b>

#### Information about major customers:

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. There was no customer to whom sales made by the Company for more than 10 % of total revenue from operation for the year ended 31 March 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 Mr. Gaurav Motwane Mr. Nikhilesh Panchal Mrs. Aarti Sahney (from October 7, 2019)
(c)	Relative of Key Management Personnel	Late Mr. Trilochan S. Sahney, Director ( upto October 15, 2018), Father of Mr. Devesh S. Sahney Mrs. Harshbeena S. Zaveri, Director (up to August 6, 2019 ), Sister of Mr. Devesh Singh Sahney Ms. Mallika Sahney - AGM Strategy ( w.e.f. August 3, 2018), daughter of Mr. Devesh Singh Sahney
(d)	A Company over which KMP are able to exercise significant influence.	Khaitan & CO.
(d)	A Company over which relatives of KMP are able to exercise significant influence.	NRB Bearings Limited NRB Bearings (Thailand) Limited

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

**B) Related Party Transactions:**

**(Rs. in Lakhs)**

Sr. No.	Nature of Transactions	Associate		A Company over which Mrs. Harshbeena S. Zaveri, Director is able to exercise significant influence.		Key Management Personnel and their Relative		Total	
		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
<b>1</b>	<b>Sale of finished Goods</b>				1.51				1.51
	NRB Bearings (Thailand) Limited	-	-	-		-	-	-	1.51
	NRB Bearings Limited	-	-	-	2.51	-	-	-	2.51
	NIBL- Korta Engineering Private Limited	0.58	0.08	-	-	-	-	0.58	0.08
<b>2</b>	<b>Sale of Semi Finished Material</b>								
	NRB IBC Bearings Private Limited	1.73	16.19	-	-	-	-	1.73	16.19
<b>3</b>	<b>Income from job work</b>								
	NRB Bearings Limited	-	-	-	0.85	-	-	-	0.85
	NRB IBC Bearings Private Limited	174.28	163.31	-	-	-	-	174.28	163.31
<b>4</b>	<b>Rent Income</b>								
	NRB IBC Bearings Private Limited	84.48	84.48	-	-	-	-	84.48	84.48
<b>5</b>	<b>Service Charges</b>								
	NRB IBC Bearings Private Limited	36.00	24.00	-	-	-	-	36.00	24.00
	NIBL- Korta Engineering Private Limited	12.00	9.93	-	-	-	-	12.00	9.93
<b>6</b>	<b>Royalty income</b>								
	NRB IBC Bearings Private Limited	11.75	14.98	-	-	-	-	11.75	14.98
<b>7</b>	<b>Payments made/ expenses incurred on behalf of related party</b>								
	NRB IBC Bearings Private Limited	89.21	85.24	-	-	-	-	89.21	85.24
<b>8</b>	<b>Purchase of material</b>								
	NRB Bearings Limited	-	-	-	138.99	-	-	0.00	138.99
	NRB IBC Bearings Private Limited	2.08	5.89	-	-	-	-	2.08	5.89
	NIBL- Korta Engineering Private Limited	2.42	1.20	-	-	-	-	2.42	1.20
<b>9</b>	<b>Payments made/ expenses incurred by related party</b>								
	NRB IBC Bearings Private Limited	0.00	4.83	-	-	-	-	-	4.83
<b>10</b>	<b>Job work charges</b>								
	NIBL- Korta Engineering Private Limited	0.00	0.02	-	-	-	-	-	0.02
<b>11</b>	<b>Loan taken</b>								
	Mr. D. S. Sahney	-	-	-	-	4,009.00	70.00	4,009.00	70.00
	The Estate of Mr. T. S. Sahney	-	-	-	-	-	175.00	-	175.00
<b>12</b>	<b>Loan repayment</b>								
	Mr. D. S. Sahney	-	-	-	-	2,865.00	1,380.00	2,865.00	1,380.00
	The Estate of Mr. T. S. Sahney	-	-	-	-	-	30.00	-	30.00
<b>13</b>	<b>Issue of Preference shares</b>								
	Mr. D. S. Sahney	-	-	-	-	-	1,350.00	-	1,350.00
	Late Mr. T. S. Sahney ( Refer foot note to Note 17 (A) (iii)	-	-	-	-	-	-	-	-
<b>14</b>	<b>Sitting Fees</b>								
	Mr. Manish Choksi	-	-	-	-	1.95	-	1.95	-
	Mr. Gaurav Motwane	-	-	-	-	1.40	-	1.40	-
	Mr. Nikhilesh Panchal	-	-	-	-	1.95	-	1.95	-
	Mrs. Aarti Sahney (from October 7, 2019)	-	-	-	-	0.45	-	0.45	-
	Mrs. Harshbeena S. Zaveri	-	-	-	-	0.15	-	0.15	-
<b>15</b>	<b>Legal and Professional Fees</b>								
	Khaitan and Co.	-	-	32.65	-	-	-	32.65	-
<b>16</b>	<b>Remuneration to relative of KMP</b>								
	Ms. Mallika Sahney	-	-	-	-	26.84	17.91	26.84	17.91

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

### 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, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
<b>1</b>	<b>Trade Receivables</b>								
	NRB Bearings (Thailand) Limited	-	-	4.64	4.16	-	-	4.64	4.16
	NRB IBC Bearings Private Limited	-	34.48	-	-	-	-	-	34.48
	NIBL - Korta Engineering India Private Limited	1.99	3.58	-	-	-	-	1.99	3.58
<b>2</b>	<b>Other Receivables</b>								
	NRB IBC Bearings Private Limited	0.00	8.94	-	-	-	0.00	0.00	8.94
<b>3</b>	<b>Trade Payables</b>								
	NRB Bearings Limited	-	-	17.37	40.37	-	-	17.37	40.37
	NIBL - Korta Engineering India Private Limited	-	0.75	-	-	-	-	-	0.75
	Khaitan and Co.	-	-	23.04	-	-	-	23.04	-
<b>4</b>	<b>Advances received from customers</b>								
	NRB IBC Bearings Private Limited	24.41	-	-	-	-	-	24.41	-
<b>5</b>	<b>Loan outstanding</b>								
	Mr. D. S. Sahney	-	-	-	-	2,781.63	1,637.63	2,781.63	1,637.63
	The Estate of Mr. T. S. Sahney	-	-	-	-	2,908.50	2,908.50	2,908.50	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:

(Rs. in Lakhs)

Particulars	Year ended 31 March, 2020	Year ended 31 March, 2019
Short-term benefits	87.40	77.40
Post-employment benefits @	17.17	13.93
Other long-term benefits	-	-
Termination benefits	-	-
<b>Total</b>	<b>104.57</b>	<b>91.33</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.

#### NOTE 38 : Expenditure on Research and Development ( R & D)

(Rs. in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
a) Charged to Statement of Profit and Loss	119.45	118.35
b) Capitalized to Fixed Assets	-	-
<b>Total</b>	<b>119.45</b>	<b>118.35</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.

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

### **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.

###### **(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)**

<b>Maturities of Financial Liabilities</b>	<b>Weighted average effective interest rate</b>	<b>March 31, 2020</b>				<b>Total</b>	<b>Carrying amount</b>
		<b>Upto 1 year</b>	<b>1 to 3 years</b>	<b>3 to 5 years</b>	<b>Above 5 years</b>		
Non-interest bearing		7,248.83	83.83	-	-	7,332.65	7,332.67
Variable interest rate instruments		-	-	-	-	-	-
Fixed interest rate instruments	8.52%	1,357.25	421.44	173.65	8,000.00	9,952.35	5,124.15
		<b>8,606.08</b>	<b>505.27</b>	<b>173.65</b>	<b>8,000.00</b>	<b>17,284.99</b>	<b>12,456.82</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

(Rs. in Lakhs)

<b>Maturities of Financial Liabilities</b>	<b>Weighted average effective interest rate</b>	<b>March 31, 2019</b>				<b>Total</b>	<b>Carrying amount</b>
		<b>Upto 1 year</b>	<b>1 to 3 years</b>	<b>3 to 5 years</b>	<b>Above 5 years</b>		
Non-interest bearing		6,483.58	75.76	-	-	6,559.34	6,559.36
Variable interest rate instruments		-	-	-	-	-	-
Fixed interest rate instruments	10.00%	2,242.49	3,174.24	465.03	5,350.00	11,231.77	7,370.59
		<b>8,726.07</b>	<b>3,250.00</b>	<b>465.03</b>	<b>5,350.00</b>	<b>17,791.11</b>	<b>13,929.95</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, 2020 and as at March 31, 2019 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.

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:

**As at 31 March 2020**

		<b>In foreign currency in lakhs</b>	<b>Equivalent Rs in lakhs</b>
<b>Financial Assets</b>			
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
Other payables	EURO	0.29	24.41

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

**As at 31 March 2019**

		<b>In foreign currency in lakhs</b>	<b>Equivalent Rs in lakhs</b>
<b>Financial Assets</b>			
Trade Receivables	EURO	6.36	493.87
	USD	0.30	20.63
	GBP	0.09	8.22
Advance to suppliers	EURO	0.01	1.11
	JPY	1.68	1.06
<b>Financial Liabilities</b>			
Term loan from Bank	EURO	18.54	1,415.56
Trade Payables	EURO	1.04	81.02
	USD	0.01	0.82
Interest accrued on borrowings	EURO	0.10	7.25
Advance from customers	EURO	0.49	37.74

**(ii) Interest Rate Risk**

Refer note B (ii) for interest rate sensitivity

The Company has entered into 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.

**a) Categories of Financial Instruments:**

**(Rs. in Lakhs)**

<b>Financial assets/ financial liabilities</b>	<b>Fair value hierarchy as at March 31, 2020</b>			
	<b>Level-1</b>	<b>Level-2</b>	<b>Level-3</b>	<b>Total</b>
<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>-</b>	<b>906.47</b>	<b>-</b>	<b>906.47</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>-</b>	<b>12,456.82</b>	<b>-</b>	<b>12,456.82</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(Rs. in Lakhs)

Financial assets/ financial liabilities	Fair value hierarchy as at March 31, 2019			
	Level-1	Level-2	Level-3	Total
<b>Financial assets</b>				
Financial assets carried at amortised cost				
Trade Receivables	-	1,248.53	-	1,248.53
Cash and cash equivalents	-	71.66	-	71.66
Other Bank balances	-	5.45	-	5.45
Other Financial Assets	-	78.96	-	78.96
<b>Total</b>	<b>-</b>	<b>1,404.60</b>	<b>-</b>	<b>1,404.60</b>
<b>Financial liabilities</b>				
Financial liabilities held at amortised cost				
Borrowings	-	11,916.72	-	11,916.72
Trade Payables	-	2,005.96	-	2,005.96
Other financial liabilities	-	7.25	-	7.25
<b>Total</b>	<b>-</b>	<b>13,929.95</b>	<b>-</b>	<b>13,929.95</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, 2020

(Rs. in Lakhs)

Financial assets/ (Financial liabilities)	Fair value hierarchy	Valuation technique(s) and key input(s)	31 March 2020	31 March 2019
<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	-	(122.54)
<b>Total</b>			<b>-</b>	<b>(122.54)</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.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020****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. 144.11 lakhs ( March 31, 2019 Rs. 132.81 lakhs ) as Non current Trade Receivable in Note 12 and payable of Rs. 83.83 lakhs ( March 31, 2019 Rs. 75.76 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**

**Place : Mumbai**  
**Date : 16 June, 2020**

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

**Ratika Gandhi**  
**Company Secretary**

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF NRB INDUSTRIAL BEARINGS LIMITED

#### Report on the Audit of the Consolidated Financial Statement

##### 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 31 March 2020, 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 Group as at 31 March 2020, and their consolidated loss, their consolidated total comprehensive loss, 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 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. The inventory of the company includes Raw Materials, Work-in- Progress, and Finished goods are stated at lower of cost and net realisable value. Determination of slow moving and non-moving inventory involves significant management judgment and estimate.</p> <p>The Parent has certain non-moving finished goods inventory as at 31 March 2020 lying at factory. This inventory is physically verified quarterly by the Parent. Management applies judgment in determining the appropriate provisions for such slow, damaged and non-moving inventory based upon its detailed analysis of old inventory, net realizable value, quarterly movement of such inventory, its physical condition and future use. Accordingly determining slow, damaged and non-moving items of such inventory including assessment of their physical condition and consequent amount of provision required for such inventory requires the Company to make significant judgment and estimates about their recoverable value and future use.</p> <p>Refer to Note 2(f) and 11 of the consolidated financial statements for the above matter.</p>	<ol style="list-style-type: none"> <li>1. Review of accounting policies established by the Company with reference to the requirements of Ind AS 2, the process followed by the management, control environment and control procedures in place. We have ensured that the procedures were appropriately structured to obtain all necessary information for accounting and disclosures.</li> <li>2. We have evaluated the design and tested the implementation of internal controls on the judgements exercised for provisions made and underlying data, assumption used and record maintained;</li> <li>3. We have tested the operating effectiveness of internal controls relating to provisions made, (i.e. underlying data and related information used in recording of the provision) in accordance with the Company's policies and requirement of Ind AS 2.</li> <li>4. We have observed physical verification of inventory conducted by the Company as at 31 December 2019 and on a test check basis, verified the samples of provisions made with basis, assumptions, approval and supporting documents used by the management.</li> </ol>

Sr. No.	Key Audit Matter	Auditor's Response
2	<p><b>Inventories – Existence</b></p> <p>The Parent's management conducts physical verification of inventories during the year at reasonable intervals (quarterly intervals). However, on account of the COVID-19 related lockdown restrictions, management was unable to perform year end physical verification of inventories. Management has carried out other procedures to validate the existence of its inventory as at the year end, such as carrying out consumption analysis and stock movement analysis, performing roll-forward procedures from the interim physical verification date to determine the quantities of the inventory at the balance sheet date.</p> <p>(Refer note 4 (b) to the consolidated financial statements)</p>	<p>We have performed the following alternate audit procedures to audit the existence of inventories as at the year-end, since we were not able to observe the physical stock verification:</p> <ol style="list-style-type: none"> <li>Understood the process and tested the management's internal controls to establish the existence of inventory in relation to the process of periodic physical verification carried out by the management, the scope and coverage of the periodic verification programme, the results of such verification including analysis of discrepancies, if any;</li> <li>We have attended the physical verification conducted for the quarter ended 31 December 2019. Obtained the roll forward procedures performed by the management from the interim physical verification date to arrive at the quantities as at the balance sheet date.</li> <li>Tested the analytical reviews performed by the Parent such as consumption analysis and stock movement analysis for the year in respect of key items of raw material and finished goods at factory.</li> </ol>

#### **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 the other auditors.

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

The Parent'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 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, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of 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 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 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 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.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and 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.
- d) In our opinion, the aforesaid consolidated 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 of the Parent as on 31 March 2020 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 31 March 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) 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/ Holding Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

- i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Parent and its associates – Refer Note 33 to the consolidated financial statements;
- ii) The Parent and its associates did not have any material foreseeable losses on long-term contracts including derivative contracts
- 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 & SELLS**  
Chartered Accountants  
(Firm's Registration No. 117365W)

**Kedar Raje**  
(Partner)  
(Membership No. 102637)  
(UDIN: 20102637AAABO9234)

Place: Mumbai  
Date : 16 June, 2020

### **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 31 March 2020)

#### **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 31 March 2020, 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 31 March 2020, 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. 117365W)

**Kedar Raje**  
(Partner)  
(Membership No. 102637)  
(UDIN: 20102637AAAABO9234)

Place: Mumbai  
Date : 16 June, 2020

**(Rs. in Lakhs)**

<b>A</b>	<b>Particulars</b>	<b>Notes</b>	<b>As at</b>	<b>As at</b>
			<b>March 31, 2020</b>	<b>March 31, 2019</b>
<b>1</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non-current assets</b>			
	(a) Property, plant and equipment	6	8,159.67	8,961.62
	(b) Right -of-use assets		716.96	-
	(c) Capital work-in-progress		279.03	271.69
	(d) Other Intangible assets	7	9.00	12.45
	(e) Financial assets			
	(i) Investments	8	86.08	123.43
	(a) Investments in associates	12	144.11	132.81
	(ii) Trade Receivables	9	-	69.28
	(ii) Other financial assets			
	(f) Non- Current tax assets (Net)	14	25.84	61.03
	(g) Other non-current assets	10	46.75	784.78
	<b>Total non - current assets</b>		<b>9,467.44</b>	<b>10,417.08</b>
<b>2</b>	<b>Current assets</b>			
	(a) Inventories	11	1,978.87	2,123.57
	(b) Financial Assets			
	(i) Trade receivables	12	712.54	1,115.72
	(ii) Cash and cash equivalents	13A	37.11	71.66
	(iii) Bank balances other than (ii) above	13B	5.45	5.45
	(iv) Other financial assets	9	7.26	9.68
	(c) Current tax assets (Net)	14	18.52	-
	(d) Other current assets	10	150.98	349.28
	<b>Total current assets</b>		<b>2,910.73</b>	<b>3,675.36</b>
	<b>Total assets (1+2)</b>		<b>12,378.17</b>	<b>14,092.44</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	(847.24)	(629.91)
	<b>Total equity</b>		<b>(362.63)</b>	<b>(145.30)</b>
<b>2</b>	<b>Liabilities</b>			
<b>2</b>	<b>Non-current liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings	17A	3,963.24	5,604.08
	(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	83.83	75.76
	(iii) Other financial liabilities	19	-	84.33
	(b) Deferred tax liabilities (Net)	15A	-	-
	(c) Provisions	21	37.05	41.97
	<b>Total non - current Liabilities</b>		<b>4,084.12</b>	<b>5,806.14</b>
<b>3</b>	<b>Current liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings	17B	6,689.39	5,523.56
	(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	1,558.71	1,930.20
	(iii) Other financial liabilities	19	161.65	834.55
	(b) Other current liabilities	20	140.65	93.88
	(c) Provisions	21	106.28	49.41
	<b>Total current liabilities</b>		<b>8,656.68</b>	<b>8,431.60</b>
	<b>Total liabilities (2+3)</b>		<b>12,740.80</b>	<b>14,237.74</b>
	<b>Total equity and liabilities (1+2+3)</b>		<b>12,378.17</b>	<b>14,092.44</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 : 16 June, 2020**
**Gulestan Kolah**
**Chief Financial Officer**
**Place : Mumbai**
**Date : 16 June, 2020**
**Ratika Gandhi**
**Company Secretary**

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020**

	Particulars	Notes	For the year ended March 31, 2020	For the year ended March 31, 2019 (Rs. in Lakhs)
<b>I</b>	Revenue from operations	22	4,168.92	5,609.46
<b>II</b>	Other Income	23	152.06	196.55
<b>III</b>	<b>Total Income (I + II)</b>		<b>4,320.98</b>	<b>5,806.01</b>
<b>IV</b>	<b>Expenses</b>			
	Cost of materials consumed	24	1,373.60	2,310.15
	Purchases of stock-in-trade	25	-	193.05
	Changes in inventories of finished goods and work-in-progress	26	33.54	(309.71)
	Employee benefits expense	27	1,622.44	1,688.79
	Finance costs	28	785.74	801.30
	Depreciation and amortisation expense	29	890.59	881.93
	Other expenses	30	1,505.59	1,638.98
	<b>Total expenses (IV)</b>		<b>6,211.50</b>	<b>7,204.49</b>
<b>V</b>	<b>Loss before tax (III - IV)</b>		<b>(1,890.52)</b>	<b>(1,398.48)</b>
<b>VI</b>	<b>Tax Expense</b>			
(1)	Current tax		-	-
(2)	Deferred tax		-	-
	<b>Total tax expense</b>		-	-
<b>VII</b>	<b>Loss for the year (V -VI)</b>		<b>(1,890.52)</b>	<b>(1,398.48)</b>
<b>VIII</b>	<b>Share of Profit / (Loss) of associates</b>		<b>(40.50)</b>	<b>17.97</b>
<b>IX</b>	<b>Loss after tax and after share of loss of associate (VII-VIII)</b>		<b>(1,931.02)</b>	<b>(1,380.51)</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		50.96	9.84
	(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.		(3.16)	(0.45)
<b>X</b>	<b>Total other comprehensive income (A (i-ii))</b>		<b>47.80</b>	<b>9.39</b>
<b>XI</b>	<b>Total comprehensive income for the year (VII+VIII)</b>		<b>(1,978.82)</b>	<b>(1,389.90)</b>
<b>XII</b>	<b>Earnings per equity share</b>	31		
(1)	Basic (in Rs.)		(7.98)	(5.70)
(2)	Diluted (in Rs.)		(7.98)	(5.70)

**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**

**Ratika Gandhi  
Company Secretary**

**Place : Mumbai  
Date : 16 June, 2020**

**Place : Mumbai  
Date : 16 June, 2020**

**CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2020**

(Rs. in Lakhs)

Particulars	For year ended March 31, 2020	For year ended March 31, 2019
<b>Cash flows from operating activities</b>		
Loss after tax	(1,931.02)	(1,380.51)
Adjustments for:		
Finance costs	785.74	801.30
Allowance for doubtful debts	14.84	17.69
Bad debts / advances written off	47.16	5.81
Depreciation and amortisation expense	890.59	881.93
(Gain)/Loss arising on Financial Liabilities / assets designated at FVTPL	17.34	(38.22)
Liability no longer payable required written back	(18.03)	-
Interest Income	(5.84)	(6.70)
Foreign exchange loss/ (gain) unrealised	(41.25)	(46.22)
Share of loss / (Profit) of associates	40.50	(17.97)
Operating (loss)/profit before working capital changes	(199.98)	217.11
<b>Movements in working capital:</b>		
(Increase)/ decrease in trade receivables	415.49	(111.91)
(Increase)/decrease in inventories	144.69	(281.14)
(Increase)/decrease in other current assets	198.30	72.58
(Increase)/decrease in non current assets	(28.70)	(15.32)
(Increase)/decrease in other financial assets	66.63	(8.94)
Increase/(decrease) in trade payables	(342.61)	666.06
Increase/(decrease) in provisions	0.99	1.27
Increase/(decrease) in other liabilities	25.52	(0.44)
Cash generated from operations	280.33	539.26
Income taxes paid	16.66	(13.20)
<b>Net cash generated by operating activities</b>	<b>296.99</b>	<b>526.06</b>

**CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2020**
**(Rs. in Lakhs)**

<b>Particulars</b>	<b>For year ended March 31, 2020</b>	<b>For year ended March 31, 2019</b>
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment	(60.48)	(230.92)
Proceeds from disposal of property, plant and equipment	-	-
Bank Balance not considered for cash and cash equivalents	-	10.00
Interest Income	10.91	2.65
Investment in Associates	-	(105.00)
<b>Net cash used in investing activities</b>	<b>(49.57)</b>	<b>(323.27)</b>
<b>Cash flows from financing activities</b>		
Issue of Redeemable Preference Shares (Refer Note 1 below)	650.00	1,350.00
Proceed from non current borrowings	800.00	1,050.00
Repayment of non current borrowings	(2,433.64)	(188.79)
Proceeds/(repayment) from/of current borrowings	1,165.84	(1,824.91)
Share Issue expenses paid	(19.00)	(9.59)
Interest paid	(445.17)	(575.40)
<b>Net cash generated used in financing activities</b>	<b>(281.97)</b>	<b>(198.70)</b>
<b>Net increase in cash and cash equivalents</b>	<b>(34.55)</b>	<b>4.09</b>
Cash and cash equivalents at the beginning of the year (Refer Note 13A)	71.66	67.57
<b>Cash and cash equivalents at the end of the year (Refer Note 13A)</b>	<b>37.11</b>	<b>71.66</b>

Note:

The above excludes issue of 2 % Redeemable Cumulative Non -Convertible Preference shares of Rs. 2,000 Lakhs (Previous Year - Rs. Nil) by conversion of a Promoter Shareholder'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**

**Gulestan Kolah  
Chief Financial Officer**

**Ratika Gandhi  
Company Secretary**

**Place : Mumbai  
Date : 16 June, 2020**

**Place : Mumbai  
Date : 16 June, 2020**

**Consolidated Statement of changes in equity for the year ended March 31, 2020**

**A) Equity Share Capital**

Particulars	As at March 31, 2020	As at March 31, 2019
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	484.61	484.61

**B) Other equity**

(Rs. in Lakhs)

Particulars	Reserves and Surplus			Total
	Capital reserve	Deemed capital contribution	Retained earnings	
<b>Balance at April 1, 2018</b>	<b>5,700.16</b>	<b>2,803.98</b>	<b>(8,636.52)</b>	<b>287.62</b>
Loss for the year	-	-	(1,380.51)	(1,380.51)
Other Comprehensive Income for the year	-	-	(9.84)	(9.84)
- Remeasurement of net defined benefit obligation (net of taxes)	-	-		
Share issue expenses for increase in authorised capital	-	-	(9.59)	(9.59)
Share of other comprehensive income in associates, to the extent not to be reclassified to Profit and Loss			0.45	0.45
<b>Total Comprehensive Income for the year</b>	<b>-</b>	<b>-</b>	<b>(1,399.49)</b>	<b>(1,399.49)</b>
Recognition of equity component on issue of redeemable preference shares	-	901.96	-	901.96
<b>Balance at April 1, 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	-	-	(50.96)	(50.96)
- Remeasurement of net defined benefit obligation (net of taxes)	-	-		
Share issue expenses for increase in authorised capital	-	-	(19.00)	(19.00)
Share of other comprehensive income in associates, to the extent not to be reclassified to Profit and 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>

**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

**Ratika Gandhi**  
Company Secretary

**Place : Mumbai**  
**Date : 16 June, 2020**

**Place : Mumbai**  
**Date : 16 June, 2020**

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 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 16 June , 2020.

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:

- 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.
- 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.
- 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 Bearings

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

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.

<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

#### **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

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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 and 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 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.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### Rental income

The Company's policy for recognition of revenue from operating leases is described in note 2 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 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.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### **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 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

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

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.

**I. 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.

**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 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.

**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

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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 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.

### **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 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. There is no such notification which would have been applicable from April 1, 2020.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**
**NOTE 6 : Property, plant and equipment**

(Rs. in Lakhs)

Description	Cost or deemed cost				Accumulated depreciation and impairment				Net Carrying amount
	Balance As at 01.04.19	Additions	Deductions	Balance As at 31.03.20	Balance As at 01.04.19	For the year	On Deductions/Amortisation	Balance As at 31.03.20	Balance As at 31.03.20
Refer foot note 2									
Buildings									
Own Use	3,409.43	-	-	3,409.43	738.30	113.60	-	851.90	2,557.53
	(3,409.43)	-	-	(3,409.43)	(625.01)	(113.29)	-	(738.30)	(2,671.13)
Given under operating lease	307.11	-	-	307.11	62.21	10.29	-	72.50	234.61
	(307.11)	-	-	(307.11)	(51.94)	(10.26)	-	(62.21)	(244.91)
	3,716.54	-	-	3,716.54	800.51	123.89	-	924.41	2,792.14
	(3,716.54)	-	-	(3,716.54)	(676.95)	(123.55)	-	(800.51)	(2,916.04)
Leasehold Improvement	154.51	-	-	154.51	40.19	12.82	-	53.01	101.50
	(154.00)	(0.51)	-	(154.51)	(27.40)	(12.79)	-	(40.19)	(114.32)
Plant and Machinery									
Own Use	7,235.57	70.37	-	7,305.94	1,935.49	659.35	-	2,594.84	4,711.10
	(7,154.39)	(81.18)	-	(7,235.57)	(1,286.97)	(648.52)	-	(1,935.49)	(5,300.08)
Given under operating lease	90.41	-	-	90.41	20.13	5.03	-	25.16	65.25
	(90.41)	-	-	(90.41)	(13.42)	(6.71)	-	(20.13)	(70.28)
	7,325.98	70.37	-	7,396.35	1,955.62	664.38	-	2,620.00	4,776.35
	(7,244.80)	(81.18)	-	(7,325.98)	(1,300.39)	(655.23)	-	(1,955.62)	(5,370.36)
Furniture and fixtures									
Own Use	250.38	1.71	-	252.09	94.20	15.89	-	110.09	142.00
	(249.42)	(0.96)	-	(250.38)	(78.35)	(15.85)	-	(94.20)	(156.18)
Given under operating lease	2.50	-	-	2.50	1.04	0.16	-	1.20	1.30
	(2.50)	-	-	(2.50)	(0.88)	(0.16)	-	(1.04)	(1.46)
	252.88	1.71	-	254.59	95.24	16.05	-	111.29	143.30
	(251.92)	(0.96)	-	(252.88)	(79.23)	(16.01)	-	(95.24)	(157.64)
Computers									
Own Use	75.74	0.33	-	76.07	59.02	3.65	-	62.67	13.40
	(73.50)	(2.24)	-	(75.74)	(51.06)	(7.96)	-	(59.02)	(16.72)
Given under operating lease	0.44	-	-	0.44	0.44	-	-	0.44	-
	(0.44)	-	-	(0.44)	(0.38)	(0.07)	-	(0.44)	-
	76.18	0.33	-	76.51	59.46	3.65	-	63.11	13.41
	(73.94)	(2.24)	-	(76.18)	(51.43)	(8.03)	-	(59.47)	(16.72)
Office equipments									
Own Use	78.07	2.62	-	80.69	68.92	3.15	-	72.07	8.62
	(73.61)	(4.46)	-	(78.07)	(65.23)	(3.69)	-	(68.92)	(9.15)
Given under operating lease	0.35	-	-	0.35	0.34	-	-	0.34	0.01
	(0.35)	-	-	(0.35)	(0.34)	-	-	(0.34)	(0.01)
	78.42	2.62	-	81.04	69.26	3.15	-	72.41	8.63
	(73.96)	(4.46)	-	(78.42)	(65.57)	(3.69)	-	(69.26)	(9.16)
Electrical installations									
Own Use	558.31	-	-	558.31	269.37	41.43	-	310.79	247.52
	(558.31)	-	-	(558.31)	(227.94)	(41.43)	-	(269.37)	(288.94)
Given under operating lease	36.09	-	-	36.09	17.41	2.68	-	20.09	16.00
	(36.09)	-	-	(36.09)	(14.73)	(2.68)	-	(17.41)	(18.68)
	594.40	-	-	594.40	286.78	44.11	-	330.88	263.52
	(594.40)	-	-	(594.40)	(242.67)	(44.11)	-	(286.79)	(307.62)
Vehicles									
Own Use	94.06	-	-	94.06	24.29	8.93	-	33.21	60.83
	(58.56)	(35.50)	-	(94.06)	(16.60)	(7.70)	-	(24.29)	(69.76)
<b>Sub Total (A)</b>	<b>12,292.98</b>	<b>75.03</b>	-	<b>12,368.00</b>	<b>3,331.35</b>	<b>876.97</b>	-	<b>4,208.33</b>	<b>8,159.67</b>
<b>Sub Total (B)</b>	<b>(12,168.12)</b>	<b>(124.85)</b>	-	<b>(12,292.97)</b>	<b>(2,460.25)</b>	<b>(871.11)</b>	-	<b>(3,331.36)</b>	<b>(8,961.62)</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, 2020**

**NOTE 7 : Other Intangible Assets**

(Rs. in Lakhs)

Particulars	Software
<b>I. Deemed cost</b>	
<b>Balance as at 1 April, 2019</b>	<b>52.01</b>
Additions	1.96
Disposals	-
<b>Balance as at 31 March, 2020</b>	<b>53.97</b>
<b>Balance as at 1 April, 2018</b>	<b>52.01</b>
Additions	-
Disposals	-
<b>Balance as at 31 March, 2019</b>	<b>52.01</b>
<b>II. Accumulated amortisation and impairment</b>	
<b>Balance as at 1 April, 2019</b>	<b>39.56</b>
Amortisation expense	5.41
Eliminated on disposal of assets	-
<b>Balance as at 31 March, 2020</b>	<b>44.97</b>
<b>Balance as at 1 April, 2018</b>	<b>28.74</b>
Amortisation expense	10.82
Eliminated on disposal of assets	-
<b>Balance as at 31 March, 2019</b>	<b>39.56</b>
<b>III. Net Carrying amount (I-II)</b>	
<b>Balance as at 31 March, 2020</b>	<b>9.00</b>
<b>Balance as at 31 March, 2019</b>	<b>12.45</b>

**NOTE 8 : Investments**

(Rs. in Lakhs)

Particular	As at March 31, 2020			As at March 31, 2019		
	No. of shares	Amounts		No. of shares	Amounts	
		Current	Non Current		Current	Non Current
<b>A. Investments carried at cost</b>						
<b>Unquoted Investments (fully paid)</b>						
<b>(a) Investments in equity instruments of Associates</b>						
Equity Shares (of Rs. 10 each) in NRB-IBC Bearings Private Limited (NIBC) (Refer Note below)	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) (Korta) ( Refer Note below)	1,050,000	-	86.08	1,050,000	-	123.43
<b>Investments carried at cost</b>	<b>5,250,000</b>	-	<b>86.08</b>	<b>5,250,000</b>	-	<b>123.43</b>
<b>Total investments at cost</b>	<b>5,250,000</b>	-	<b>86</b>	<b>5,250,000</b>	-	<b>123.43</b>
<b>Aggregate amount of unquoted investments</b>	-	-	<b>86</b>	-	-	<b>123.43</b>
<b>Aggregate amount of impairment in value of investments</b>	-	-	-	-	-	-

**Notes:**

a During the previous year ended March 31, 2019, the Company had entered into a share purchase agreement with Korta Inversiones, S. L of Spain (Korta Spain), in respect to Korta Engineering India Private Limited (Korta India), which was then a subsidiary of Korta Spain, and Late Mr. Trilochan Singh Sahney as part of business strategy. The transfer of shares from Korta Spain to NIBL has been approved by the Board of Directors of the Korta India on June 26, 2018 and all the terms and conditions precedent and subsequent along with their covenants of the share purchase agreement come into effect from the aforesaid date Pursuant to the share purchase agreement NIBL purchased 35% of the Paid up share capital of the Korta India.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

b 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 losses of NIBC as at March 31, 2019 is Rs. 40.38 lakhs.

c Rs. 86.09 lakhs ( March 31, 2019 Rs. 123.42 lakhs) disclosed above includes the company's share of loss of Rs. 40.50 lakhs (for the year ended March 31, 2019: profit of Rs. 17.97 lakhs) and other comprehensive income of Rs. 3.16 lakhs ( (for the year ended March 31, 2019: Rs. 0.45 lakhs) in associate Korta for the year ended March 31, 2020 as recognised in Consolidated Statement of Profit and Loss for the year ended March 31, 2020.

d

<b>Name of Associate</b>	<b>Country of Incorporation</b>	<b>Year</b>	<b>Original Cost of Investment</b>	<b>Amount of Goodwill / (Capital reserve in original cost)</b>
NRB-IBC Bearings Private Limited	India	2020	420	420
	India	2019	420	420
Korta Engineering India Private Limited	India	2020	105	170.69
	India	2019	105	170.69

**NOTE 9 : Other financial assets**

**(Rs. in Lakhs)**

<b>Particulars</b>	<b>As at March 31, 2020</b>		<b>As at March 31, 2019</b>	
	<b>Current</b>	<b>Non-current</b>	<b>Current</b>	<b>Non-current</b>
(a) Interest accrued on fixed deposits	2.26	-	0.74	6.59
(b) Fixed Deposits with a Bank and Financial Institution	5.00	-	-	62.69
(c) Receivable from related party (Refer Note 37)	-	-	8.94	-
<b>Total</b>	<b>7.26</b>	<b>-</b>	<b>9.68</b>	<b>69.28</b>

**NOTE 10 : Other assets**

**(Rs. in Lakhs)**

<b>Particulars</b>	<b>As at March 31, 2020</b>		<b>As at March 31, 2019</b>	
	<b>Current</b>	<b>Non-current</b>	<b>Current</b>	<b>Non-current</b>
Security Deposits	-	43.63	-	47.17
Capital advances	-	0.89	-	3.51
GST Refund Receivable	-	-	39.47	-
VAT receivable	20.58	-	20.58	-
Balances with government authorities (other than income taxes):				
GST credit receivables	41.13	-	153.42	-
'Service tax / Excise deposit paid under protest	-	-	2.51	-
Others:				
(a) Export incentive	36.68	-	87.56	-
(b) Advances to employees	11.53	-	2.46	-
(c) Advances to suppliers	19.65	21.50	3.29	21.50
Less: Allowance for doubtful advances	-	(21.50)	-	(21.50)
Prepayments	21.41	2.24	39.99	734.10
<b>Total</b>	<b>150.98</b>	<b>46.75</b>	<b>349.28</b>	<b>784.78</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

**NOTE 11 : Inventories**

(Rs. in Lakhs)

Particulars	As at March 31, 2020		As at March 31, 2019	
Inventories (lower of cost and net realisable value)				
(a) Raw materials	363.59		476.46	
- Goods in Transit	-	363.59	-	476.46
(b) Work-in-progress	-	850.53	-	827.12
(c) Finished goods	-	690.28	-	747.22
(d) Stores and spares	-	74.47	-	72.77
<b>Total</b>		<b>1,978.87</b>		<b>2,123.57</b>

**Notes:**

- 1 The cost of inventories recognised as an expense during the year was Rs. 1,701.71 lakhs (for the year ended March 31, 2019: Rs. 2,347.11 lakhs).
- 2 The cost of inventories recognised as an expense includes Rs. 4.75 lakhs (during 2018-2019: Rs. 3.96 lakhs) in respect of write-downs of inventory to net realisable value, and has been reduced by Rs. Nil (during 2018-2019: Rs. Nil) in respect of the reversal of such write-downs.
- 3 The mode of valuation of inventories has been stated in note 2 (f).
- 4 Assets pledged as security  
Refer Note 17 (A) and 17 (B) on Borrowings.

**NOTE 12 : Trade receivables**

(Rs. in Lakhs)

Particulars	As at March 31, 2020		As at March 31, 2019	
	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)	173.79	144.11	113.63	132.81
(b) Unsecured, credit impaired	162.34	-	147.50	-
(c) Unsecured, significant increase in credit risk.	-	-	-	-
Allowance for doubtful debts (expected credit loss allowance)	336.13	144.11	261.13	132.81
(162.34)	173.79	144.11	(147.50)	113.63
Other trade receivables:				
(a) Secured, considered good	-	-	-	-
(b) Unsecured, credit impaired	538.75	-	1,002.09	-
(c) Unsecured, significant increase in credit risk.	-	538.75	-	1,002.09
<b>Total</b>	<b>712.54</b>	<b>144.11</b>	<b>1,115.72</b>	<b>132.81</b>

**Note: Trade receivables include debts due from:**

	As at March 31, 2020	As at March 31, 2019
Private company in which directors are directors		
NRB-IBC Bearings Private Limited (NIBC) (Refer note 37)	-	43.32
NIBL- Korta Engineering Private Limited (formerly known as Korta Engineering India Private Limited) (Refer note 37)	1.99	3.58
	<b>1.99</b>	<b>46.90</b>

The credit period on sales of goods ranges from 30 to 75 days.

Receivables of Rs. 191.01 Lakhs is from one customer who contributes 10% or more to the total receivables as At 31 March 2020 and as at 31 March 2019 ,the Company had no customer that owed the Company more than 10% of total receivables outstanding.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

**Movement in the expected credit loss allowance**

(Rs. in Lakhs)

Particulars	Year ended 31 March, 2020	Year ended 31 March, 2019
<b>Balance as at beginning of the year</b>	147.50	129.81
Movement in the expected credit loss allowance on trade receivables calculated at life time expected credit losses.	14.84	17.69
<b>Balance at end of the year</b>	<b>162.34</b>	<b>147.50</b>

**NOTE 13 : Cash and Cash equivalents and Other bank balances**

(Rs. in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>A. Cash and cash equivalents</b>		
(a) Cash on hand	0.81	1.20
(b) Balances with banks in current accounts	36.30	70.46
<b>Total</b>	<b>37.11</b>	<b>71.66</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, 2020		As at March 31, 2019	
	Current	Non- Current	Current	Non- Current
<b>Current tax assets</b>				
Tax refund receivable	18.52	25.84	-	61.03
<b>Total</b>	<b>18.52</b>	<b>25.84</b>	<b>-</b>	<b>61.03</b>

**NOTE 14A : Current Tax and Deferred Tax**

**(a) Income Tax recognised in profit or loss**

(Rs. in Lakhs)

Particulars	Year ended 31 March, 2020	Year ended 31 March, 2019
<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)	-	-

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

**(b) Income Tax recognised in Other comprehensive income**

**(Rs. in Lakhs)**

<b>Particulars</b>	<b>Year ended 31 March, 2020</b>	<b>Year ended 31 March, 2019</b>
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:**

**(Rs. in Lakhs)**

<b>Particulars</b>	<b>Year ended 31 March, 2020</b>	<b>Year ended 31 March, 2019</b>
<b>Profit before tax from continuing operations</b>	<b>(1,890.52)</b>	<b>(1,398.48)</b>
<b>Current Tax</b>		
Income Tax	-	-
Charge/(credit) in respect of previous years	-	-
<b>Current Tax Total</b>	<b>-</b>	<b>-</b>
<b>Deferred Tax</b>		
Effect of expenses that are allowable on payment basis	1.41	6.57
Depreciation	73.69	43.81
Fair valuation of derivative contracts	0.00	(9.54)
Unabsorbed Business Losses	(75.09)	(40.84)
Others	-	-
Income tax expense recognised In profit or loss from continuing operations	-	-

The tax rate used for the year 2019-20 is 26.00% (25% + health and education cess @ 4% ) and year 2018-19 is 26.00% (25% + health and education cess @ 4% ) and reconciliations payable on taxable profits under the Income Tax Act, 1961.

**NOTE 14B : Current Tax and Deferred Tax**

**(d) Movement in Deferred tax balances**

**(Rs. in Lakhs)**

<b>Particulars</b>	<b>For the Year ended 31 March 2020</b>			
	<b>Opening Balance</b>	<b>Recognised in profit and Loss</b>	<b>Recognised in OCI</b>	<b>Closing Balance</b>
<b>Tax effect of items constituting deferred tax assets / (liabilities)</b>				
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>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

(Rs. in Lakhs)

Particulars	For the Year ended 31 March 2019			
	Opening Balance	Recognised in profit and Loss	Recognised in OCI	Closing Balance
<b>Tax effect of items constituting deferred tax assets / (liabilities)</b>				
Property, Plant and Equipment	(1,142.16)	43.81	-	(1,098.35)
Provision for doubtful debts and advances	38.96	4.98	-	43.94
Provision for Employee Benefits	20.67	0.53	2.56	23.76
Fair valuation of derivative contracts	41.40	(9.54)	-	31.86
Effect of expenses that are allowable on payment basis	11.11	1.06	-	12.17
Unabsorbed Business Losses	1,030.02	(40.84)	(2.56)	986.62
<b>Net Tax Asset (Liabilities)</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, 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>566.27</b>	<b>2,769.00</b>	<b>10,353.05</b>

**As at March 31, 2019**

(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	-	-	-	3,081.38	3,081.38
Unabsorbed depreciation	6,422.21	-	-	-	6,422.21
<b>Total</b>	<b>6,422.21</b>	-	-	<b>3,081.38</b>	<b>9,503.59</b>

**NOTE 15 : Equity Share Capital**

(Rs. in Lakhs)

	As at March 31, 2020	As at March 31, 2019
Equity share capital	484.61	484.61
	<b>484.61</b>	<b>484.61</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

(Rs. in Lakhs)

Particulars	As at March 31, 2020		As at March 31, 2019	
	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>	24,230,650	484.61	24,230,650	484.61

**(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, 2019</b>	24,230,650	484.61
Movements	-	-
<b>Balance at March 31, 2020</b>	24,230,650	484.61

**(iii) Details of shares held by each shareholder holding more than 5% shares**

Name of shareholder	As at March 31, 2020		As at March 31, 2019	
	No. of shares	Perc- centage	No. of shares	Perc- centage
<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%
ICICI Prudential Life Insurance Company Limited	400,686	1.65%	1,326,786	5.48%

Note: Consequent to the demise of Mr. Trilochan Singh Sahney, the Company has not received share transmission application from legal heirs of Late Mr. T.S. Sahney and accordingly the name of Late Mr. T.S. 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, 2020**

**NOTE 16 : Other equity**

(Rs. in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
(a) Capital reserve	5,700.16	5,700.16
(b) Deemed capital contribution	5,486.43	3,705.94
(c) Retained earnings	(12,033.83)	(10,036.01)
<b>Total</b>	<b>(847.24)</b>	<b>(629.91)</b>

**(i) Movement in other equity:**

(Rs. in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>(I) Capital Reserve</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	3,705.94	2,803.98
Recognition of equity component on issue of redeemable preference shares	1,780.49	901.96
<b>Closing balance</b>	<b>5,486.43</b>	<b>3,705.94</b>
<b>(III) Retained earnings</b>		
Opening balance	(10,036.01)	(8,636.52)
Loss for the year	(1,931.02)	(1,380.51)
Other Comprehensive Income for the year	(50.96)	(9.84)
- Remeasurement of net defined benefit obligation (net of taxes)"		
Share issue expenses for increase in authorised capital	(19.00)	(9.59)
Share of other comprehensive income in associates, to the extent not to be reclassified to profit and loss.	3.16	0.45
<b>Closing balance</b>	<b>(12,033.83)</b>	<b>(10,036.01)</b>

**(ii) Nature and purpose of each reserve within Other equity**

**Deemed capital contribution**

This represents the difference between fair valuation and transaction price on initial recognition of preference shares issued to a Promoter shareholder.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

**NOTE 17 : Borrowings**

**A. Non-Current Borrowings**

**(Rs. in Lakhs)**

Particulars	As at March 31, 2020	As at March 31, 2019
<b>I. Secured - at amortised cost</b>		
<b>Term loans:</b>		
<b>From bank</b>	-	1,415.56
Less: Current maturities of long term debt (refer note 19)	-	(108.83)
	-	<b>1,306.72</b>
<b>From others</b>	639.30	42.17
Less: Current maturities of long term debt (refer note 19)	(161.64)	(14.62)
	<b>477.66</b>	<b>27.55</b>
<b>II. Unsecured - at amortised cost</b>		
<b>Term loan:</b>		
<b>From others</b>	-	<b>2,667.19</b>
Less: Current maturities of long term debt (refer note 19)	-	(665.63)
	-	<b>2,001.56</b>
<b>Loans from related parties</b>		
Preference Shares	3,485.59	2,268.24
<b>Total</b>	<b>3,963.24</b>	<b>5,604.07</b>

**Footnotes:**

**Secured**

**Term loans from Bank**

(a) Rs. Nil (March 31, 2019 Rs. 1415.56 lakhs ) secured by subservient charge on current assets and movable Property, plant and equipment and pledge of Nil shares (March 31, 2019 1,958,350 shares ) of NRB Bearings Limited held by a director of the Company . The working capital term loan was repayable in remaining 16 quarterly instalments comprising of 4 Quarterly instalment of Euro 0.38 lakh each till 2nd March 2020 and 12 Quarterly instalment of Euro 1.42 lakhs each starting from 1 June , 2020 till 28 February 2023 and carried interest rate of EURIBOR 6M + 3.05 % which was converted in to a fixed rate loan carrying interest rate of a 6.3 % p.a through Interest rate Swap. The term loan is fully repaid in August 2019.

**Term loan from Others**

(b) Rs. 27.55 lakhs (March 31, 2019 Rs. 42.17 lakhs) secured by hypothecation of vehicles. Out of these , the term loan of Rs. 0.65 lakhs (March 31, 2019 Rs. 7.88 lakhs ) carrying interest rate of 12.75 % is repayable in remaining 12 equal monthly instalments by April, 2020, the term loan of Rs. 4.17 lakhs (March 31, 2019 Rs. 5.92 lakhs) carrying interest rate of 8.82 % is repayable in remaining 37 equal monthly instalments by April, 2022 and the term loan of Rs. 23.39 lakhs (March 31, 2019 Rs. 29.04) carrying interest rate of 8.63 % is repayable in remaining 53 equal monthly instalments by August, 2023.

(c) Rs. 611.75 lakhs (March 31, 2019 Rs. Nil ) 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, 2019 Nil) of NRB Bearings Limited held by a director of the Company. The working capital term loan is repayable in remaining 16 quarterly instalments Rs. 40 lakhs each and carries interest rate of 13%.

**Unsecured**

**Term loans from others**

(d) Rs. Nil (March 31, 2019 Rs. 2667.19 lakhs) secured by pledge of Nil shares (March 31, 2018 2,998,697 shares ) of NRB Bearings Limited held by a director and a promoter of the Company . The term loan was repayable in eight equal quarterly instalments of Rs. 334.38 lakhs starting from 6 Dec, 2019 and carries interest rate of 10.5 % to 11 % p.a. However loan is fully repaid in August 2019.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

### 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, 2020		As at March 31, 2019	
	No. of shares	Amount	No. of shares	Amount
<b>Authorised:</b>				
Equity shares of Rs. 2/- each	-	-	-	-
Redeemable cumulative non-convertible preference shares of Rs. 10/- each	80,000,000	8,000.00	60,000,000	6,000.00
<b>Total</b>	80,000,000	8,000.00	60,000,000	6,000.00
<b>Issued, Subscribed and Fully Paid:</b>				
Redeemable cumulative non-convertible preference shares of Rs. 10/- each	80,000,000	8,000.00	53,500,000	5,350.00
<b>Total</b>	80,000,000	8,000.00	53,500,000	5,350.00

### (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 March 31, 2019</b>	53,500,000	5,350.00
Issued during the year	26,500,000	2,650.00
<b>Balance at March 31, 2020</b>	80,000,000	8,000.00

### (iii) Details of shares held by each shareholder holding more than 5% shares

Name of Shareholders	As at March 31, 2020		As at March 31, 2019	
	No. of shares	Perce-ntage	No. of shares	Perce-ntage
<b>Equity shares:</b>				
Trilochan Singh Sahney ( Refer Note below)	40,000,000	50.00%	40,000,000	74.77%
Trilochan Singh Sahney Trust 1 [held by a trustee (Trilochan Singh Sahney) in his individual name]				
Devesh Singh Sahney	40,000,000	50.00%	13,500,000	25.23%
<b>Total</b>	80,000,000	100.00%	53,500,000	100.00%

Note: Consequent to the demise of Mr. Trilochan Singh Sahney, the Company has not received share transmission application from legal heirs of Late Mr. T.S. Sahney and accordingly the name of Late Mr. T.S. 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, 2020**

**B. Current Borrowings**

(Rs. in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>I. Secured - at amortised cost</b>		
<b>(a) Loans repayable on demand</b>		
<b>From banks</b>	999.26	977.43
<b>II Unsecured - at amortised cost</b>		
<b>(b) Loans repayable on demand</b>		
Interest free loan from Directors	5,690.13	4,546.13
<b>Total</b>	<b>6,689.39</b>	<b>5,523.56</b>

**Footnotes:**

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

Rs. 999.26 lakhs (March 31, 2018 Rs. 977.43 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 11.25% to 11.75 % p.a.

The Company has not defaulted on repayment of loans and interest during the year.

**NOTE 18 : Trade Payables**

(Rs.inLakhs)

Particulars	As at March 31, 2020		As at March 31, 2019	
	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)	1,558.71	83.83	1,930.20	75.76
<b>Total</b>	<b>1,558.71</b>	<b>83.83</b>	<b>1,930.22</b>	<b>75.76</b>

**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, 2020**
**NOTE 19 : Other financial liabilities**
**(Rs. in Lakhs)**

Particulars	As at March 31, 2020		As at March 31, 2019	
	Current	Non- Current	Current	Non- Current
<b>Other Financial Liabilities measured at amortised cost</b>				
(a) Current maturities of long-term debt	161.65	-	789.08	-
(b) Interest accrued	-	-	7.25	-
<b>Other Financial Liabilities measured at Fair Value</b>				
(a) Interest Rate Swap	-	-	38.22	84.33
<b>Total</b>	<b>161.65</b>	<b>-</b>	<b>834.55</b>	<b>84.33</b>

**NOTE 20 : Other current liabilities**
**(Rs. in Lakhs)**

Particulars	As at March 31, 2020		As at March 31, 2019	
	Current	Non- Current	Current	Non- Current
(a) Advances received from customers		52.66		39.10
(b) Security Deposits		10.50		4.50
(c) Payables for capital supplies		27.17		5.94
(d) Others				
Statutory remittances		25.73		44.34
(Super annuation, Withholding tax, Service Tax, VAT etc.)				
Other payable		24.59		-
<b>Total</b>	<b>140.65</b>	<b>-</b>	<b>93.88</b>	<b>-</b>

**Note:** Advances received from customers include advance from:

Particulars	As at March 31, 2020		As at March 31, 2019	
	Current	Non- Current	Current	Non- Current
NRB-IBC Bearings Private Limited (NIBC) (Refer note 37)		24.41		-
		24.41		-

**NOTE 21 : Provisions**
**(Rs. in Lakhs)**

Particulars	As at March 31, 2020		As at March 31, 2019	
	Current	Non- Current	Current	Non- Current
Provision for employee benefits				
1) Compensated absences	3.12	37.05	3.12	41.97
2) Gratuity	103.16	-	46.29	-
<b>Total</b>	<b>106.28</b>	<b>37.05</b>	<b>49.41</b>	<b>41.97</b>

(i) As at 31 March 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. As at 31 March 2019, the decrease in the carrying amount of the provision for compensated absences results from benefits being paid during the year ended March 31, 2019.

(ii) Refer note 35 for Employee Benefits related disclosures.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

**NOTE 22 : Revenue from Operations**

(Rs. in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>Revenue from contract with customers</b>		
Sale of products	3847.42	5252.52
Rendering of services		
(a) Agency Commission	4.97	26.49
(b) Job work charges	174.36	164.02
(c) Service Charges	48.00	33.93
Other operating revenues		
(d) Sale of scrap	23.23	38.63
(e) Export incentives	59.19	78.89
(f) Royalty Income	11.75	14.98
<b>Total</b>	<b>4,168.92</b>	<b>5,609.46</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, 2020	Year ended March 31, 2019
<u>Interest income on financial assets at amortised cost</u>		
(a) Interest income on bank deposits	2.22	6.32
(b) Other Interest income	3.61	0.38
<u>Other non-operating income</u>		
Rent income	84.48	84.48
<u>Other gains and losses</u>		
(a) Liability no longer payable required written back	18.03	0.00
(b) Foreign exchange fluctuation (gain) / loss	39.11	67.15
(c) Gain arising on financial liabilities / assets designated at FVTPL	4.61	38.22
<b>Total</b>	<b>152.06</b>	<b>196.55</b>

**NOTE 24 : Cost of material consumed**

(Rs. in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Opening stock	476.46	523.69
Add: Purchases	1,260.73	2,262.92
Less: Closing stock	(363.59)	(476.46)
<b>Total</b>	<b>1,373.60</b>	<b>2,310.15</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

**NOTE 25 : Purchases of stock in trade**

(Rs. in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Purchases of stock in trade	-	193.05

**NOTE 26 : Changes in inventories of finished goods, work-in-progress and stock-in-trade**

(Rs. in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Opening stock		
- Work in progress	827.12	673.85
- Finished goods	747.22	590.78
Closing stock		
- Work in progress	(850.53)	(827.12)
- Finished goods	(690.28)	(747.22)
Excise Duty	-	-
<b>Net (increase)/Decrease</b>	<b>33.54</b>	<b>(309.71)</b>

**NOTE 27 : Employee Benefits Expense**

(Rs. in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Salaries and wages	1,415.98	1,497.07
Contribution to provident and other funds (Refer note 35)	139.21	128.25
Staff welfare expenses	67.25	63.47
<b>Total</b>	<b>1,622.44</b>	<b>1,688.79</b>

**NOTE 28 : Finance Costs**

(Rs. in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
(a) Interest costs :-		
- Interest on borrowings	341.32	516.81
- Interest on Preference shares	347.84	227.28
- Other interest expense	0.89	7.49
(b) Net loss on foreign currency transactions (considered as finance cost)	38.51	-
(c) Other borrowing cost	57.18	49.72
<b>Total</b>	<b>785.74</b>	<b>801.30</b>

**NOTE 29 : Depreciation and amortisation expense**

(Rs. in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Depreciation of property, plant and equipment	876.97	871.11
Depreciation on Right of Use Assets	8.21	-
Amortisation of intangible assets	5.41	10.82
<b>Total</b>	<b>890.59</b>	<b>881.93</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

**NOTE 30 : Other Expenses**

(Rs. in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Consumption of Stores and spares parts	294.57	369.72
Power & Fuel	340.59	348.98
Rent	5.09	15.25
Repairs and maintenance:		
- Buildings	2.00	-
- Plant & machinery	4.29	11.91
- Others	50.22	51.17
Insurance	12.18	14.26
Rates and taxes	34.21	16.41
Travelling and Conveyance expense	89.96	136.57
Printing and stationary	9.21	14.46
Freight and Forwarding	108.59	153.65
Business Promotion	20.47	57.59
Legal and other professional expenses	115.01	58.53
Auditors remuneration (See Footnote below)	32.04	32.78
Allowance for doubtful debts	14.84	17.69
Director sitting fees	5.90	-
Loss arising on financial liabilities / assets designated at FVTPL	21.95	-
Security and houskeeping Charges	167.97	136.17
IT related expenses	31.97	62.87
Bank charges	8.12	8.90
Bad debts / advances written off	47.16	5.81
Miscellaneous expenses	89.27	126.26
<b>Total</b>	<b>1,505.59</b>	<b>1,638.98</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	24.25
Taxation matters	5.50	5.50
Other services	-	3.00
out-of-pocket expenses	0.04	0.03
<b>Total</b>	<b>32.04</b>	<b>32.78</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

### NOTE 31 : Earnings per share

Basic and Diluted Earnings per Share (EPS) is calculated as under:

Particulars		Year ended March 31, 2020	Year ended March 31, 2019
<b>Basic / Diluted</b>			
Loss after tax attributable to equity shares (Rs. in lakhs)	(A)	(1,931.02)	(1,380.51)
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>(7.98)</b>	<b>(5.70)</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 88 years.

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.

In respect of the above mentioned leases, the additional information is as under:

**(Rs. in Lakhs)**

Particulars	Year ended March 31, 2020
Depreciation charge for Right-of-Use assets	8.21
Low value leases accounted for on a straight line basis (included in Note 30)	5.09
Total cash outflow for leases	5.09

#### 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.

Since Ind AS 116 has become applicable w.e.f. April 1, 2019, disclosure of comparative information is not applicable.

#### 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 into 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, 2020	As at March 31, 2019
(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:-		
Matters decided against the company in respect of which the company has preferred an appeal		
Service tax matters	9.38	39.55
(iii) Share of Company in contingent liabilities of associate	-	6.46

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 THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

**NOTE 34 : Commitments**

(Rs. in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
1. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	4.15	25.82
<b>Total</b>	<b>4.15</b>	<b>25.82</b>

**Footnote :**

The Company and its associates did not expect any outflow of economic resources in respect of the above and therefore no provision was made in respect thereof.

**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 Consolidated Statement of profit and loss for the year, an amount of Rs. 98.74 lakhs ( March 31, 2019 Rs. 93.84 lakhs) as expenses under defined contribution plans.

(Rs. in Lakhs)

Benefit (Contribution to)	For the year ended 31 March 2020	For the year ended 31 March 2019
i) Employer's Contribution to Provident Fund	47.49	40.50
ii) Employer's Contribution to Family Pension Fund	24.86	24.86
iii) Employer's Contribution to Superannuation Fund	26.38	28.48
<b>Total</b>	<b>98.73</b>	<b>93.84</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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

### 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	For the year ended 31 March 2020	For the year ended 31 March 2019
Discount Rate	6.82% p.a.	7.47% p.a.
Expected return on plan assets	6.82% p.a.	7.47% p.a.
Salary escalation rate	7.00% 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	For the year ended 31 March 2020	For the year ended 31 March 2019
Current Service Cost	19.63	18.95
Interest on net defined benefit liability/ (asset)	3.34	1.23
Expected Return on Plan Assets	-	-
<b>Total Expenses / (Income) recognised in the Consolidated Statement of Profit And Loss*</b>	<b>22.97</b>	<b>20.18</b>

\* The current service cost and the net interest expenses for the year are included in the 'Employee benefits expenses' Note : 27 in the Consolidated statement of profit & loss

### C. Expenses Recognized in the Other Comprehensive Income (OCI)

(Rs. in Lakhs)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Actual return on plan assets in excess of the expected return	8.11	0.52
Actuarial (Gain)/Loss on account of :		
- Financial Assumptions	10.63	1.09
- Experience Adjustments	32.22	8.23
<b>Net (Income)/Expense For the Period Recognized in OCI</b>	<b>50.96</b>	<b>9.84</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

**D. Net Asset/(Liability) recognised in the Consolidated Balance Sheet** (Rs. in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Present Value of Defined Benefit Obligation as at the end of the year	229.39	187.39
Fair Value of plan assets	126.22	141.10
<b>Net asset/(liability) recognised in the Consolidated Balance Sheet</b>	<b>(103.16)</b>	<b>(46.29)</b>

Recognised under	As at March 31, 2020	As at March 31, 2019
Long term provision (Refer note 21)	-	-
Short term provision (Refer note 21)	(103.16)	(46.29)
<b>Total</b>	<b>(103.16)</b>	<b>(46.29)</b>

**E. Movements in the present value of defined benefit obligation are as follows:** (Rs. in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Present value of defined benefit obligation at the beginning of the year	187.39	157.67
Expenses Recognised in Profit and Loss Account:		
Current Service Cost	19.63	18.95
Interest cost	13.89	11.92
Liability Transferred Out/ Divestments	(7.05)	-
Recognised in Other Comprehensive Income		
Remeasurement (gains)/losses		
- Financial Assumptions	10.63	1.09
- Experience Adjustments	32.22	8.23
Benefit payments	(27.31)	(10.47)
<b>Present value of defined benefit obligation at the end of the year</b>	<b>229.39</b>	<b>187.39</b>

**F. Movements in the fair value of the plan assets are as follows:** (Rs. in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Fair value of the plan assets at the beginning of the year	141.10	141.40
Contribution made	10.00	-
Income Recognised in Profit and Loss Account:		
Interest income	10.54	10.69
Recognised in Other Comprehensive Income		
Remeasurement gains/(losses)		
- Actual Return on plan assets in excess of the expected return	(8.11)	(0.52)
Benefits paid	(27.31)	(10.47)
<b>Fair value of the plan assets at the end of the year</b>	<b>126.22</b>	<b>141.10</b>

**G. The major categories of plan assets are as follows:** (Rs. in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Insurer managed funds (100%)	126.22	141.10

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**


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**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</b>	<b>Impact on defined benefit obligation</b>	
			<b>Increase in assumption</b>	<b>Decrease in assumption</b>
Discount rate	2020	1%	(15.97)	18.42
	2019	1%	(11.38)	12.85
Salary escalation rate	2020	1%	18.20	(16.08)
	2019	1%	12.79	(11.42)

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 Consolidated balance sheet.

**I. Expected future benefits payable - Maturity profile of defined benefit obligation **(Rs. in Lakhs)****

<b>Projected Benefits Payable in Future Years From the Date of Reporting</b>	<b>Estimated as at March 31, 2020</b>	<b>Estimated as at March 31, 2019</b>
1st Following Year	20.42	29.25
2nd Following Year	17.90	14.01
3rd Following Year	17.79	14.86
4th Following Year	19.58	14.16
5th Following Year	21.28	18.90
Sum of Years 6 to 10	150.34	72.57
Sum of Years 11 and above	197.04	192.39

**J. Other Disclosures**

- The weighted average duration of the obligations as at March 31, 2020 is 9 years (March 31, 2019: 8 Years).
- Company expects to contribute Rs. 49 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".

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

**Geographic information**

(Rs. in Lakhs)

Particulars	Revenue from operations		Non-current assets	
	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2020	Year ended 31 March 2019
India	2,742.24	4,008.11	9,237.25	10,685.85
Outside India	1,426.68	1,601.35	144.11	132.81
	<b>4,168.92</b>	<b>5,609.46</b>	<b>9,381.36</b>	<b>10,293.66</b>

All the non-current assets of the Company are located in India.

**Revenue from major products and services**

Particulars	Year ended 31 March, 2020	Year ended 31 March, 2019
(a) Ball & roller bearings	3,514.40	4,626.35
(b) Roller	291.60	363.79
(c) Trading	-	262.38
<b>Total</b>	<b>3,806.00</b>	<b>5,252.52</b>

**Information about major customers:**

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. There was no customer to whom sales made by the Company for more than 10 % of total revenue from operation for the year ended 31 March 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 Mr. Gaurav Motwane Mr. Nikhilesh Panchal Mrs. Aarti Sahney (from October 7, 2019)
(c)	Relative of Key Management Personnel	Late Mr. Trilochan S. Sahney, Director ( upto October 15, 2018), Father of Mr. Devesh Singh Sahney. Mrs. Harshbeena S. Zaveri, Director (up to August 6, 2019 ), Sister of Mr. Devesh Singh Sahney Ms. Mallika Sahney - AGM Strategy ( w.e.f. August 3, 2018), daughter of Mr. Devesh Singh Sahney
(d)	A Company over which KMP are able to exercise significant influence.	Khaitan & CO.
(d)	A Company over which relatives of KMP are able to exercise significant influence.	NRB Bearings Limited NRB Bearings (Thailand) Limited

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**
**B) Related Party Transactions:**
**(Rs. in Lakhs)**

Sr. No.	Nature of Transactions	Associate		A Company over which relatives of KMP are able to exercise significant influence.		Key Management Personnel and their Relative		Total	
		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
<b>1</b>	<b>Sale of finished Goods</b>								
	NRB Bearings (Thailand) Limited	-	-	-	1.51	-	-	-	1.51
	NRB Bearings Limited	-	-	-	2.51	-	-	-	2.51
	NIBL- Korta Engineering Private Limited	0.58	0.08	-	-	-	-	0.58	0.08
<b>2</b>	<b>Sale of Semi Finished Material</b>								
	NRB IBC Bearings Private Limited	1.73	16.19	-	-	-	-	1.73	16.19
<b>3</b>	<b>Income from job work</b>								
	NRB Bearings Limited	-	-	-	0.85	-	-	-	0.85
	NRB IBC Bearings Private Limited	174.28	163.31	-	-	-	-	174.28	163.31
<b>4</b>	<b>Rent Income</b>								
	NRB IBC Bearings Private Limited	84.48	84.48	-	-	-	-	84.48	84.48
<b>5</b>	<b>Service Charges</b>								
	NRB IBC Bearings Private Limited	36.00	24.00	-	-	-	-	36.00	24.00
	NIBL- Korta Engineering Private Limited	12.00	9.93	-	-	-	-	12.00	9.93
<b>6</b>	<b>Royalty income</b>								
	NRB IBC Bearings Private Limited	11.75	14.98	-	-	-	-	11.75	14.98
<b>7</b>	<b>Payments made/ expenses incurred on behalf of related party</b>								
	NRB IBC Bearings Private Limited	89.21	85.24	-	-	-	-	89.21	85.24
<b>8</b>	<b>Purchase of material</b>								
	NRB Bearings Limited	-	-	-	138.99	-	-	-	138.99
	NRB IBC Bearings Private Limited	2.08	5.89	-	-	-	-	2.08	5.89
	NIBL- Korta Engineering Private Limited	2.42	1.20	-	-	-	-	2.42	1.20
<b>9.</b>	<b>Payments made/ expenses incurred by related party</b>								
	NRB IBC Bearings Private Limited	0.00	4.83	-	-	-	-	-	4.83
<b>10</b>	<b>Job work charges</b>								
	NIBL- Korta Engineering Private Limited	-	0.02	-	-	-	-	-	0.02
<b>11</b>	<b>Loan taken</b>								
	Mr. D. S. Sahney	-	-	-	4,009.00	70.00	4,009.00	70.00	
	The Estate of Mr. T. S. Sahney	-	-	-	-	175.00	-	175.00	

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

<b>12</b>	<b>Loan repayment</b>						2,865.00	1,380.00	2,865.00	1,380.00
	Mr. D. S. Sahney	-	-	-	-	-				
	The Estate of Mr. T. S. Sahney	-	-	-	-	-	30.00	-	30.00	
<b>13</b>	<b>Issue of Preference shares</b>							1,350.00	-	1,350.00
	Mr. D. S. Sahney	-	-	-	-	-				
	Late Mr. T. S. Sahney ( Refer foot note to Note 17 (A) (iii)	-	-	-	-	-	-	-	-	
<b>14</b>	<b>Sitting Fees</b>						1.95	-	1.95	-
	Mr. Manish Choksi	-	-	-	-	-				
	Mr. Gaurav Motwane	-	-	-	-	-	1.40	-	1.40	-
	Mr. Nikhilesh Panchal	-	-	-	-	-	1.95	-	1.95	-
	Mrs. Aarti Sahney (from October 7, 2019)	-	-	-	-	-	0.45	-	0.45	-
	Mrs. Harshbeena S. Zaveri	-	-	-	-	-	0.15	-	0.15	-
<b>15</b>	<b>Legal and Professional Fees</b>									
	Khaitan and Co.	-	-	32.65	-	-	-	-	32.65	-
<b>16</b>	<b>Remuneration to relative of KMP</b>						26.84	17.91	26.84	17.91
	Ms. Mallika Sahney	-	-	-	-	-				

**Amounts outstanding with related parties**

**(Rs. in Lakhs)**

Sr. No.	Nature of Outstanding Balances	Associate		A Company over which relatives of KMP are able to exercise significant influence		Key Management Personnel and their Relative		Total	
		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
<b>1</b>	<b>Trade Receivables</b>								
	NRB Bearings (Thailand) Limited	-	-	4.64	4.16	-	-	4.64	4.16
	NRB IBC Bearings Private Limited	-	34.48	-	-	-	-	-	34.48
	NIBL- Korta Engineering Private Limited	1.99	3.58	-	-	-	-	1.99	3.58
<b>2</b>	<b>Other Receivables</b>								
	NRB IBC Bearings Private Limited	-	8.94	-	-	-	-	-	8.94
<b>3</b>	<b>Trade Payables</b>								
	NRB Bearings Limited	-	-	17.37	40.37	-	-	17.37	40.37
	NIBL- Korta Engineering Private Limited	-	0.75	-	-	-	-	-	0.75
	Khaitan and Co.	-	-	23.04	-	-	-	23.04	-
<b>4</b>	<b>Advances received from customers</b>								
	NRB IBC Bearings Private Limited	24.41	-	-	-	-	-	24.41	-
<b>5</b>	<b>Loan outstanding</b>								
	Mr. D. S. Sahney	-	-	-	-	2,781.63	1,637.63	2,781.63	1,637.63
	The Estate of Mr. T. S. Sahney	-	-	-	-	2,908.50	2,908.50	2,908.50	2,908.50

**Footnote:**

- No amounts pertaining to related parties have been provided for as doubtful debts. Further, no amounts have either been written off or written back during the period.
- Outstanding balances (other than borrowings) at the year-end are unsecured and interest free and settlement occurs in cash.
- 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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

### iv) Compensation of key managerial personnel

The remuneration of directors and other members of key management personnel during the year is as follows:

(Rs. in Lakhs)

Particulars	Year ended 31 March, 2020	Year ended 31 March, 2019
Short-term benefits	87.40	77.40
Post-employment benefits @	17.17	13.93
Other long-term benefits	-	-
Termination benefits	-	-
<b>Total</b>	<b>104.57</b>	<b>91.33</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.

### NOTE 38 : Expenditure on Research and Development ( R & D )

(Rs.inLakhs)

Particulars	Year ended 31 March, 2020	Year ended 31 March, 2019
a) Charged to Consolidated Statement of Profit and Loss	119.45	118.35
b) Capitalized to Fixed Assets	-	-
<b>Total</b>	<b>119.45</b>	<b>118.35</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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

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.

**(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)**

<b>Maturities of Financial Liabilities</b>	<b>Weighted average effective interest rate</b>	<b>March 31, 2020</b>				<b>Total</b>	<b>Carrying amount</b>
		<b>Upto 1 year</b>	<b>1 to 3 years</b>	<b>3 to 5 years</b>	<b>5 years &amp; above</b>		
Non-interest bearing		7,248.83	83.83	-	-	7,332.65	7,332.67
Variable interest rate instruments		-	-	-	-	-	-
Fixed interest rate instruments	8.52%	1,357.25	421.44	173.65	8,000.00	9,952.34	5,124.15
		<b>8,606.08</b>	<b>505.27</b>	<b>173.65</b>	<b>8,000.00</b>	<b>17,284.99</b>	<b>12,456.82</b>

**(Rs. in Lakhs)**

<b>Maturities of Financial Liabilities</b>	<b>Weighted average effective interest rate</b>	<b>March 31, 2019</b>				<b>Total</b>	<b>Carrying amount</b>
		<b>Upto 1 year</b>	<b>1 to 3 years</b>	<b>3 to 5 years</b>	<b>5 years &amp; above</b>		
Non-interest bearing		6,483.58	75.76	-	-	6,559.34	6,559.36
Variable interest rate instruments		-	-	-	-	-	-
Fixed interest rate instruments	10.00%	2,242.49	3,174.24	465.03	5,350.00	11,231.77	7,370.59
		<b>8,726.07</b>	<b>3,250.00</b>	<b>465.03</b>	<b>5,350.00</b>	<b>17,791.11</b>	<b>13,929.95</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, 2020 and as at March 31, 2019 the Company does not have significant interest rate risk as the Company's debt obligations are with fixed interest rates.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

### 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.

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 31 March 2020</b>		<b>In foreign currency in lakhs</b>	<b>Equivalent Rs in lakhs</b>
<b>Financial Assets</b>			
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
Other payables	EURO	0.29	24.41
<b>As at 31 March 2019</b>			
<b>Financial Assets</b>			
Trade Receivables	EURO	6.36	493.87
	USD	0.30	20.63
	GBP	0.09	8.22
Advance to Suppliers	EURO	0.01	1.11
	JPY	1.68	1.06
<b>Financial Liabilities</b>			
Term loan from Bank	EURO	18.54	1,415.56
Trade Payables	EURO	1.04	81.02
	USD	0.01	0.82
Interest accrued on borrowings	EURO	0.10	7.25
Advance from customers	EURO	0.49	37.74

#### (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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

**(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 Consolidated 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, 2020			
	Level-1	Level-2	Level-3	Total
<b>Financial assets</b>				
Financial assets carried at amortised cost				
Trade Receivables	-	856.66	-	856.66
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>-</b>	<b>906.47</b>	<b>-</b>	<b>906.47</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>-</b>	<b>12,456.82</b>	<b>-</b>	<b>12,456.82</b>

**(Rs. in Lakhs)**

Financial assets/ financial liabilities	Fair value hierarchy as at March 31, 2019			
	Level-1	Level-2	Level-3	Total
<b>Financial assets</b>				
Financial assets carried at amortised cost				
Trade Receivables	-	1248.53	-	1248.53
Cash and cash equivalents	-	71.66	-	71.66
Other Bank balances	-	5.45	-	5.45
Other Financial Assets	-	78.96	-	78.96
<b>Total</b>	<b>-</b>	<b>1,404.60</b>	<b>-</b>	<b>1,404.60</b>
<b>Financial liabilities</b>				
Financial liabilities held at amortised cost				
Borrowings	-	11,916.72	-	11,916.72
Trade Payables	-	2,005.98	-	2,005.98
Other financial liabilities	-	7.25	-	7.25
<b>Total</b>	<b>-</b>	<b>13,929.95</b>	<b>-</b>	<b>13,929.95</b>

**Note:** Investments representing equity interest in associates are carried at cost less any provision for impairment.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**


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**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, 2020

(Rs. in Lakhs)

<b>Financial assets/ (Financial liabilities)</b>	<b>Fair value hierarchy</b>	<b>Valuation technique(s) and key input(s)</b>	<b>31 March 2020</b>	<b>31 March 2019</b>
<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	-	(122.55)
<b>Total</b>			-	<b>(122.55)</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. 144.11 lakhs ( March 31, 2019 Rs. 132.81 lakhs ) as Non current Trade Receivable in Note 12 and payable of Rs. 83.83 lakhs ( March 31, 2019 Rs. 75.76 lakhs ) as non current trade payable in Note 18.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

**NOTE 42 :** Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial

Name of the entity in the	Net assets, i.e., total assets minus total liabilities				Share of profit or loss			
	As at 31 March 2020		As at 31 March 2019		Year ended March 31, 2020		Year ended March 31, 2019	
	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount
<b>Holding Company</b>								
NRB Industrial Bearings Limited	105.08%	(381.05)	112.68%	(163.72)	98.11%	(1,941.48)	101.33%	(1,408.32)
<b>Associates</b>								
Indian								
NRB-IBC Bearings Private Limited	-	-	-	-	-	-	-	-
Korta Engineering India Private Limited	-5.08%	18.42	12.68%	18.42	1.89%	(37.34)	-1.33%	18.42
<b>Total</b>	<b>100.00%</b>	<b>(362.63)</b>	<b>100.00%</b>	<b>(145.30)</b>	<b>98.11%</b>	<b>(1,978.82)</b>	<b>100.00%</b>	<b>(1,389.90)</b>

**NOTE 43 :**

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

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

**D. S. Sahney**

**Chairman and Managing Director**

**Gulestan Kolah**

**Chief Financial Officer**

**Ratika Gandhi**

**Company Secretary**

**Place : Mumbai**

**Date : 16 June, 2020**

## 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

**NEW**



### Needle Roller Bearing

Series :  
NB, NBL,  
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,  
W0R 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