

August 24, 2020

BSE Limited Corporate Relationship Department 1 st Floor, P.J. Towers, Dalal Street Mumbai 400 001	National Stock Exchange of India Limited Listing Department-Corporate Services Exchange Plaza, 5 th Floor, Plot No. C/1 Bandra Kurla Complex Bandra East, Mumbai 400051
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Code No. 530367/ NRBBEARING

Sub: Notice of the 55th Annual General Meeting and Annual Report for FY 2019-20

Dear Sir/Madam,

This is to inform you that the 55th Annual General Meeting (AGM) of NRB Bearings Limited is scheduled to be held on Tuesday, September 15, 2020 at 3:00 p.m. through Video Conferencing (VC) / Other Audio Visual Means (OAVM), in accordance with the relevant circulars issued by the Ministry of Corporate Affairs and Securities and Exchange Board of India.

Pursuant to Regulation 34(1) and Regulation 30(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we submit herewith a copy of the Annual Report for FY 2019-20, including the Notice of the 55th AGM of the Company, which is being sent through electronic modes to the Members whose e-mail IDs are available with the Company.

The Annual Report is also available on the website of the Company at www.nrbbearings.com.

The Notice of the AGM of the Company inter alia provides the process and manner of remote e-voting / e-voting at the AGM and the instructions for participation at the AGM through VC/OAVM.

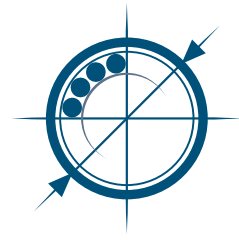
We request you to kindly take the same on record.

Thanking You,

Sincerely,
For NRB Bearings Limited



Shrutika Joshi
Company Secretary



NRB
BEARINGS

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NRB BEARINGS LIMITED 55th ANNUAL REPORT
2019-20

CIN : L29130MH1965PLC013251

Directors : Tashwinder Singh - Chairman
Harshbeena Zaveri - Vice Chairman & Managing Director
Satish C. Rangani - Executive Director
Devesh Singh Sahney
Ashank Desai
Rustom Desai
Vishakha R. M.

Company Secretary and Compliance Officer : Shruti Joshi

Bankers : BNP Paribas
Citibank N.A.
HDFC Bank Limited
DBS Bank
Kotak Mahindra Bank Limited

Debenture Trustees : IDBI Trusteeship Services Limited

Auditors : Walker Chandiok & Co. LLP

Solicitors : AZB & Partners

Registered Office : Dhannur, 15, Sir P. M. Road, Fort
Mumbai 400 001

Works : Pokhran Road No.2, Majiwade
Thane 400 606

E-40, M.I.D.C. Industrial Area, Chikalthana
Aurangabad 431 010

C-6, Additional M.I.D.C. Industrial Area
Jalna 431 203

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

A-5, Uppal Industrial Estate
Hyderabad 500 039

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

Website : www.nrbbearings.com

Investorcare : investorcare@nrbbearings.co.in

Registrar & Share Transfer Agent : Universal Capital Securities Private Limited
21, Shakil Niwas, Mahakali Caves Road
Andheri (East), Mumbai 400 093
Tel: 2836 66 20, 28207203-05
Fax: 2836 9704, 28207207

CONTENTS

Particulars	Page No.
Notice	3
Board's Report.....	16
Form AOC - 1	24
Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo	25
Whistle Blower Policy	28
Annual Report on Corporate Social Responsibility activities	30
Form AOC - 2	33
Secretarial Audit Report	36
Form MGT-9.....	39
Disclosure of Remuneration under Section 197 (12) of Companies Act, 2013	50
Business Responsibility Report.....	51
CEO / CFO Certification	58
Management Discussion and Analysis Report	59
Corporate Governance Report	66
Auditors' Certificate on Corporate Governance.....	79
Shareholders Information.....	80
Independent Auditors' Report (Standalone).....	87
Balance Sheet as at March 31, 2020 (Standalone)	98
Statement of Profit & Loss Account for the year ended March 31, 2020 (Standalone) ..	99
Cash Flow statement for the year ended March 31, 2020 (Standalone).....	100
Statement of Changes in Equity for the year ended March 31, 2020.....	102
Notes forming part of the financial statements	103
Independent Auditors' Report (Consolidated)	151
Balance Sheet as at March 31, 2020 (Consolidated).....	158
Statement of Profit & Loss Account for the year ended March 31, 2020 (Consolidated)	159
Cash Flow statement for the year ended March 31, 2020 Consolidated).....	160
Consolidated statement of changes in equity for the year ended March 31, 2020	162
Notes forming part of the Consolidated financial statements.....	163

NOTICE

The Members,
NRB BEARINGS LIMITED

NOTICE is hereby given that the fifty-fifth Annual General Meeting of the members of NRB Bearings Limited will be held on Tuesday, September 15, 2020 at 3.00 p.m. The Annual General Meeting shall be held by means of Video Conferencing ("VC") /Other Audio Visual Means ("OAVM") in accordance with the relevant circulars issued by the Ministry of Corporate Affairs, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2020 and the Audited Consolidated Financial Statements for the financial year ended March 31, 2020, together with the reports of the Board of Directors and the Auditors thereon.
2. To confirm the Interim Dividend paid by the Company, as final dividend for the year ended March 31, 2020.
3. To appoint a director in place of Mr. D.S. Sahney (DIN 00003956) who retires by rotation and being eligible has offered himself for re-appointment.

SPECIAL BUSINESS

4. To consider and if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution:**
"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013 and the rules framed thereunder, including any statutory modification or re-enactment thereof for the time being in force (hereinafter referred to as the Act), the remuneration of Rs. 98,000/- (Rupees Ninety Eight Thousand only) to M/s Nanabhoy and Co., Cost Accountants (Firm Registration No. 7464) duly approved by the Board of Directors upon recommendation of the Audit Committee for conducting the audit of the cost records of the Company for the financial year ending on March 31, 2021, be and is hereby ratified and confirmed."
5. To consider and if thought fit, to pass with or without modification, the following resolution as a **Special Resolution:**
"RESOLVED THAT pursuant to Section 197, 198 and other applicable provisions of the Companies Act, 2013 read with rules framed thereunder, including any statutory modification or re-enactment thereof, for the time being in force (hereinafter referred to as "the Act") and Regulation 17 (6) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 and subject to all approvals, permissions and sanctions as may be necessary, the approval of the Company be and is hereby accorded for payment of remuneration/ commission to the Director(s) of the Company who is/are neither in whole-time employment of the Company nor managing director(s)/whole-time director(s), including Independent Directors in such manner and up to such extent as the Board of Directors of the Company ("the Board" which expression shall also include a committee thereof for the time being exercising the powers conferred on the Board by this resolution) may so determine from time to time upon recommendation of the Nomination and Remuneration Committee, but not exceeding 1 (one) per cent of the net profits of the Company calculated pursuant to Section 198 of the Act.
RESOLVED FURTHER THAT the above remuneration/commission shall be in addition to the fees payable to the Directors for attending the meetings of the Board or any Committee thereof or for any other purpose whatsoever, as may be decided by the Board and reimbursement of expenses for participation in the Board or any other meetings.
RESOLVED FURTHER THAT for the purpose of giving effect to the said resolution, the Board be and is hereby authorized to take all such actions and do all such things as it may in its absolute discretion deem necessary, proper or desirable and to settle any question or doubt that may arise in this regard."
6. To consider and if thought fit, to pass with or without modification, the following resolution as a **Special Resolution:**
"RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 or any applicable rules framed thereunder, including any statutory modification or re-enactment thereof, for the time being in force (hereinafter referred to as "the Act") and the Articles of Association of the Company and subject to all approvals, permissions and sanctions as may be necessary, approval of the Company be and is hereby accorded to the appointment of Mr. Satish Rangani (DIN 00209069) as whole-time director designated as Executive Director of the Company, for a period of one (1) year from January 24, 2020 to January 23, 2021 on the terms and conditions contained in the Agreement dated January 24, 2020 entered between the Company and Mr. Satish Rangani, and submitted to this meeting(which Agreement is also hereby ratified and approved) with liberty to the Board of Directors (the "Board" which expression shall include any Committee thereof for the time being exercising the powers conferred on the Board by this resolution), to alter and vary the terms and conditions of the appointment including remuneration within the overall limit of Rs. 1,50,00,000/- (Rupees One crore fifty lakhs only) as it may deem fit subject to the same not exceeding the limits specified in Section 197 read with Schedule V of the Act in case the Company has adequate profits.

RESOLVED FURTHER THAT pursuant to Section 196(3) of the Companies Act, 2013 ("Act") read with Part-I of Schedule V, approval of the Company be and is hereby accorded for the appointment of Mr. Satish Rangani (DIN 00209069) as whole-time director, who has attained the age of 70 years on the date of his appointment.

RESOLVED FURTHER THAT the remuneration approved by the Board upon the recommendation of the Nomination and Remuneration Committee for any financial year be paid as the minimum remuneration pursuant to Section II of Part II of Schedule V in case the Company has no profits or its profits are not adequate during any financial year and approval is also hereby accorded for the payment of such remuneration as minimum remuneration, though the same exceeds 5 (five) per cent of the net profits calculated as per section 198 of the Act and the Board be and is hereby authorized to approach the relevant authorities and obtain the necessary approvals as and when necessary.

RESOLVED FURTHER THAT for the purpose of giving effect to the said resolution, the Board be and is hereby authorized to take all such actions and do all such things as it may in its absolute discretion deem necessary, proper or desirable and to settle any question or doubt that may arise in this regard."

7. To consider and if thought fit, to pass, the following Resolution as a **Special Resolution:**

"RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 or any applicable rules framed thereunder, including any statutory modification or re-enactment thereof, for the time being in force (hereinafter referred to as "the Act") and the Articles of Association of the Company and subject to all approvals, permissions and sanctions as may be necessary, approval of the Company be and is hereby accorded to the appointment of Ms. Harshbeena Zaveri (DIN 00003948) as Managing Director of the Company for a period of 5 (five) years with effect from October 1, 2020 on the terms and conditions contained in the Agreement dated June 28, 2020 and submitted to this meeting (which Agreement is also hereby ratified and approved) entered between the Company and Ms. Harshbeena Zaveri with liberty to the Board of Directors (the "Board" which expression shall include any committee thereof for the time being exercising the powers conferred on the Board by this resolution), to alter and vary the following terms and conditions of the appointment including remuneration as it may deem fit subject to the same not exceeding the limits specified in Section 197 read with Schedule V of the Act in case the Company has adequate profits.

A. Ms. Harshbeena Zaveri, as Managing Director shall carry out duties as may be entrusted to her subject to the supervision and control of the Board of Directors.

B. Basic and Allowances together:

Up to Rs. 4,36,74,000/- per annum payable as per the rules of the Company.

Annual increments effective 1st April each year will be decided by the Nomination and Remuneration Committee/Board and will be merit based and take into account the Company's performance.

C. Perquisites:

In addition to the basic salary the perquisites noted below will also be payable, if applicable;

Housing: Rent free unfurnished accommodation to be provided upon request of Managing Director, either owned or rented by the Company, charged subject to a ceiling of 60% of the monthly basic salary.

In case no accommodation is provided by the Company house rent allowance subject to a ceiling of 60% of the monthly basic salary will be paid.

The Company will provide gas, electricity, water and furnishings for the Managing Director's accommodation which shall be valued as per the Income Tax rules 1962.

Leave travel assistance: For self and family every year in accordance with Company policy.

Club Fees: Reimbursement of membership fees for club(s).

Reimbursement of Medical Expenses: Reimbursement of all medical expenses for self, spouse and dependent children/parents.

Medical/Accident Insurance: As per rules of the Company

Personal Accident Insurance: As per rules of the Company

Provision of car with driver and telephone(s) at residence will not be considered as perquisites.

D. Contribution to Provident Fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable, under the Income-Tax Act. Gratuity payable will not exceed half a month's salary for each completed year of service.

- E. Any other perquisites as per applicable Company policy and/or which may become applicable in the future and/or any other perquisites as the Nomination and Remuneration Committee/Board may decide from time to time.

Annual increments under each of the head of remuneration effective 1st April each year and inter-changeability amongst the heads of remuneration, will be decided by the Nomination and Remuneration Committee/Board and will be merit based and take into account the Company's performance.

- F. Commission:

Such remuneration by way of Commission at the rate of 1% of the net profits for each financial year not exceeding of Rs. 1,25,00,000/- per annum for each financial year. Annual increment effective 1st April each year will be decided by the Nomination and Remuneration Committee/Board and will be merit based and take into account the Company's performance.

RESOLVED FURTHER THAT approval of the Company be and is hereby also accorded for ratification of the excess remuneration paid to Ms. Harshbeena Zaveri, Managing Director and waiver of recovery of the excess remuneration paid for the financial year ended March 31, 2020 in excess of the limits prescribed under Section 197 of the Act.

RESOLVED FURTHER THAT the remuneration approved by the Board upon the recommendation of the Nomination and Remuneration Committee for any financial year be paid as the minimum remuneration pursuant to Section II of Part II of Schedule V in case the Company has no profits or its profits are not adequate during any financial year and approval is also hereby accorded for the payment of such remuneration as minimum remuneration, though the same exceeds 5 (five) per cent of the net profits calculated as per section 198 of the Act and the Board be and is hereby authorized to approach the relevant authorities and obtain the necessary approvals as and when necessary.

RESOLVED FURTHER THAT for the purpose of giving effect to the said resolution, the Board be and is hereby authorized to take all such actions and do all such things as it may in its absolute discretion deem necessary, proper or desirable and to settle any question or doubt that may arise in this regard."

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

"RESOLVED THAT further to the approval of the members vide a Special Resolution and subject to Section 197 the Companies Act, 2013 and the rules framed thereunder, including any statutory modification or re-enactment thereof for the time being in force (hereinafter referred to as "the Act") and subject to the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and subject to any approvals or permissions as may be required, approval be and is hereby accorded for the payment of annual remuneration to Ms. Harshbeena Zaveri, Vice Chairman & Managing Director of the Company, (DIN 00003948) who is a part of the Promoter group, exceeding Rs. 5,00,00,000/- (Rupees Five crores only) or 2.5% of the net profits of the Company, whichever is higher, for every financial year for a period of 5 (five) consecutive years with effect from October 1, 2020.

RESOLVED FURTHER THAT the Board of Directors ("the Board" which expression shall also include a Committee thereof for the time being exercising the powers of the Board) be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary proper or desirable and to settle any questions or doubts that may arise in this regard."

By Order of the Board

Place: Mumbai
Date : June 28, 2020

Shruti Joshi
Company Secretary
Membership No. A19112

Notes

1. A statement pursuant to Section 102 of the Companies Act, 2013 ("the Act") setting out all material facts relating to the relevant resolutions of this Notice is annexed herewith and the same should be taken as part of this Notice.
2. The Register of Members of the Company and Transfer Books thereof will be closed from Wednesday, September 9, 2020 to Tuesday, September 15, 2020 (both days inclusive).
3. The shareholders whose names appear in the Register of Members after giving effect to all valid share transfers lodged with the Company on or before Tuesday, September 8, 2020 shall be entitled to participate in remote e-voting / e-voting at the AGM.

4. Members are requested to lodge change of address communication, mandates (if any) and are requested to register their email ids with the Company's Registrar and Share Transfer Agents (RTA) Universal Capital Securities Private Limited, situated at 21, Shakil Niwas, Mahakali Caves Road, Andheri (East), Mumbai 400 093 or email at info@unisec.in.
5. The Securities and Exchange Board of India (SEBI) has made it mandatory for all companies to use the bank account details furnished by the depositories for depositing dividend through National Electronic Clearing Service (NECS) to investors wherever NECS and bank details are available. In the absence of NECS facilities, the Company will print the bank account details if available, on the payment instrument for distribution of dividend. SEBI has also mandated the submission of PAN by every participant in the securities market. Members holding shares in electronic form are requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the Company.
6. The Company has transferred on due dates, the unpaid/unclaimed Final dividends (interim and final) for the financial year ended March 31, 2012 to the Investor Education and Protection Fund (IEPF). The Company has uploaded such details as on August 9, 2019 (date of last AGM) on the website of the Company.
7. Adhering to the various requirements set out in the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the Company has, during financial year 2019-20, transferred to the IEPF Authority all shares in respect of which dividend had remained unpaid or unclaimed for seven consecutive years or more as on the due date of transfer. Details of shares transferred to the IEPF Authority are available on the website of the Company and the same can be accessed through the website www.nrbbearings.com. The said details have also been uploaded on the website of the IEPF Authority and the same can be accessed through the link: www.iepf.gov.in.
8. Members may note that shares as well as unclaimed dividends transferred to IEPF Authority can be claimed back from them. Concerned members/investors are advised to visit the weblink: <http://iepf.gov.in/IEPFA/refund.html> or contact the RTA for lodging claim for refund of shares and / or dividend from the IEPF Authority.
9. SEBI has decided that securities of listed companies can be transferred only in dematerialised form with effect from April 1, 2019. In view of the above and to avail various benefits of dematerialisation, members are advised to dematerialise shares held by them in physical form.
10. E-voting facility to all members has been provided through the e-voting platform of Central Depository Services (India) Limited. (CDSL) and the Company has appointed Mr. Upendra Shukla, practicing Company Secretary, (Membership No.: FCS 2727) as Scrutinizer for the e-voting process. Instructions and manner of the process have been detailed in the paragraph below. The Scrutinizer will make a report to the Chairman of the Company, of the votes cast in favour and against and the results on the resolutions along with the scrutinizer's report will be available on the website of the Company within 48 hours of the same being passed.
11. In accordance with the General Circular No. 20/2020 dated May 5, 2020, read with circulars dated April 8, 2020 and April 13, 2020 issued by the Ministry of Corporate Affairs (MCA) and in accordance with Circular dated May 12, 2020 issued by SEBI, providing relaxations to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, electronic copies of the Annual Report and this Notice inter alia indicating the process and manner of e-voting along with instructions to attend the AGM through video conferencing / Other audio visual means are being sent by email to those Members whose email addresses have been made available to the RTA/ Depository Participants. For members who have not registered their email addresses, kindly send an email at 55thagm@nrbbearings.co.in as copies of this Notice as well as the other documents will not be sent to them in physical mode and will be sent only by email, in view of the applicable circulars and the covid-19 pandemic.

Members who have not updated their latest email addresses in the records of their depository participants or to the RTA are requested to complete the same at the earliest. The Notice and documents will be sent by email only to those Members who have registered their email addresses.

The Company is pleased to provide two-way facility of video conferencing (VC)/other audio visual means (OAVM) of the AGM on September 15, 2020 from 3.00 p.m. onwards. The Members are requested to log on the e-voting website, to access the weblink, in order to join the proceedings of the AGM.

12. 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 8, 2020, April 13, 2020 and May 5, 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 CDSL for facilitating voting through electronic means, as the authorized e-voting 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.

13. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
14. 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.
15. 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.
16. Pursuant to MCA Circular No. 14/2020 dated April 8, 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.
17. In line with the 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.nrbbearings.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 and 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.
18. 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.

INSTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING ARE AS UNDER:

1. The voting period begins on Saturday, September 12, 2020 at 9:00 a.m. (IST) and ends on Monday, September 14, 2020 at 5:00 p.m. (IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Tuesday, September 8, 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

Electronic Voting Sequence Number (EVSN) : 200821028

2. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
3. The shareholders should log on to the e-voting website www.evotingindia.com.
4. Click on "Shareholders" module.

Now enter your User ID

For CDSL: 16 digits beneficiary ID,

For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

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.

5. Next enter the Image Verification as displayed and Click on Login.
6. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.

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

	For Shareholders holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	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. 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).

8. After entering these details appropriately, click on "SUBMIT" tab.
9. 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.
10. For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
11. Click on the EVSN for the relevant <Company Name> on which you choose to vote.
12. 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.
13. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
14. 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.
15. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
16. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
17. 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.
18. 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.

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:

- For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company/RTA email id.
- 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/RTA email id.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE EGM/AGM THROUGH VC/OAVM ARE AS UNDER:

- 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 at least 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at 55thagm@nrbbearings.co.in. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at 55thagm@nrbbearings.co.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.

INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM/EGM 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.

Note for Non – Individual Shareholders and Custodians

1. Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
2. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
3. 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.
4. The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
5. 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.
6. 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; 55thagm@nrbbearings.co.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 and e-voting from the e-Voting System, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com 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 helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013**Item No. 4:**

The Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, mandate the audit of the cost accounting records of the Company in respect of its products. Accordingly, the Board of Directors, based on the recommendation of the Audit Committee, at its meeting held on June 28, 2020, appointed M/s Nanabhoy & Co, Cost Accountants (Firm Registration No: 7464) as the Cost Auditor of the Company for the financial year ending March 31, 2021 at a remuneration of Rs. 98,000/- (Rupees Ninety Eight Thousand only), excluding taxes and reimbursement of out of pocket expenses. M/s Nanabhoy & Co., have vide their letter dated June 6, 2020 confirmed their eligibility and granted consent to act as the Cost Auditors of the Company for the financial year 2020-21. Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, Members of the Company are required to ratify the remuneration to be paid to the Cost Auditors of the Company.

Accordingly, consent of the Members is sought by way of an Ordinary Resolution as set out at Item No. 4 of the Notice.

None of the Directors, Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out in Item No. 4 of the Notice.

The Board recommends the Resolution under Item No. 4 of the Notice for approval of the Members as an Ordinary Resolution.

Item No. : 5

As per Section 197 of the Companies Act, 2013 (the Act), the remuneration payable to directors who are neither managing director(s) or whole time director(s) shall not exceed 1% of the net profits calculated as per Section 198 of the Act (where the company has a managing director or whole-time director). However, such limits can be increased by the approval of the members vide a special resolution passed in that effect.

With the recent changes in regulatory landscape, the involvement and participation of the non-executive directors has increased greatly. The non-executive directors bring with them significant professional expertise and rich experience across a wide spectrum of functional areas. In order to bring the remuneration of the non-executive directors in line with and commensurate with the time devoted and the contribution made by them, the Board of Directors ("the Board") at their meeting held on June 24, 2020, have recommended subject to the approval of the members, payment of remuneration to the non-executive directors at not exceeding 1 (one) per cent of the net profits of the Company calculated as per Section 198 of the Act. The remuneration will be distributed amongst all or some of the non-executive directors as per the criterion decided by the Nomination and Remuneration Committee or the Board.

Accordingly, it is proposed to pay remuneration to the non-executive directors including Independent Directors not exceeding 1 (one) per cent of the net profits calculated as per Section 198 of the Act.

The Board recommends the Special Resolution set out in Item no. 5 of the Notice. All the non-executive directors, including independent directors of the Company and their relatives are concerned or interested in the resolution at Item No. 5, to the extent of the remuneration that may be received by each of them.

Item No. 6:

The term of Mr. Satish Rangani, (DIN 00209069) as a whole-time director, designated as Executive Director expired on January 23, 2020. The Board of Directors ("Board") at its meeting held on October 25, 2019, approved the appointment of Mr. Rangani as whole-time director designated as Executive Director for a period of 1 (one) year with effect from January 24, 2020.

Section 196(3) of the Companies Act, 2013 ("Act") read with Part-I of Schedule V provides that no company shall appoint or continue the employment of any person as managing director, whole-time director or manager who has attained the age of 70 (seventy) years unless it is approved by the Members as a Special Resolution. Mr. Satish Rangani has attained the age of 70 years on the date of his appointment, hence, the resolution for obtaining approval of Members for the appointment of Mr. Rangani as whole-time director designated as Executive Director is proposed as a Special Resolution on the terms and conditions contained in the Agreement dated January 24, 2020, with liberty to the Board to alter and vary the terms and conditions including remuneration, subject to the same not exceeding the limits specified under Section 197 and Schedule V of the Act. The Board upon recommendation of the Nomination and Remuneration Committee has approved an overall maximum remuneration up to Rs. 1,50,00,000/- (Rupees One crore fifty lakhs only) for Mr. Rangani for his current term of 1 (one) year with effect from January 24, 2020.

Mr. Satish Rangani, (DIN: 00209069), age 71 years (Date of Birth: 13/11/1948), is a qualified Company Secretary and a member of the Institute of Company Secretaries of India. He has completed Masters in Management Studies from Jamnalal Bajaj Institute of Management Studies, after completion of the Bachelors of Commerce degree from the University of Mumbai. He has been associated with the Company since the year 1993 and has extensive experience and expertise in the areas of finance, strategy, legal and compliance. His expertise also includes execution of projects across a wide range of industries. Mr. Rangani has been associated with the Company since February 22, 1993, a rich experience of more than 27 (twenty seven) years and has been a member of the Board since October 31, 2012.

Mr. Rangani, serves as a non-executive director on the board of SNL Bearings Limited, a subsidiary of the Company and is a member of the Stakeholders Relationship Committee and Corporate Social Responsibility Committee of SNL Bearings Limited. Mr. Rangani also serves as a Director of NRB Bearings (Thailand) Limited, a wholly owned subsidiary of the Company. Mr. Rangani is not related to any other director or key managerial personnel of the Company and holds 9,000 equity shares (0.01%) in the Company. During the current financial year Mr. Rangani has attended all the 4 (four) Board meetings.

Justification for appointment even after attainment of age of 70 (seventy) years:

Keeping in view the current expansion plans and future growth strategy of the Company the appointment of Mr. Rangani will be beneficial to the Company. In his current role as the Executive Director, Mr. Rangani is responsible for the legal and compliance functions of the Company, which in the current regulatory scenario require an experienced leader to lead the team. Mr. Rangani, with over 30 (thirty) years of experience in the legal and compliance field is an ideal person for the role. Mr. Rangani has also been with the Company for the past 27 (twenty seven) years and is well versed with the functioning, business and operations of the Company. Therefore, even though Mr. Rangani has attained the age of 70 years, he is considered a fit and an ideal person for the role for another period of 1 (one year).

Information pursuant to Section II of Part II of Schedule V of the Act:

I. General Information:

- Nature of Industry: Automotive Components.
- Date or expected date of commencement of commercial production: June 30, 1965
- In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not Applicable
- Financial performance based on given indicators:

(Rs. In Lakhs)

Particulars	2019-20	2018-19
Revenue from operations	75,196	94,038
Net Profit after Tax	2,945	9,877

- Foreign investments or collaborations, if any: Nil at present

II. Information about the appointee:

- Background details: Please refer to paragraph given above
- Past remuneration: For FY 2019-20 Salary and Perquisites Rs. 1,13,05,660/-
- Recognition or Awards: None
- Job Profile and his suitability: Please refer to paragraph given above
- Remuneration Proposed: Upto Rs. 150.00 lakhs per annum including variable pay as approved by the Board on the recommendation of the Nomination and Remuneration Committee
- Comparative remuneration profile with respect to industry, size of the company, profile of the position and person: The proposed remuneration (duly recommended by the Nomination and Remuneration Committee and approved by the Board) is in line with the trends in the industry and is befitting Mr. Rangani's experience and competence.
- Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any: Except to the extent of employment relationship, no relationship exists between Mr. Rangani and the Company or any managerial personnel of the Company. Mr. Rangani holds 9,000 equity shares (0.01%) in the Company.

III. Other Information:

- Reasons of loss or inadequate profits: Not Applicable
- Steps taken or proposed to be taken for improvement: Not Applicable
- Expected increase in productivity and profits in measurable terms: Not Applicable

IV. Disclosures:

- The disclosures on the remuneration package of each managerial personnel and details of all elements of remuneration package, service contracts and stock option details, forms a part of the Corporate Governance Report in the Annual Report for FY 2019-20 and shall form a part of the Corporate Governance Report in the Annual Report going forward.
- He is not debarred or disqualified from being appointed or continuing as Director of companies by SEBI / Ministry of Corporate Affairs or any such statutory authority.

The Board considers that his association with the Company as Executive Director will be beneficial and in the interest of the Company. The relevant documents relating to the appointment of Mr. Satish Rangani, as Executive Director are open for inspection by the members at the Registered Office of the Company at NRB Bearings Limited, Dhannur, 15, Sir P M Road, Fort, Mumbai 400 001 on all working days, during business hours up to the date of the Annual General Meeting.

The Board recommends passing of the resolution set out at Item No.7 of the accompanying notice as a Special Resolution. None of the directors and key managerial personnel and their relatives except Mr. Satish Rangani (being appointed), are interested in or concerned with the Special Resolution at Item No.7.

Item No. : 7 and 8

The term of Ms. Harshbeena Zaveri, (DIN 00003948) as a managing director, designated as Vice Chairman & Managing Director expires on September 30, 2020. The Board of Directors ("Board") at its meeting held on June 24, 2020, approved the appointment of Ms. Zaveri as managing director designated as Vice Chairman & Managing Director for a period of 5 (five) years with effect from October 1, 2020.

Ms. Harshbeena Zaveri, (DIN: 00003948), age 60 years (Date of Birth: 01/03/1960), graduated with distinction and honors from Wellesley College, an institution renowned for developing women leaders. As on March 31, 2020, Ms. Zaveri holds 1,03,84,936 equity shares (10.71% of the equity share capital) in the Company. Ms. Zaveri, serves as the Chairman and Non-executive Director of SNL Bearings Limited and as an Independent (Woman) Director of National Peroxide Limited. She also serves as Director on the Boards of the following companies: Needle Roller Bearing Company Private Limited, Sant Sahney Private Limited, First Engineering Technologies Private Limited, The Council Of Eu Chambers Of Commerce in India, Automotive Component Manufacturers Association Of India, NRB Bearings (Thailand) Limited, NRB Bearings, USA INC, NRB Bearings Europe GmbH. Ms. Zaveri has been the Managing Director of the Company since October 1, 2010.

Ms. Harshbeena Zaveri is one of the early founders (and the only woman founder) of Ashoka University, India's first liberal arts university. She graduated with freshman distinction and as a Wellesley Scholar (magna cum laude) with honors' from Wellesley College. Under her leadership, NRB Bearings Limited (NRB) was selected as one of the Asia's Best 200 companies under US \$ 1 Billion in the year 2007. She joined NRB as a management trainee in 1987 and rose to become the President in 2001. Ms. Zaveri spearheaded NRB's foray into design engineering and set up an R&D Centre, enabling NRB to become a supplier to the world's foremost automotive and mobility companies including global leaders Volvo, Renault, Audi, Daimler, Honda, Mazda and Bosch.

She has been the recipient of many prestigious national and international business awards and was honoured by Economic Times as - "Most inspiring leaders of India", "Most Promising Asian Business Leader" and recognised as one of the "Game Changers of India" She has been recognized as one of the "Most Powerful Women Leaders in India" by Fortune India since 2012, and by Business Today, Business World and India Today who have named her amongst the Most Powerful Women in Business.

Passionate about empowering youth through education, she devotes considerable time to this endeavour. An active member of the Wellesley Business Leadership Council. She is the Former President of The Ball & Roller Bearings Manufacturer's Association, a Governing council member of Indo-French Chambers of Commerce, Indo-German Chambers of Commerce and Patron member of Indo-American Chambers of Commerce & Executive Committee Member of Western Regional Council and National Committees of the Confederation of Indian Industries.

Ms. Zaveri, is the sister of Mr. D. S.Sahney, Non-executive director of the Company and hence, related to him and is not related to any other director of the Company. She is not debarred or disqualified from being appointed or continuing as Director of companies by SEBI / Ministry of Corporate Affairs or any such statutory authority.

Further, for the financial year 2019-20, the net profits calculated pursuant to Section 198 of the Act, are inadequate to pay the managerial remuneration to the Managing Director of the Company as per the remuneration approved by the shareholders at the time of the appointment, due to the overall slowdown in the economy and the negative growth in the industry and the Company which worsened in the second half of the financial year. Hence, for the financial year 2019-20, approval of the shareholders is sought for ratification of the excess remuneration paid to the managing director and the waiver of recovery from the Managing Director.

Information pursuant to Section II of Part II of Schedule V of the Act:

I. General Information:

- Nature of Industry: Automotive Components.
- Date or expected date of commencement of commercial production: June 30, 1965
- In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not Applicable
- Financial performance based on given indicators:

(Rs. In Lakhs)

Particulars	2019-20	2018-19
Revenue from operations	75,196	94,038
Net Profit after Tax	2,945	9,877

- Foreign investments or collaborations, if any: Nil at present

II. Information about the appointee:

- Background details: Please refer to paragraph given above
- Past remuneration: For FY 2019-20 Salary and Perquisites Rs. 5,50,21,084/-
- Recognition or Awards: Ms. Zaveri has been the recipient of many prestigious national and international business awards and was honoured by Economic Times as - "Most inspiring leaders of India", "Most Promising Asian Business Leader" and recognised as one of the "Game Changers of India" She has been recognized as one of the "Most Powerful Women Leaders in India" by Fortune India since 2012, and by Business Today, Business World and India Today who have named her amongst the Most Powerful Women in Business.
- Job Profile and suitability: Please refer to paragraph given above
- Remuneration Proposed:

A. Basic and Allowances together:

Up to Rs. 4,36,74,000/- per annum payable as per the rules of the Company.

Annual increments effective 1st April each year will be decided by the Nomination and Remuneration Committee/Board and will be merit based and take into account the Company's performance.

B. Perquisites:

In addition to the basic salary the perquisites noted below will also be payable, if applicable;

Housing: Rent free unfurnished accommodation to be provided upon request of Managing Director, either owned or rented by the Company, charged subject to a ceiling of 60% of the monthly basic salary.

In case no accommodation is provided by the Company house rent allowance subject to a ceiling of 60% of the monthly basic salary will be paid.

The Company will provide gas, electricity, water and furnishings for the Managing Director's accommodation which shall be valued as per the Income Tax rules 1962.

Leave travel assistance: For self and family every year in accordance with Company policy.

Club Fees: Reimbursement of membership fees for clubs.

Reimbursement of Medical Expenses: Reimbursement of all medical expenses for self, spouse and dependent children/parents.

Medical/Accident Insurance: As per rules of the Company

Personal Accident Insurance: As per rules of the Company

Provision of car with driver and telephone(s) at residence will not be considered as perquisites.

C. Contribution to Provident Fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable, under the Income-Tax Act. Gratuity payable will not exceed half a month's salary for each completed year of service.

D. Any other perquisites as per applicable Company policy and/or which may become applicable in the future and/or any other perquisites as the Nomination and Remuneration Committee/Board may decide from time to time.

Annual increments under each of the head of remuneration effective 1st April each year and inter-changeability amongst the heads of remuneration, will be decided by the Nomination and Remuneration Committee/Board and will be merit based and take into account the Company's performance.

E. Commission:

Such remuneration by way of Commission at the rate of 1% of the net profits for each financial year not exceeding of Rs. 1,25,00,000/- per annum for each financial year. Annual increment effective 1st April each year will be decided by the Nomination and Remuneration Committee/Board and will be merit based and take into account the Company's performance.

- Comparative remuneration profile with respect to industry, size of the company, profile of the position and person: The proposed remuneration (duly recommended by the Nomination and Remuneration Committee and approved by the Board) is in line with the trends in the industry and is befitting Ms. Harshbeena Zaveri's experience and competence.

Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any: Except Ms. Harshbeena Zaveri and Mr. D. S. Sahney, none of the other Directors, key management personnel and their relatives are interested or concerned with the resolution. Ms. Harshbeena Zaveri holds 1,03,849,36 equity shares (10.71%) as on March 31, 2020 in the Company.

III. Other Information:

- Reasons of loss or inadequate profits: Not Applicable
- Steps taken or proposed to be taken for improvement: Not Applicable
- Expected increase in productivity and profits in measurable terms: Not Applicable

IV. Disclosures:

- The disclosures on the remuneration package of each managerial personnel and details of all elements of remuneration package, service contracts and stock option details, forms a part of the Corporate Governance Report in the Annual Report for FY 2019-20 and shall form a part of the Corporate Governance Report in the Annual Report going forward.

Pursuant to amendment to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, effective from April 1, 2019, approval of the members vide special resolution shall be sought for any executive director who is a part of the promoter group and draws annual remuneration exceeding Rs. 5,00,00,000/- (Rupees Five crores only) or 2.5% of the net profits of the listed entity, calculated as per Section 198 of the Act whichever is higher, which shall be valid till the expiry of the term.

Since, Ms. Zaveri is a part of the promoter group, approval is sought for the payment of annual remuneration to Ms. Zaveri exceeding Rs, 5,00,00,000/- (Rupees Five crores only) or 2.5% of the net profits calculated as per Section 198 of the Act whichever is higher for every financial year for a period of 5 (five) years with effect from October 1, 2020.

The relevant documents relating to the appointment of Ms. Harshbeena Zaveri, as Vice Chairman & Managing Director are open for inspection by the members at the Registered Office of the Company at NRB Bearings Limited, Dhannur, 15, Sir P. M. Road, Fort, Mumbai 400 001 on all working days, during business hours up to the date of the Annual General Meeting.

The Board of Directors recommends the resolutions at Item No. 7 and 8 of the accompanying Notice as Special Resolutions. None of the Directors, Key Managerial Personnel of the Company or their relatives except Ms. Harshbeena Zaveri herself and Mr. D. S. Sahney, being related to Ms. Harshbeena Zaveri, are in any way, concerned or interested, financially or otherwise, in the Resolutions set out in Item No. 7 and 8 of the Notice.

As required by SEBI (Listing Obligation and Disclosure requirements) Regulation 2015 entered into with the Stock Exchanges, the statement below gives the relevant details of the Directors being appointed/re-appointed under the accompanying notice.

Name of Director	Mr. D. S. Sahney	Mr. S. C. Rangani	Ms. Harshbeena Zaveri
DIN	00003956	00209069	00003948
Date of Birth	November 17, 1968	November 13, 1948	March 1, 1960

Nationality	Indian	Indian	Indian
Date of appointment on Board	May 2001	October 2012	April 1994
Brief Resume and Expertise in specific functional areas	Please refer below	Please refer Item No. 6 above	Please refer Item No. 7 and 8 above
Shareholding in Company as on March 31, 2020	8,50,089	9,000	1,03,84,936
List of Directorships held in other companies	NRB Industrial Bearings Limited	SNL Bearings Limited NRB Bearings (Thailand) Limited	SNL Bearings Limited National Peroxide Limited Needle Roller Bearing Company Private Limited Sant Sahney Private Limited First Engineering Technologies Private Limited The Council of Eu Chambers Of Commerce in India Automotive Component Manufacturers Association of India NRB Bearings (Thailand) Limited NRB Bearings, USA INC NRB Bearings Europe GmbH.
Memberships/ Chairmanships of Audit and Stakeholders Relationship Committees across public companies	NRB Industrial Bearings Limited- Audit Committee, Member	SNL Bearings Limited- Stakeholders Relationship Committee, Member Corporate Social Responsibility Committee, Member	SNL Bearings Limited-Stakeholders Relationship Committee, Member Corporate Social Responsibility Committee, Chairperson Audit Committee, Member Nomination and Remuneration Committee, Member
Disclosure of relationships with Directors inter se	Mr. Sahney is the brother of Ms. Harshbeena Zaveri	None	Ms. Zaveri is the sister of Mr. D. S. Sahney

Brief Resume and Expertise in specific functional areas for Mr. D.S. Sahney:

Mr. Devesh Singh Sahney, Non-executive Director of the Company is also the Executive Chairman and Managing Director of NRB Industrial Bearings Limited where he leads all aspects of the business from strategy to operations. Mr. Sahney 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. Sahney worked with Larsen & Toubro (Bombay) (L&T), one of the largest and most renowned company in Indian private sector in the Finance department. He also worked with Credit Lyonnais, French Bank in Bombay in various departments. He also served as Vice Chairman on the Board of Schneeberger India (a joint venture with a Swiss corporation) and he was in charge of NRB Torrington (a joint venture with Torrington Bearing Company; a US based bearings manufacturing Multinational Company). Mr. Sahney 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.

By Order of the Board

Place: Mumbai
Date : June 28, 2020

Shruti Joshi
Company Secretary
Membership No. A19112

BOARD'S REPORT

To
The Members
NRB BEARINGS LIMITED

Your Directors have pleasure in presenting their Fifty-fifth Report together with the standalone and consolidated Audited Financial Statements for the year ended March 31, 2020.

1. Financial Results

Year ended	Consolidated		Standalone	
	31.03.2020 Rs. lacs	31.03.2019 Rs. lacs	31.03.2020 Rs. lacs	31.03.2019 Rs. lacs
Revenue from operations (Net)	77,595	96,502	75,196	94,038
Profit before tax	4,682	15,710	4,163	14,268
Provision for taxation				
Current (net)	912	4,049	766	3,725
In respect of earlier years				
Deferred tax	452	671	452	666
Profit after taxation	3,318	10,990	2,945	9,877
Add: Balance brought forward	30,313	20,893	31,398	22,922
Add: Other Comprehensive Income for the year	(265)	(27)	(253)	(26)
Appropriation:				
Dividend	3,295	1,163	3,295	1,163
Tax on distributed profits	681	212	633	212
General Reserve	-	-	-	-
Debenture Redemption Reserve	-	-	-	-
Capital Redemption Reserve	-	-	-	-
Ind AS-116	43	-	41	-
Profit & Loss Account	29,236	30,313	30,121	31,398

2. Dividend

Considering the profits for the year under review your directors hereby inform you that the Interim Dividend of 40 (forty) per cent i.e. Rs. 0.80 per equity share of face value Rs. 2.00 each paid by the Company, shall be considered as the final dividend for the year ended March 31, 2020.

3. Material changes and commitments, if any, affecting the financial position of the Company

There are no material changes and commitments, affecting the financial position of the Company which have occurred between the close of the financial year on March 31, 2020 to which the financial statements relate and the date of this Report.

However, the COVID 19 pandemic has had an unprecedented impact on the nation, the people and the economy and business. The government announced a stringent nationwide lockdown from March 25, 2020, to control the spread of COVID 19. However even before the nationwide lockdown, various state governments and local administrations had implemented different containment measures such as sealing borders, closing public places, suspending transport services and state-specific lockdown. The operations of the Company across manufacturing sites and supply chain locations were severely disrupted. The Company has moved at speed to support its stakeholders and maintain operations through crisis and prepare for business in a new normal. The Company's utmost priority has been health, safety and well-being of our people and partners. The Company has rapidly implemented protocols for safe operations. Strict standards of access control, social distancing in supply, and use of Personal Protection Equipment (PPE) as well as strict hygiene and sanitization procedures are active across all our operations and adequate training has been provided to the workforce. However, compliance with the restrictions on number of employees and the shift

working hours permitted, has resulted in non-optimum capacity utilisation, which your Company expects will improve as lockdown conditions are gradually relaxed. All plants and all warehouses of the Company have on the date of this report been opened with the requisite government permissions and adherence to highest safety standards.

Lockdown has severely impacted the automobile and the auto component sector. This sector had been reeling under low demand conditions for the last fiscal and the lock down has hit the sector very badly. While we are seeing some demand revival in the farm equipment and off-highway categories and some demand in the export segment, the overall demand has contracted to a great extent and the exact time which these categories and the other segments, like Two/three Wheelers, Commercial vehicles and Passenger vehicles will take to recover fully remains to be seen.

4. State of Company's Affairs, operations and outlook:

In line with global and industry sentiments, the revenue from operations for your Company decreased by approx. 20 per cent. The decline was noticed across all segments. During the year under review, on a consolidated basis your Company recorded net revenue from operations (net of taxes and incentives) of Rs. 77,595 lacs as against Rs. 96,502 lacs for the last fiscal. The Company recorded a net profit of Rs. 3,318 lacs, a decrease of almost 70 per cent over Rs. 10,990 lacs for the last fiscal.

On a standalone basis your Company recorded net revenue from operations (net of taxes and incentives) of Rs. 75,196 lacs with a de-growth of 20 per cent over Rs. 94,038 lacs of the last fiscal. The Company recorded a net profit of Rs. 2,945 lacs, and a decrease of 70 per cent lower than the net profit of Rs. 9,877 lacs for the last fiscal.

The year 2019 was a difficult year for the global economy with world output growth estimated to grow at its slowest pace of 3 per cent since the global financial crisis of 2009, further declining from a subdued 4 per cent in 2018 and 4 per cent in 2017. Amidst a weak environment for global manufacturing, trade and demand, the Indian economy slowed down with Gross Domestic Product (GDP) growth moderating to 5 per cent in the first half of 2019-20, lower than 6 per cent which was seen in the second half of 2018-19. The Indian automobile industry produced a total 26,362,282 vehicles including Passenger Vehicles, Commercial Vehicles, Three Wheelers, Two Wheelers and Quadricycles in April 2019-March 2020 as against 30,914,874 in April 2018-March 2019, registering a de-growth of (-) 15 percent over the same period last year. As per the Society of Indian Automobile Manufacturers (SIAM) all segments of the industry registered a de-growth for the fiscal year 2019-20 as compared to the fiscal 2018-19. In April 2019-March 2020, overall automobile exports registered a growth of 3 percent, with all segments experiencing a de-growth with the exception of a marginal increase in exports of passenger vehicles and increase in exports of two wheelers.

In 2019-2020, the auto component industry declined by 10-12 per cent as demand from OEMs across asset classes and exports declined during the fiscal. Replacement demand cushioned the fall, as it estimated to have grown by 7 per cent due to demand from the existing population of vehicles.

The Government of India's Automotive Mission Plan (AMP) has come a long way in ensuring growth for the sector. Indian automobile industry is expected to achieve a turnover of \$300 billion by the year 2026 and will need a growth rate of CAGR 25 per cent from its current revenue of \$74 billion. As per the Union Budget 2019-20, government moved GST council to lower the GST rate on electric vehicles from 12 per cent to 5 per cent, though a similar request to reduce rates for currently produced models has not yet been accepted.

Government has come out with Automotive Mission Plan (AMP) 2016-26 which will help the automotive industry to grow and will benefit Indian economy in the following ways:

- Contribution of auto industry in the country's GDP will rise to over 12 per cent
- Around 65 million incremental number of direct and indirect jobs will be created
- End of life Policy will be implemented for old vehicles

The rapidly globalising world is opening up newer avenues for the transportation industry, especially while it makes a shift towards electric, electronic and hybrid cars, which are deemed more efficient, safe and reliable modes of transportation. Over the next decade, this will lead to newer verticals and opportunities for auto-component manufacturers, who would need to adapt to the change via systematic research and development.

5. Finance

As on March 31, 2020, the Company was rated by Crisil A1+ for short term and AA- (stable) for long term borrowings. However, with the slowdown having affected offtakes for the automotive industry and the future outlook being uncertain due to the prevailing economic scenario, the long term ratings have been revised by Crisil from AA- (stable) to AA- (negative), with effect from May 26, 2020.

The Company continues to focus on judicious management of its working capital. Receivables, inventories and other

working capital parameters are continuously monitored. Driving operational efficiencies and prudence with respect to capital expenditure, capturing opportunities presented by BS VI norms becoming applicable are the other focus areas for the Company.

a. Public Deposits

The Company has not taken fixed deposits during the year. There are no unclaimed deposits.

b. Non-convertible debentures

During the year the Company has made timely payment of interest on its debt obligations in respect of issue of Non-convertible Debentures of Rs. 30,00,00,000/- (Rupees Thirty Crores only) amounting to Rs. 2,88,00,000/- and in respect of the issue of Non-Convertible Debentures of Rs. 20,00,00,000/- (Rupees Twenty Crores only) amounting to Rs. 1,89,80,000/-.

c. Particulars loans, guarantees or investments

As on March 31, 2020, the outstanding principal amount from its wholly owned subsidiary NRB Bearings (Thailand) Limited is THB 75 million and there is no outstanding interest as on March 31, 2020.

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

6. Directors

The Board of Directors at their meeting held on August 9, 2019, unanimously appointed Mr. Tashwinder Singh, Independent Director, as the Chairman of the Board.

During the year under review, Mr. Satish Rangani, was appointed as an Executive Director of the Company for a period of 1 (one) year with effect from January 24, 2020 which was approved by the Board of Directors at its meeting held on October 25, 2019, upon the recommendation of the Nomination and Remuneration Committee. Accordingly, it is proposed to appoint Mr. Rangani as whole-time director designated as Executive Director of the Company, for a period of 1 (one) year from January 24, 2020 to January 23, 2021, and the same has been included in the Notice for the forthcoming Annual General Meeting.

The Board has reappointed Ms. Harshbeena Zaveri as the Managing Director of the Company for a further period of 5 (five) years from October 1, 2020, upon the recommendation of the Nomination and Remuneration Committee. Accordingly, it is proposed to reappoint Ms. Harshbeena Zaveri as the Managing Director of the Company for a further period of 5 (five) years from October 1, 2020 to September 30, 2025, and the same has been included in the Notice for the forthcoming Annual General Meeting.

All independent Directors have given declarations that they meet the criteria of independence as laid down under section 149(6) of the Companies Act, 2013 and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The composition of the Board duly meets the criteria stipulated in Section 152 of the Companies Act, 2013 and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In accordance with the Companies Act, 2013 and the Articles of Association of the Company, Mr. D. S. Sahney retires by rotation and being eligible offers himself for re-appointment.

Familiarisation Programme for Independent Directors

In order to familiarize the Independent Directors with the business, the Company makes a presentation covering nature and scope of business, nature of industry in which Company operates, profitability and future scope. Regularly at meetings updates are given to the Board, by the Company's senior management in areas of operations, industry and regulatory trends, competition and future outlook. The familiarization programme is posted on the website of the Company at www.nrbbearings.com.

Board Evaluation

The Board has carried out an annual performance evaluation of its own performance and that of its Committees and the Directors individually. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report. The process endorsed the confidence of the Directors in the ethical standards of the Company and its strategies for growth. In the coming year, the Board intends to enhance focus on exploring new drivers for continuing growth.

The Independent Directors have also met separately on February 10, 2020.

Remuneration Policy

The Board has on the recommendation of the Nomination and Remuneration Committee framed a policy for selection and appointment of Directors, senior management and their remuneration. As part of its policy the company strives to ensure that the remuneration to Directors, Key Managerial Personnel (KMP) and senior management involves a balance between fixed and incentive pay, reflecting short and long term performance objectives appropriate to the working of the Company and its goals. The remuneration policy is posted on the company website www.nrbbearings.com. Details of remuneration paid to Executive Directors and KMP and the Independent Directors form part of the Corporate Governance Report attached to this Report.

Meetings

During the year four (4) Board meetings were convened and held (details in Corporate Governance Report). The intervening gap between the meetings was less than 120 (one hundred and twenty) days. The date for the next meeting is fixed in advance at the previous meeting both for board and committee meetings.

7. Subsidiaries

As of March 31, 2020, the Company has four subsidiaries viz. SNL Bearings Limited, NRB Bearings (Thailand) Limited, NRB Bearings Europe GmbH and NRB Bearings, USA Inc. The consolidated results include the working of these subsidiaries.

SNL Bearings Limited (SNL), in which your Company holds 73.45 per cent equity, has reported profit after tax of Rs. 417 lacs (previous year Rs. 814 lacs), lower by 49 per cent due to global recession and slowdown in the auto industry. Dividend at Rs.5.00 per share was maintained at same level as paid in previous year. Net Sales during the year at Rs. 3,333 lacs are lower by approx. 15 per cent over the previous year. SNL is working on projects to improve its financial results in FY2020-21 by enhancing operational efficiencies and scaling up manufacturing capacities.

NRB Bearings (Thailand) Limited (NRBT), a wholly owned subsidiary, has recorded lower sales by 15.57 per cent to THB 201 million (approx. Rs. 46 crores) (previous year THB 238 million – approx. Rs. 52 crores). The share of manufacturing revenues out of total revenues has decreased to THB 178 million (approx. Rs. 41 crores) (previous year at THB 196 million) and trading revenues are at THB 23 million (previous year at THB 42 million). Consequently, the Company's EBITDA has de-grown from THB 41 million to THB 27 million (approx. Rs. 6 crores). The Company has recorded a decrease in profit of almost 77 cent for the year at THB 5 million (approx. Rs. 1.crores) from THB 20 million (approx. Rs. 4 crores) in previous year, mainly due to the impact of global slowdown.

NRB Bearings Europe GmbH, a wholly owned subsidiary was set up to support increasing exports to Europe. The Company provides marketing and customer support services. The income during the year is EURO 543,043 (Rs. 4 crores) and the resultant profit after tax is EURO 15,868 (Rs. 13 lakhs).

NRB Bearings USA Inc., a wholly owned subsidiary was set up to support increasing exports to North America. The Company provides marketing and customer support services. The income during the year is USD 376,113 (Rs. 3 crores) and the resultant profit after tax is USD 17,910 (Rs. 13 lakhs).

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

8. Business Risk Management

The Company has in place an enterprise risk management framework to identify risks and minimize their adverse impact on business and strives to create transparency which in turn enhances the Company's competitive advantage. The Company has identified the risks associated with its operations and an action plan for mitigation has been identified.

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

Information pursuant to Section 134 (3) (m) of the Companies Act, 2013 and Rule 8 of Companies (Accounts) Rules 2014 has been given in the **Annexure 2** forming part of this report.

10. Industrial Relations/Vigil Mechanism and Whistle Blower Policy

During the year, the Company maintained cordial relations with the workmen's unions at all plants. There was no major issue / dispute between management and Unions at any of the plants of the Company.

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

The Company has a vigil mechanism and Whistle Blower Policy which provides for adequate safeguards to employees using such mechanism. It also allows direct access to the Audit committee in appropriate cases. Details of the same, given in **Annexure 3** forming part of this report, are posted on the website of the Company.

Your Company hereby affirms that no complaints were received during the year, under the Vigil Mechanism.

11. Safety, Health and Environment

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

Your Company has been accredited with internationally acclaimed certification viz. ISO 14001:2004 to identify and control environmental impact and constantly improve the environmental performance; OHSAS: 18001:2007 occupational health and safety management systems; and ISO/TS: 16949:2009 for Quality Management Systems. Your Company has been recently audited and recommended for certification in all the above areas under the updated certification viz. ISO 14001:2015, ISO 9001:2015 and IATF 16949:2016.

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

During the year there have been numerous initiatives by NRB towards safety and environment awareness among employees:

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

Special initiatives have been taken up such as theme based walk, leading and lagging indicators, mock drills, up-gradation and revamping of fire hydrants/protection systems, safety training to employees including top management, organizing safety awareness week, reporting of near-miss incidents and first aid across the plant. NRB strives to achieve "Zero-Accident Tolerance".

3. To save energy we have adopted some projects by implementing energy efficient motors which can consume less energy. To minimize the risk with respect to use of LPG gas of 10 MT in bullet storage, we have replaced the bullet with manifold at our Chikalthana Plant.
4. To keep track on the health condition of employees we conduct health check program every year which give us preliminary information about the health of all employees. We have controlled all hazardous processes which could have impact on the health of employees.
5. Water conservation through re-use of waste water and rain water harvesting at plants – capacity to harvest upto 50 lacs litres rain water every year to increase ground water levels.
6. Strict policy for non-consumption of tobacco and intoxicating materials to protect the mental and physical health of employees. Regular awareness programs like "Vyasan Mukti" and "Yoga Classes" conducted to educate employees to get rid of evils of intoxication and stressful work life; and embrace good health and work-life balance.

12. Corporate Social Responsibility

In line with the activities specified in schedule VII relating to the provisions of sections 135 of the Companies Act, 2013, your company has been focusing on:

- Promotion of education
- Promoting gender equality and empowering women
- Employment enhancing vocational skills
- Promotion of social business projects
- Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, conservation of natural resources

In terms of the above the Company has been contributing for primary education, secondary education (study of sciences, maths and engineering) and to engineering colleges, and also for impactful social projects like Akshaya Patra (food for school children) and the Antim Seva Samskar (Antim Prasthan Project to redevelop the Worli Smashan Bhumi to provide dignified funeral and cremation community service). The Company supported social causes and impactful projects like Akshay Patra for mid-day meal for school children, the Light of Life Trust and the Navjeevan society for rehabilitation of mentally retarded.

The Company has continued its support to IIT-Bombay which is a renowned and reputed institute for engineering studies. The Company has continued its support to the Ashoka University which is devoted to transforming Indian higher education based on the principles of multidisciplinary education delivered by exceptional faculty members and providing ivy-league quality education at an affordable price. The liberal education helps develop intellect, nurture critical thinking and provides specialisation with a broader foundation of knowledge. The Company extended further support to Aseema, an NGO, to encourage expression and creativity in the children studying in municipal schools in Mumbai and make the curriculum more meaningful and fun. Aseema's centre at Igatpuri set up for development of tribal children learning needs, also provides vocational training to help them join mainstream society. The Company also extended support to 321 Foundation. They are currently present in Hyderabad, Bangalore and Mumbai, and offer two (2) year-long programs to school teachers/ management staff with their training skills to achieve their goal of creating model schools. They train teachers through a systematic program with workshops, coaching sessions, prestigeand motivation events.

The Company supported social causes and impactful projects like Akshay Patra for mid-day meal for school children, the Light of Life Trust and the Navjeevan society for rehabilitation of mentally retarded.

The Annual Report on CSR activities in pursuance of the Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed herewith as **Annexure 4**.

During the year under review, the Company has spent an amount of Rs. 217 lacs (approx) on CSR projects.

13. Corporate Governance

Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Management Discussion and Analysis, Corporate Governance Report and Auditors' Certificate regarding compliance of conditions of Corporate Governance are made part of the Annual Report. Details of Board meetings held during the year under review and the composition of the various committees are included therein.

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

The relevant certification on the various matters specified under Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been done by the Vice Chairman & Managing Director and the Chief Financial Officer of the Company.

During the year under review the Company has complied with all the applicable Secretarial Standards.

All pecuniary relationships or transactions of the Non-executive directors vis-à-vis the Company along with criteria for such payments and disclosures on remuneration of Directors along with their shareholding are disclosed in Form MGT-9, which forms a part of this Report.

There are no relationships between the Directors inter-se except between Ms. Harshbeena Zaveri and Mr. D. S. Sahney. Mr. Sahney is the brother of Ms. Harshbeena Zaveri.

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

14. Directors' Responsibility Statement

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

- i. in the preparation of annual accounts, all applicable accounting standards have been followed and no material departures have been made from the same;
- ii. accounting policies selected were consistently applied. Reasonable and prudent judgements and estimates have been made so as to give a true and fair view of the state of affairs of the Company as on March 31, 2020 and of the profit of the Company for the accounting year ended on that day;
- iii. proper and sufficient care for maintenance of adequate accounting records has been taken in accordance with the provisions of the Act so as to safeguard the assets of the Company and to prevent and detect fraud and other irregularities;
- iv. the Annual Accounts have been prepared on a going concern basis.
- v. the internal financial controls to be followed by the Company have been laid down and are adequate and were operating effectively.
- vi. proper systems have been devised to ensure compliance with the provisions of all applicable laws and all such systems were adequate and operating effectively.

15. Related Party transactions (RPT)

All RPT that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant RPT by the Company with promoters, directors, key managerial personnel or other designated persons.

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

The policy on RPTs as approved by the Board is uploaded on the Company's website. Form AOC-2 for disclosure of particulars of contracts has been enclosed as **Annexure 5**.

16. Auditors

Statutory Auditors

Appointment of M/s Walker Chandio & Co. LLP, Chartered Accountants as statutory auditors was approved at the Annual General Meeting held on August 9, 2018 for a term of five (5) years upto March 31, 2023.

Cost Auditors

Pursuant to the Rules issued by Ministry of Corporate Affairs under Companies (Cost records and Audit) Amendment Rules 2014, your Company is subject to cost audit during the year and M/s. R Nanabhoy & Co., Cost Accountants were appointed to undertake the same.

Secretarial Audit

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

Explanation or Comments on disqualifications, reservations, adverse remarks or disclaimers in the auditors' reports

There have been no disqualifications, reservations, adverse remarks or disclaimers in any of the auditors' reports. However, the Statutory Auditors and the Secretarial Auditors, in their reports have noted that there was a delay in transferring of the unclaimed dividend to the Investor Education and Protection Fund. The said delay was due to

the delay in obtaining reconciliation statements for the unclaimed dividend accounts from the respective Banks. The Secretarial Audit Report also noted that the Company had paid the interest on the non-convertible debentures without fixing the record date, since there was only one debenture holder for each issue.

17. Extract of Annual Return

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

18. Particulars of Employees

The information required pursuant to section 197(12) read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, in respect of employees of the Company will be provided upon request. In terms of Section 136 of the Act the Report and Accounts are being sent to the members excluding this information.

19. Significant and Material Orders passed by the Regulators or Courts

There are no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.

20. Change in nature of business

During the year under review there was no change in the nature of the business carried on by the Company.

21. Disclosure under Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013

In accordance with the provisions of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has set up four (4) Internal Complaints Committees (ICC) to redress complaints. During the year under review no complaint was received.

22. Acknowledgement

The Directors wish to record their appreciation of the contribution made by employees at all the levels by their hard work, solidarity and support, and for the confidence and loyalty shown by our customers. The Directors also wish to thank the shareholders, suppliers, bankers and all other business associates for the continuous support given by them to the Company and for their confidence in its management.

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

Harshbeena Zaveri
Vice Chairman & Managing Director

Satish Rangani
Executive Director

Place : Mumbai
Date : June 28, 2020

ANNEXURE 1

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures

Part "A": Subsidiaries

1. Name of the subsidiary	NRB Bearings (Thailand) Limited	NRB Bearings Europe GmbH	NRB Bearings, USA INC	SNL Bearings Limited (Rs. in lacs)
2. The date since the subsidiary was acquired	March 31, 2007	June 27, 2014	August 26, 2019	June 1, 2000
3. Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A.	N.A.	N.A.	N.A.
4. Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	THB USD =32.795 THB	EURO EURO = Rs. 82.8015	Dollar Dollar = Rs. 75.68	INR
5. Share capital (Rs.)	THB 147 million	EURO 25,000	USD 20,000	361
6. Reserves & surplus	THB (120) million	EURO 58,589	USD 17,910	3,113
7. Total assets	THB 276 million	EURO 1,54,884	USD 51,797	4,178
8. Total liabilities	THB 249 million	EURO 71,295	USD 13,887	704
9. Investments	Nil	Nil	Nil	985
10. Turnover	THB 201 million	EURO 5,43,043	USD 3,76,113	3,333
11. Profit before taxation	THB 5 Million	EURO 25,859	USD 17,910	555
12. Provision for taxation	Nil	EURO 9,991	Nil	138
13. Profit after taxation	THB 5 Million	EURO 15,868	USD 17,910	417
14. Proposed Dividend	Nil	Nil	Nil	Nil*
15. Extent of shareholding (in percentage)	100	100	100	73.45

* Interim Dividend amounting to Rs. 289 lakhs was paid during the Financial Year 2019-20

The following information shall be furnished:-

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

Part "B": Associates and Joint Ventures –

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

Name of Associates or Joint Ventures	Not Applicable
Latest audited Balance Sheet Date	Not Applicable
Date on which the Associate or Joint Venture was associated or acquired	Not Applicable
Shares of Associate/Joint Ventures held by the company on the year end	
i. No.	Not Applicable
ii. Amount of Investment in Associates/Joint Venture	Not Applicable
iii. Extent of Holding %	Not Applicable
Description of how there is significant influence	Not Applicable
Reason why the associate/joint venture is not consolidated	Not Applicable
Networth attributable to Shareholding as per latest audited Balance Sheet	Not Applicable

Profit / Loss for the year	
i. Considered in Consolidation	Not Applicable
ii. Not Considered in Consolidation	Not Applicable

The following information shall be furnished:-

1. Names of associates or joint ventures which are yet to commence operations – NA.
2. Names of associates or joint ventures which have been liquidated or sold during the year. – NA

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

Harshbeena Zaveri
Vice Chairman & Managing Director

Satish Rangani
Executive Director

Place : Mumbai

Date : June 28, 2020

ANNEXURE 2

Conservation of Energy, Technology Absorption and Foreign Exchange Earning and outgo

A. Conservation of Energy

(i) and (ii) The Steps taken or impact on conservation of energy and the steps taken by the Company for utilising alternate sources of energy:

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

- Use of PIR Sensor in server room for lights which switch on the light by the motion detection resulting in the energy conservation.
- Kaiser Press installed with Cam regulated Air knives which decrease the wastage of air for burr clean ups.
- Use of in-house made glass house for moisture drying of plastic cage bearings. The glass house utilises the solar energy for this purpose.
- DC motors were replaced to AC motors resulting reduction of energy consumption.
- Power consumption per bearing reduced from 0.16 KWH to 0.14 KWH by maintaining power factor 0.99 and energy saving initiatives.
- LED Lights arranged in shop floor and for street lights for better illumination and less wattage and energy saving.
- 100 watts incandescent machine lamps 90 no's replaced with CFL Lamps of 18 Watts.
- Timer inter lock arranged for ELPN hydraulic press, for switching of motor if ram not operated, avoided idle running of motor.
- Auto cut off system for air compressors to switch off and on the motor based on air demand and to avoid idle running of compressor. All air receiver tanks looped and compressor pump test done, avoid air leakages thus saving in loading and unloading time of compressor.
- Mercury hydro pneumatic press added in D.C Cage for AXN Punching, previously being done on mechanical press of 3H.P Motor.
- Monoblock pump of 3 H.P Replaced with Grundfos submersible pump of 1 H.P Capacity for water lifting tank.
- Conventional gear box replaced by standard gear box.
- PIV Gear Box to be replace by VFD.
- Replacement of hi-bay lamp 250 Watt to energy efficient LED 100 Watt (25 nos.)
- Replacing individual water chillers by centralised chiller.
- Installation of Cyclone Coolant Filtration system in place of conventional Paper Band Filter, for all the new grinding

machine. The cyclone filtration does away with the waste paper which needs to be disposed as hazardous waste. The grinding waste from the factory is considerably reduced.

- The Laser marking equipment built in-house have replaced the conventional electrolyte marking machine. There is no waste from laser marking process unlike the waste electrolyte generated in the earlier years.
- End to end assembly lines with robust quality assurance, have been built in-house, to replace the conventional stage wise processes. These assembly lines eliminate the storage and oil preservation of components at multiple stages. This has led to saving of oil, storage space and multiple movement of material.
- The development of hard turning process for bearing races, has replaced the conventional grinding process in the manufacturing of several parts. The investment in turning machine is much less and the waste generated by grinding process is considerably reduced.

(i) The capital investment on energy conservation equipment- Nil

B. Technology Absorption

(i) The efforts made towards technology absorption:

During the year under review, your Company has focused more on technology development of light weight, fuel efficient, reduced noise bearings with enhanced product life and identification and testing of 'Wear Resistant' Tool Materials.

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

1. Enhancing robustness of drawn cup CRB for low stiffness application housing. The sensitivity of the drawn cup CRB is continually being reduced towards excessive misalignments, de-shaping/de-formation of supporting housing. This year stringent controls have been exercised on reliability parameters to make the bearing run more smoothly with reduced friction and enhanced life. The ability of the bearing to address internal sliding friction under contamination conditions, under low load and high speed conditions has been greatly enhanced by development of unique Fluid Mechanics principles. The Company has made a great impact with customers due to this capability development.
2. Carry extensive studies in engine bearings in developing benchmark standards and acceptance criteria for specific post test visual patterns of the bearings. A remarkable progress has been done in developing high durability, high hardenability heat treatment solutions and materials this year. The Company has made progress in developing bearing design and development systems addressing BS-VI requirements.
3. Implemented the use of component stress analysis for component light-weighting resulting into less friction and improvement in the application efficiency.
4. Implemented the bearing designs, which eliminate internal friction by virtue of just change of load directions between rollers and cage. This has straight impact on increased bearing durability, reliability, reduced NVH.
5. Developed NVH analysis tools, which convincingly point out the origin of NVH in the vehicle application. This development has further strengthened our relationships with OEMs as a preferred supplier with state of the art R&D capabilities.
6. Developed new application analysis and development capabilities as step to venture into new segments and applications.
7. Bearing performance spread is increased for higher loads and higher durability with lighter designs.
8. Development of tools to understand bearing performance with effect of contamination and thus reduce the sensitivity of the bearings towards contamination by developing unique geometry features within the bearing.
9. The Company has been successful in solving highly complex engineering issues beyond just friction solutions and has engaged with customers from concept to launch.
10. Development of prototype models using 3D printing techniques to understand oil flows has been a new initiative taken up this year for first time right product launch.
11. Development of the tools and manufacturing process to produce Linear Bearing for Railways Automatic Door Closure system.
12. Development of Injection Moulding Die along with process for polyamide ball slip cages.
13. Automatic Assembly line developed for the Ball Slip Bush Bearings.
14. The tools and manufacturing process has been designed and developed to produce Drawn Cup CRB Bearings with

special crowning form generated on Press machine. This has resulted in the life enhancement of the bearings.

15. The tools and manufacturing process has been designed and developed to produce precise Spacer Rings and Thrust washers from Sheet metal on high speed press. This has resulted in reduced through put time and reduced cost of manufacturing

Future Plan:

- Tools and Fixture manufacturing through the 3D printing process, to reduce the time to market, and cut down on inventory of spares.
- Use of Laser Technology for manufacturing of the components.
- Use of mechatronics to develop bearings with sensor technology
- Automation application design through software development to speed up the IBOR process.
- As a step towards enhancing product reliability, durability yet being cost competitive, and based on the research conducted by company's R&D centre in last couple of years, cost effective surface engineering technologies will be implemented this year

- (ii) Specific areas in which R&D is carried out by the Company and benefits derived:

Prime focus throughout the year was on:

- Process Innovation for Sustainable Development (PISD)-non cubicle, non-hierarchical, research oriented space.
- Tool validation prior to mass manufacturing.
- Process design to make the products 'First Time Right' and use of 3D printing for faster prototype development.
- Process optimization to get precise parts at economical cost.
- Evolving solutions with a structured method.
- Generating High Definition Surface finish on Rolling elements, for specific applications.
- Pressure velocity studies through application specific tests for gyroscopic and centrifugal effect.
- Study of micro impacts due to high radial clearance in bearings and vibration resonance studies coupled with application noise spectrum.
- Correlation development between inspection and actual fitment conditions.
- Enhancing Supplier capability both for quality and quantity.
- Cage stress analysis and light weighting
- Development of software for PV studies of cages subjected centrifugal effects
- Development of software for NVH origin identification, Rotary engine bearings
- Development of software for correlation development between application fitment and fitment inspection in the company
- Development of Artificial Neural networks tool for data analysis for the practical challenges seen in mass manufacturing
- Development of software for Residual stress measurement and its impact on bearing durability

Benefits derived as a result of the above R&D

- Enabling current workforce to develop cognitive out of the box modes of manufacturing
- Faster product development with reduced time to market
- Prevention of defect In-Process, even before it is generated sure shot solutions for every problem, by following a systematic process
- Range Expansion
- Expansion of services beyond friction solutions

Future plan of action

- IOT based manufacturing for real time production tracking, and monitoring machine performance and utilization
- Academia-Industry tie up to co-create neo-lean and sustainable product designs

- Use of wind and solar energy for generating power to drive equipment in the Process Innovation Centre
 - Launching new series of Unitized bearing, detent pin
 - Precision transmission and engine components
 - REACH compliance
- (iii) In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year) :Nil
- a) The details of technology imported: NA
 - b) The year of import : NA
 - c) Whether the technology has been fully absorbed, areas where absorption has not taken place, and the reasons thereof: NA
- (iv) The expenditure incurred on Research and Development- During the year an amount of Rs. 1,646 lacs has been incurred on revenue and capital account for R & D expenses.

C. Foreign exchange earnings and outgo

Foreign exchange earnings	Rs.14, 846 lacs
Foreign exchange outgo	Rs. 3,106 lacs

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

Harshbeena Zaveri
Vice Chairman & Managing Director

Satish Rangani
Executive Director

Place : Mumbai
Date : June 28, 2020

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

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

2. Applicability of the Policy

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

3. Policy and Procedure for Disclosure, Enquiry and Disciplinary Action**3.1 Concerns which may be raised -illustrative list**

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

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

3.2 Concerns – how to raise/whom to disclose

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

The Corporate Compliance Committee comprises the Vice Chairman & Managing Director, the Executive Director, the CFO and the VP-HR.

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

3.3 Procedure for investigation

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

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

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

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

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

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

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

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

Harshbeena Zaveri
Vice Chairman & Managing Director

Satish Rangani
Executive Director

Place : Mumbai
Date : June 28, 2020

ANNEXURE 4

Annual Report on Corporate Social Responsibility (CSR) activities

[Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

Sr. No.	Particulars	Remark
1.	A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	As a responsible corporate citizen the Company takes pride in taking effective Corporate Social Responsibility (CSR) initiatives which are vital towards fulfilling critical societal and gaps not only in the communities it operates in but also society at large on a sustainable basis. The CSR Policy of the Company duly approved by the Board of Directors promotes the following objectives: <ul style="list-style-type: none"> • Promotion of education, • Promoting gender equality and empowering women, • Employment enhancing vocational skills, • Promoting social business projects, • Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, conservation of natural resources. Link to the CSR Policy: www.nrbbearings.com
2.	The Composition of the CSR Committee.	1) Ms. Harshbeena Zaveri – Chairman, (Executive Director/Vice Chairman & Managing Director) 2) Mr. Ashank Desai – Member (Non- Executive/Independent Director) 3) Mr. Satish Rangani – Member (Executive Director/Whole Time Director)
3.	Average net profit of the company for last three financial years	Rs. 10,443 lacs
4.	Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)	Rs. 209 lacs
5.	Details of CSR spent during the financial year. (a) Total amount to be spent for the financial year; (b) Amount unspent, if any; (c) Manner in which the amount spent during the financial year is detailed below.	Rs. 216.50 lacs Nil

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local Area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise (Rs. in lacs)	Amount spent on the projects or programs Sub –heads: (1) Direct expenditure on projects or programs (2) Overheads (Rs. in lacs)	Cumulative expenditure upto to the reporting period (Rs. in lacs)	Amount spent: Direct or through implementing agency*
1.	Ashoka University	Promotion of education	National Capital Region, Haryana	65	65	65	Direct
2.	IIT Bombay	Promotion of education	Mumbai, Maharashtra	27	27	27	Direct
3.	Aseema Charitable Trust	Promoting education & employment enhancing vocational skills of under privileged children	Mumbai, Maharashtra	20	20	20	Direct
4.	3.2.1. Education Foundation	Promoting education and vocational training	Hyderabad, Telangana, Bangalore, Karnataka and Mumbai, Maharashtra	30	30	30	Direct
5.	The Akshay Patra foundation	Eradicating hunger and malnutrition	Mumbai. Maharashtra	5	5	5	Direct
6.	Gyan Prakash Foundation	Promotion of education	Jalna, Maharashtra	5	5	5	Direct
7.	Light of Life Trust	Promotion of education and skilling for employment	Mumbai, Maharashtra	5	5	5	Direct
8.	The Apprenticeship Project	Promotion of education and skilling for employment	Mumbai, Maharashtra	5	5	5	Direct
9.	Navjeevan Society for Rehabilitation of Mentally Retarded	Promotion of social business projects	Aurangabad	1	1	1	Direct
10.	Hiralal Parekh Pravar Charitable Trust	Promotion of social business projects	Mumbai, Maharashtra	30	30	30	Direct
11.	Flood Relief - Habitat for Humanity	Flood Relief, Promotion of social business projects	Maharashtra	7	7	7	Direct

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local Area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise (Rs. in lacs)	Amount spent on the projects or programs Sub –heads: (1) Direct expenditure on projects or programs (2) Overheads (Rs. in lacs)	Cumulative expenditure upto to the reporting period (Rs. in lacs)	Amount spent: Direct or through implementing agency*
12.	Sustainable Environment and Ecological Development Society (SEEDS)	Floor Relief, Promotion of social business projects	Uttarakhand, Maharashtra	3	3	3	Direct
13.	Jai Vakeel	Promotion of social business projects	Mumbai, Maharashtra	11	11	11	Direct
14.	SAE INDIA AWIM National Olympics	Promotion of education and skilling for employment	Maharashtra	2	2	2	Direct
15.	Society for Higher Education (Sophia Education Trust)	Promotion of Education	Mumbai, Maharashtra	0.50	0.50	0.50	Direct
	Total			216.50	216.50	216.50	

* Give details of implementing agency.

6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.-

- Not Applicable

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

We hereby declare that implementation and monitoring of the CSR policy are in compliance with CSR objectives and CSR policy of the Company.

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

Harshbeena Zaveri
Vice Chairman & Managing Director

Satish Rangani
Executive Director

Place : Mumbai
Date : June 28, 2020

ANNEXURE 5

Form No. AOC-2

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

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

- 1. Details of contracts or arrangements or transactions not at arm's length basis** **N.A.**
- (a) Name(s) of the related party and nature of relationship: N.A.
- (b) Nature of contracts/arrangements/transactions: N.A.
- (c) Duration of the contracts / arrangements/transactions: N.A.
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any: N.A.
- (e) Justification for entering into such contracts or arrangements or transactions: N.A.
- (f) Date(s) of approval by the Board: N.A.
- (g) Amount paid as advances, if any: N.A.
- (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188: N.A.
- 2. Details of material contracts or arrangement or transactions at arm's length basis**
- (a) Name(s) of the related party and nature of relationship:**
- | | | |
|-----------------------------------------------------|---|-----------------------------------------------------------------------------------------------|
| i) NRB Bearings (Thailand) Limited | - | Subsidiary Company |
| ii) NRB Bearings Europe GmbH | - | Subsidiary Company |
| iii) NRB Bearings, USA INC | - | Subsidiary Company |
| iv) SNL Bearings Limited | - | Subsidiary Company |
| v) NRB Industrial Bearings Limited | - | Common Promoters |
| vi) First Technologies BV | - | } Body Corporate/
Company in which
Director has significant influence and is a Director |
| vii) First Engineering Technologies Private Limited | - | |
| viii) New Indo Trading | - | Firm where Director is partner |
| ix) Trilochan Singh Sahney Trust 1 | - | Trust in which Director has significance influence |
- (b) Nature of contracts/arrangements/transactions:**
- | | | |
|------------------------------------|---|----------------------------------------------------------------------------------------------------------------------|
| i) NRB Bearings (Thailand) Limited | - | Sale of Finished Goods
Purchase of Raw Materials/Component
Purchase of Plant & Equipment |
| ii) NRB Bearings Europe GmbH | - | Sales Promotion Expenses
Reimbursement of Expenses |
| iii) NRB Bearings, USA INC | - | Sales Promotion Expenses
Investment in shares |
| iv) SNL Bearings Limited | - | Sale of Finished Goods
Purchase of Raw Materials/Component
Purchase of Plant & Equipment
Dividend on Shares |

- v) NRB Industrial Bearings Limited - Sale of Finished Goods
Purchase of Raw Materials/ Component
- vi) First Technologies BV - Consultancy fees
- vii) First Engineering Technologies Private Limited - Sale of Finished Goods
Purchase of Raw Materials/Component
Purchase of Plant & Equipment
Sales Promotion Expenses
- viii) New Indo Trading - Service Charges
- ix) Trilochan Singh SahneyTrust 1- - Dividend on Shares

(c) Duration of the Contracts/ Arrangements/ Transactions:

Ongoing Related Party Transactions.

(d) Salient terms of the contracts or arrangements or transactions including the value, if any:

1. Salient terms of Contract/ Arrangements/ Transaction: As mentioned below:

Sr. No.	Name of the Related Parties	Nature of Contract/ arrangements/ transactions	Salient Terms of Contract/ arrangements/ transactions
1.	NRB Bearings (Thailand) Limited	Sale/ Purchase of Goods	As per Purchase Orders placed for their requirements of Raw Materials, Components and Finished Products.
2.	NRB Bearings Europe GmbH	Business Support Activities(Sale Service & Business Development)	As per terms and conditions of inter-company agreement
3.	NRB Bearings, USA INC	- Equity - Business Support Activities(Sale Service & Business Development)	- At Par - As per terms and conditions of inter-company agreement
4.	SNL Bearings Limited	Sale/ Purchase of Goods	As per Purchase Orders placed for their requirements of Raw Materials, Components and Finished Products
5.	NRB Industrial Bearings Limited	Sale/ Purchase of Goods	As per Purchase Orders placed for their requirements of, Components and Finished Products
6.	First Technologies BV	Consultancy fees	As per terms and conditions of agreement
7.	First Engineering Technologies Private Limited	Sale/ Purchase of Goods, Miscellaneous expenses and Sales promotion	As per Purchase Orders placed for their requirements of, Components and Finished Products and services
8.	New Indo Trading	Service Charges	As per terms and conditions of agreement
9.	Trilochan Singh SahneyTrust 1	Dividend	As per declaration of dividend
10.	Key Managerial Persons (Late) Mr. T.S Sahney Ms. Harshbeena Zaveri , Vice Chairman & Managing Director, Mr. S. C. Rangani, Executive Director Mr. DeveshSahney, Director	Remuneration, Sitting Fees & Dividend	As per terms and condition on Appointment / reappointment

2) Value of the transactions with the related parties: As mentioned below:

(Rupees in lacs)

i) NRB Bearings (Thailand) Limited	- Sale of Finished Goods	539
	- Purchase of Property Plant & Equipment	32
	- Purchase of Raw materials	3,442
	- Reimbursement of expense	25
	- Inter Corporate Deposit repayment received (Including interest received and foreign exchange adjustment)	135
	- Interest income on Inter Corporate Deposit	112
ii) NRB Bearings Europe GmbH	- Sales Promotion expenses	434
	- Reimbursement of expense	6
iii) NRB Bearings, USA INC	- Sales Promotion expenses	285
	- Equity	15
iv) SNL Bearings Limited	- Sales of Finished goods	56
	- Purchase of Raw materials	1588
	- Purchase of special purpose machine spare parts	0*
	- Dividend received on equity shares	212
v) NRB Industrial Bearings Limited	- Sale of Raw materials	Nil
vi) First Technologies BV	- Legal and professional fees	134
vii) First Engineering Technologies Private Limited	- Purchase of property, plant and equipment	7
	- Purchase of raw materials	13
	- Miscellaneous expenses	1
	- Sales promotion expenses	4
viii) New Indo Trading	- Service charges	5
ix) Trilochan Singh Sahney Trust 1 (shares held by a trustee in his individual name)	- Dividend paid	1150
x) Key Managerial Personnels		
(Late) Mr. T.S Sahney	- Dividend paid	0*
Ms. Harshbeena Zaveri	- Remuneration and Commission	550
	- Dividend paid	353
Mr. S. C. Rangani	- Remuneration	113
	- Dividend paid	0*
Mr. Devesh Sahney	- Sitting Fees and Commission	2
	- Dividend paid	29
Others	- Sitting Fees and Commission to Independent Directors	30

(*) Amount less than ₹ 1 lakh

(e) Date(s) of approval by the Board, if any:

- i) 29th May, 2019
- ii) 9th August, 2019
- iii) 25th October, 2019
- iv) 11th February, 2020

(f) Amount paid as advances, if any:

Nil

 For and on behalf of the Board of Directors
NRB Bearings Limited
Harshbeena Zaveri
 Vice Chairman & Managing Director

Satish Rangani
 Executive Director

 Place : Mumbai
 Date : June 28, 2020

ANNEXURE 6
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st March, 2020

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

To,
The Members,
NRB Bearings Limited,

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has during the audit period covering the financial year ended on 31st March, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board process and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the NRB Bearings Limited for the financial year ended on 31st March, 2020 according to the provisions of:

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

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

- a) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- b) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998;
- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- d) The Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 and/or SEBI (Share Based Employee Benefits) Regulations, 2014.
- e) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with the client.
- (vi) The Acts / Guidelines specifically applicable to the Company: The management has confirmed that there is no specific law as identified and applicable to the Company.

I have also examined compliance with the applicable clauses of the following:

- a) Secretarial Standards with regard to Meeting of the Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of the Company Secretaries of India.

During the period under review the Corporation has complied with the provisions of the Act, Rules Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

- *The Company has not intimated Stock Exchange prior making payment of Interest on Non-Convertible Redeemable Debentures as per Regulation 50(1) of the SEBI (LODR) Regulations, 2015.*
- *The Company has not fixed a record date for payment of Interest on Non-Convertible Redeemable Debentures as per Regulation 60 of the SEBI (LODR) Regulations, 2015.*

I further report that –

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors as on 31st March, 2020 subject to the observation given above. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed proposal on agenda were sent in advance duly complying with the time limits specified and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- As per the minutes of the meeting duly recorded and signed by the chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.
- *No prior intimation was made to Stock Exchange before the payment of Interest on Non-Convertible Redeemable Debentures as per Regulation 50(1) of the SEBI (LODR) Regulations, 2015.*
- *No record date was fixed for payment of Interest on Non-Convertible Redeemable Debentures as per Regulation 60 of the SEBI (LODR) Regulations, 2015.*
- *The Company has filed the forms IEPF-1 and IEPF-2 under Rule 5(1), 5(8) and 7(2B) of IEPF Authority (Accounting, Audit, Transit for & Refund) Rule, 2016 after the due date.*

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

I further report that the compliance by the Company of applicable financial laws like direct and indirect tax laws has not been reviewed in this audit since the same has been subject to review by statutory financial audit and other designated professionals.

I further report that during the audit period the Company had no specific events/actions having a major bearing on the Company's affairs in pursuance to the laws, rules, regulations, standard and guidelines, etc. referred to above, having major bearing on the Company's affairs.

U.C. SHUKLA
COMPANY SECRETARY
FCS: 2727/CP: 1654

Place: Mumbai

ANNEXURE A

To,
The Members,
NRB Bearings Limited,

My report of even date is to be read 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 the test basis to ensure that correct facts are reflected in secretarial records. I believe that the process and practices, I followed, provide reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, I have obtained the management representation about the compliance of the laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations and standards is the responsibility of the management. My examination was limited to the verification of procedure on test basis.
6. The secretarial audit report is neither an assurance as to future viability of the Corporation nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

U.C. SHUKLA
COMPANY SECRETARY
FCS: 2727/CP: 1654

Place: Mumbai

ANNEXURE 7
Form No. MGT-9
EXTRACT OF ANNUAL RETURN as on 31/03/2020
[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 : L29130MH1965PLC013251
- ii) Registration Date : June 30, 1965
- iii) Name of the Company : NRB BEARINGS LIMITED
- iv) Category / Sub-Category of the Company : Company Limited by Shares
- v) Address of the Registered office and contact details : Dhannur, 15, Sir P. M. Road, Fort, Mumbai 400001, Maharashtra.
 Email id. : investors@nrbbearings.com
 Web address : www.nrbbearings.com
 Telephone No. : 022 22664160
 Fax No. : 022 22660412
- vi) Whether listed Company Yes/ No : Yes
 (The National Stock Exchange of India and BSE Limited)
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any : M/s. Universal Capital Securities Private Limited
 Unit: NRB Bearings Limited
 21 Shakil Niwas, Opp. Satya Saibaba Temple, Mahakali Caves, Andheri (East), Mumbai 400 093, Maharashtra
 Email id. : info@unisec.in
 Web address : www.unisec.in
 Telephone No. : 022 28207203
 Fax No. : 022 28207203

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the Company
1.	Needle roller bushes & cages	2913	43%
2.	Ball & roller bearings	2913	38%
3.	Automobile components	2913	19%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No.	Name and Address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1.	SNL BEARINGS LTD Dhannur,15 Sir P.M.Road, Fort,Mumbai 400 001	L99999MH1979PLC134191	Subsidiary	73.45	2(46)
2.	NRB Bearings (Thailand) Ltd.300/69,MOO1, T:Tasit, A:Pluak Daeng, Province, Rayong, Thailand 21140	Foreign Company	Subsidiary	100	2 (46)
3.	NRB Bearings Europe GmbH,Office # 521, Regus Business Center Konigstrasse 10C,Stuttgart Baden Wurttemberg 70173,Germany.	Foreign Company	Subsidiary	100	2(46)
4.	NRB Bearings, USA INC 480 Troywood Drive, Troy, MI 48083	Foreign Company	Subsidiary	100	2(46)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):
i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	15808462	0	15808462	16.31	11978100	0	11978100	12.36	-3.95
b) Central Govt.	0	0	0	0	0	0	0	0	0
c) State Govt.	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	0	0	0	0	0	0	0	0	0
e) Banks/ FI	0	0	0	0	0	0	0	0	0
f) Any other (Trust)	33809300	0	33809300	34.88	33809300	0	33809300	34.88	0.00
Sub-total (A) (1)	49617762	0	49617762	51.19	45787400	0	45787400	47.24	-3.95
(2) Foreign									
a) NRIs - Individuals	1434332	0	1434332	1.48	1450344	0	1450344	1.50	0.02
b) Other - Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks/ FI	0	0	0	0	0	0	0	0	0
e) Any Other ...	0	0	0	0	0	0	0	0	0
Sub-total (A) (2)	1434332	0	1434332	1.48	1450344	0	1450344	1.50	0.02
Total Shareholding of Promoters (A) = (A)(1)+(A)(2)	51052094	0	51052094	52.67	47237744	0	47237744	48.74	-3.93
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	18276966	6000	18282966	18.86	19803005	6000	19809005	20.44	1.57
b) Banks/ FI	43930	0	43930	0.05	31327	0	31327	0.03	-0.01
c) Central Govt.	0	0	0	0	0	0	0	0	0
d) State Govt.	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	856839	0	856839	0.88	0.88
g) FIIs	14812475	0	14812475	15.28	18879995	0	18879995	19.48	4.20
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (Specify)	0	0	0	0	0	0	0	0	0
Sub-total (B) (1)	33133371	6000	33139371	34.19	39571166	6000	39577166	40.83	6.64
(2) Non-Institutions									
a) Bodies Corporate									
i) Indian	4678528	4000	4682528	4.83	587140	4000	591140	0.61	-4.22
ii) Overseas	0	0	0	0	0	0	0	0	0

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
b) Individuals									
i) Individual Shareholders holding nominal share capital upto Rs.1 Lakh	5842427	362060	6204487	6.40	6384407	322060	6706467	6.92	0.52
ii) Individual Shareholders holding nominal share capital in excess of Rs.1 Lakh	600722	0	600722	0.62	1453492	0	1453492	1.50	0.88
c) Any Other									
i) NRI's/ OCBs	380957	0	380957	0.39	428121	0	428121	0.44	0.05
ii) Clearing Members	133917	0	133917	0.14	47493	0	47493	0.05	-0.09
iii) Foreign Nationals	0	0	0	0.00	0	0	0	0.00	0.00
iv) Trusts	2600		2600	0.00			0	0.00	0.00
v) Foreign Portfolio Investment Corporation	0	0	0	0	0	0	0	0	0
vi) LLP/ Partnership firm	32570	0	32570	0.03	530344	0	530344	0.55	0.51
vii) NBFC	139	0	139	0.00	0	0	0	0.00	0.00
viii) HUF	270013	0	270013	0.28	242810	0	242810	0.25	-0.03
ix) IEPF Authority	58620	0	58620	0.06	62045	0	62045	0.06	0.00
x) Alternate Investment Fund	353582	0	353582	0.36	33778	0	33778	0.03	-0.33
(xi) Director's Relatives	11000	0	11000	0.01	12000	0.00	12000	0.01	0.00
Sub-total (B) (2)	12365075	366060	12731135	13.14	9781630	326060	10107690	10.43	-2.71
Total Public Shareholding (B) = (B)(1) + (B) (2)	45498446	372060	45870506	47.33	49352796	332060	49684856	51.26	3.93
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	96550540	372060	96922600	100.00	96590540	332060	96922600	100.00	0.00

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			
		No of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	% change in shareholding during the year
1	Aarti D. Sahney	407000	0.42	0	411900	0.42	0	-0.01
2	Bhupinder Singh Sahney	26680	0.03	0	26680	0.03	0	0.00
3	Devesh S Sahney	3634583	3.75	89.74	850089	0.88	5.09	2.87
4	Hanwantbir Kaur Sahney	2867000	2.96	73.08	0	0.00	0	2.96
5	Harshbeena Sahney Zaveri	8568704	8.84	0	10384936	10.71	0	-1.87
6	Jasjiv Singh Devinder S Sahney	303495	0.31	0	303495	0.31	0	0.00
7	Rajiv Devinder Sahney	747021	0.77	0	747021	0.77	0	0.00

8	Sahir Zaveri	19752	0.02	0	19752	0.02	0	0.00
9	Trilochan Singh Sahney	1000	0.00	0	1000	0.00	0	0.00
10	Trilochan Singh Sahney Trust 1	33809300	34.88	0	33809300	34.88	0	0.00
11.	Aziz Y Zaveri	667559	0.69	0	683571	0.71	0	-0.02
	Total	51052094	52.67	10.49	47237744	48.74	0.62	3.94

(iii) Change in Promoters' Shareholding (Please Specify, if there is no change)

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1.	Aarti D. Sahney				
	At the beginning of the Year	407000	0.42		
	31/03/2020 Purchase	4900	0.00	411900	0.42
	At the End of the Year			411900	0.42
2.	Bhupinder Singh Sahney				
	At the beginning of the Year	26680	0.03		
	Date wise Increase/ Decrease	Nil	Nil	26680	0.03
	At the End of the Year			26680	0.03
3.	Devesh S. Sahney				
	At the beginning of the Year	3634583	3.75		
	02/08/2019 Sale	-81724	-0.08	3552859	3.67
	09/08/2019 Sale	-2707670	-2.79	845189	0.87
	31/03/2020 Purchase	4900	0.00	850089	0.88
	At the End of the year			850089	0.88
4.	Hanwantbir Kaur Sahney				
	At the beginning of the Year	2867000	2.96		
	02/08/2019 Sale	-2094557	-2.16	772443	0.80
	09/08/2019 Sale	-680	0.00	771763	0.80
	16/08/2019 Sale	-771763	-0.80	0	0.00
	At the End of the Year			0	0
5.	Harshbeena Sahney Zaveri				
	At the beginning of the Year	8568704	8.84		
	07/06/2019 Purchase	80930	0.08	8649634	8.92
	14/06/2019 Purchase	170959	0.18	8820593	9.10
	21/06/2019 Purchase	38847	0.04	8859440	9.14
	28/06/2019 Purchase	13058	0.01	8872498	9.15
	05/07/2019 Purchase	2450	0.00	8874948	9.16
	16/08/2019 Purchase	771763	0.80	9646711	9.95
	23/08/2019 Purchase	503572	0.52	10150283	10.47
	30/08/2019 Purchase	22240	0.02	10172523	10.50
	30/09/2019 Purchase	6000	0.01	10178523	10.50
	21/02/2020 Purchase	3348	0.00	10181871	10.51
	28/02/2020 Purchase	7709	0.01	10189580	10.51
	06/03/2020 Purchase	6809	0.01	10196389	10.52
	13/03/2020 Purchase	3250	0.00	10199639	10.52
	20/03/2020 Purchase	10777	0.01	10210416	10.53
	31/03/2020 Purchase	174520	0.18	10384936	10.71
	At End of the Year			10384936	10.71

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
6.	Jasjiv Singh Devinder Singh Sahney				
	At the beginning of the Year	303495	0.31		
	Date wise Increase/ Decrease	Nil	Nil	303495	0.31
	At End of the Year			303495	0.31
7.	Rajiv Devinder Sahney				
	At the beginning of the Year	747021	0.77		
	Date wise Increase/ Decrease	Nil	Nil	747021	0.77
	At the End of the Year			747021	0.77
8.	Sahir Zaveri				
	At the beginning of the Year	19752	0.02		
	Date wise Increase/ Decrease	Nil	Nil	19752	0.02
	At the End of the Year			19752	0.02
9.	Trilochan Singh Sahney				
	At the beginning of the Year	1000	0.00		
	Date wise Increase/ Decrease	Nil	Nil	1000	0.00
	At the End of the Year			1000	0.00
10.	Trilochan Singh Sahney Trust 1				
	At the beginning of the Year	33809300	34.88		
	Date wise Increase/ Decrease	Nil	Nil	33809300	34.88
	At the End of the Year			33809300	34.88
11.	Aziz Y Zaveri				
	At the beginning of the Year	667559	0.69		
	07/06/2019 Purchase	1600	0.00	669159	0.69
	14/06/2019 Purchase	11779	0.01	680938	0.70
	21/06/2019 Purchase	2000	0.00	682938	0.70
	23/08/2019 Purchase	633	0.00	683571	0.71
	At the End of the Year			683571	0.71

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

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	Nalanda India Equity Fund Ltd.				
	At the beginning of the Year	9682667	9.99		
	Date wise Increase/ Decrease	Nil	Nil	9682667	9.99
	At the End of the Year			9682667	9.99
2	HDFC Small Cap Fund				
	At the beginning of the Year	8425182	8.69		
	05/04/2019 Purchase	15000	0.02	8440182	8.71
	12/04/2019 Purchase	21000	0.02	8461182	8.73
	19/04/2019 Purchase	43000	0.04	8504182	8.77
	26/04/2019 Purchase	40000	0.04	8544182	8.82
	10/05/2019 Purchase	60000	0.06	8604182	8.88
	17/05/2019 Purchase	7800	0.01	8611982	8.89
	24/05/2019 Purchase	28000	0.03	8639982	8.91
	31/05/2019 Purchase	29000	0.03	8668982	8.94
	09/08/2019 Purchase	80000	0.08	8748982	9.03
	At the End of the Year			8748982	9.03
3	ICICI Prudential Life Insurance Company				
	At the beginning of the Year	3808112	3.93		
	12/07/2019 Sale	-803	-0.00	3807309	3.93
	19/07/2019 Sale	-135213	-0.14	3672096	3.79
	02/08/2019 Sale	-40608	-0.04	3631488	3.75
	09/08/2019 Sale	-829697	-0.86	2801791	2.89
	23/08/2019 Sale	-240082	-0.25	2561709	2.64
	30/08/2019 Sale	-136550	-0.14	2425159	2.50
	06/09/2019 Sale	-33229	-0.03	2391930	2.47
	13/09/2019 Sale	-43313	-0.04	2348617	2.42
	20/09/2019 Sale	-34053	-0.04	2314564	2.39
	30/09/2019 Sale	-709108	-0.73	1605456	1.66
	08/11/2019 Sale	-77636	-0.08	1527820	1.58
	15/11/2019 Sale	-20229	-0.02	1507591	1.56
	17/01/2020 Sale	-650752	-0.67	856839	0.88
	At the End of the Year			856839	0.88
4	Sundaram Mutual Fund A/C (sundaram)				
	At the beginning of the Year	2440889	2.52		
	05/07/2019 Sale	-2411	-0.00	2438478	2.52
	12/07/2019 Sale	-1690	-0.00	2436788	2.51
	23/08/2019 Purchase	113486	0.12	2550274	2.63
	At the End of the Year			2550274	2.63
5	Reliance Capital Trustee Co. Limited (Reliance Sall Cap Fund)				
	At the beginning of the Year	2335472	2.41		
	02/08/2019 Purchase	50000	0.05	2385472	2.46
	09/08/2019 Purchase	50000	0.05	2435472	2.51
	23/08/2019 Sale	-2435472	-0.00	0	0.00
	At the End of the Year			0	0.00

6	SBI Magnum Midcap Fund				
	At the beginning of the Year	1275761	1.32		
	Date wise Increase/ Decrease	Nil	Nil	1275761	1.32
	At the End of the Year			1275761	1.32
7	Acacia Partners, LP				
	At the beginning of the Year	1080000	1.11		
	23/08/2019 Purchase	315500	0.33	1395500	1.44
	30/08/2019 Purchase	30800	0.03	1426300	1.47
	06/09/2019 Purchase	56280	0.06	1482580	1.53
	30/09/2019 Purchase	197420	0.20	1680000	1.73
	11/10/2019 Purchase	236600	0.24	1916600	1.98
	17/01/2020 Purchase	151200	0.16	2067800	2.13
	At the End of the Year			2067800	2.13
8	Acacia Institutional Partners, LP				
	At the beginning of the Year	900000	0.93		
	23/08/2019 Purchase	292500	0.30	1192500	1.23
	30/08/2019 Purchase	28600	0.03	1221100	1.26
	06/09/2019 Purchase	52260	0.05	1273360	1.31
	30/09/2019 Purchase	286640	0.30	1560000	1.61
	11/10/2019 Purchase	219700	0.23	1779700	1.84
	17/01/2020 Purchase	140400	0.14	1920100	1.98
	At the End of the Year			1920100	1.98
9	Sundaram Mutual Fund A/c Sundaram Infrastructure Advantage Fund				
	At the beginning of the Year	765771	0.79		
	31/05/2019 Sale	-16272	-0.02	749499	0.77
	07/06/2019 Sale	-15372	-0.02	734127	0.76
	14/06/2019 Sale	-111894	-0.12	622233	0.64
	05/07/2019 Sale	-2929	-0.00	619304	0.64
	At the End of the Years			619304	0.64
10	Franklin India Equity Advantage Fund				
	At the beginning of the Year	724550	0.75		
	Date wise Increase/ Decrease	Nil	Nil	724550	0.75
	At the End of the Yearss			724550	0.75
11	J P Morgan Smaller Companies Fund				
	At the beginning of the Year	541680	0.56		
	Date wise Increase/ Decrease	Nil	Nil	541680	0.56
	At the End of the Year			541680	0.56
12	Acacia Conservation Fund LP				
	At the beginning of the Year	540000	0.56		
	23/08/2019 Purchase	755500	0.78	1295500	1.34
	30/08/2019 Purchase	30800	0.03	1326300	1.37
	06/09/2019 Purchase	56280	0.06	1382580	1.43
	30/09/2019 Purchase	297420	0.31	1680000	1.73
	11/10/2019 Purchase	236600	0.24	1916600	1.98
	17/01/2020 Purchase	151200	0.16	2067800	2.13
	At the End of the Year				2.13

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
13	Acacia Banyan Partners				
	At the beginning of the Year	420000	0.43		
	23/08/2019 Purchase	240000	0.25	660000	0.68
	30/08/2019 Purchase	17600	0.02	677600	0.70
	06/09/2019 Purchase	32160	0.03	709760	0.73
	30/09/2019 Purchase	250240	0.26	960000	0.99
	11/10/2019 Purchase	135200	0.14	1095200	1.13
	17/01/2020 Purchase	86400	0.09	1181600	1.22
	At the End of the Year			1181600	1.22
14	Franklin Build India Fund				
	At the beginning of the Year	0	0.00		
	13/12/2019 Purchase	1600000	1.65	1600000	1.65
	At the End of the Year			1600000	1.65
15	HDFC Small Cap Equity Fund				
	At the beginning of the Year	0	0.00		
	23/08/2019 Purchase	480487	0.50	480487	0.50
	30/09/2019 Purchase	311723	0.32	792210	0.82
	04/10/2019 Purchase	20724	0.02	812934	0.84
	11/10/2019 Purchase	50000	0.05	862934	0.89
	01/11/2019 Purchase	37066	0.04	900000	0.93
	08/11/2019 Sale	-99740	0.10	800260	0.83
	At the End of the Year			800260	0.83

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name of the Director	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1.	Harshbeena Sahney Zaveri				
	At the beginning of the Year	8568704	8.84		
	07/06/2019 Purchase	80930	0.08	8649634	8.92
	14/06/2019 Purchase	170959	0.18	8820593	9.10
	21/06/2019 Purchase	38847	0.04	8859440	9.14
	28/06/2019 Purchase	13058	0.01	8872498	9.15
	05/07/2019 Purchase	2450	0.00	8874948	9.16
	16/08/2019 Purchase	771763	0.80	9646711	9.95
	23/08/2019 Purchase	503572	0.52	10150283	10.47
	30/08/2019 Purchase	22240	0.02	10172523	10.50
	30/09/2019 Purchase	6000	0.01	10178523	10.50
	21/02/2020 Purchase	3348	0.00	10181871	10.51
	28/02/2020 Purchase	7709	0.01	10189580	10.51
	06/03/2020 Purchase	6809	0.01	10196389	10.52
	13/03/2020 Purchase	3250	0.00	10199639	10.52
	20/03/2020 Purchase	10777	0.01	10210416	10.53
	31/03/2020 Purchase	174520	0.18	10384936	10.71
	At the End of the Year			10384936	10.71

Sr. No.	Name of the Director	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
2.	S. C. Rangani				
	At the beginning of the Year	9000	0.01		
	Date wise Increase/ Decrease	Nil	Nil	9000	0.01
	At the End of the Year			9000	0.01
3.	Devesh S. Sahney				
	At the beginning of the Year	3634583	3.75		
	02/08/2019 Sale	-81724	-0.08	3552859	3.67
	09/08/2019 Sale	-2707670	-2.79	845189	0.87
	31/03/2020 Purchase	4900	0.00	850089	0.88
	At the End of the Year			850089	0.88
4.	Tashwinder Singh				
	At the beginning of the Year	0	0.00		
	Date wise Increase/ Decrease	Nil	Nil	0	0.00
	At the End of the Year			0	0.00
5.	Vishakha R. M.				
	At the beginning of the Year	0	0.00		
	Date wise Increase/ Decrease	Nil	Nil	0	0.00
	At the End of the Year			0	0.00
6.	Ashank Desai				
	At the beginning of the Year	0	0.00		
	Date wise Increase/ Decrease	Nil	Nil	0	0.00
	At the End of the Year			0	0.00
7.	Rustom Desai				
	At the beginning of the Year	0	0.00		
	Date wise Increase/ Decrease	Nil	Nil	0	0.00
	At the End of the Year			0	0.00
8.	Tanushree Bagrodia*				
	At the beginning of the Year	0	0.00		
	Date wise Increase/ Decrease	Nil	Nil	0	0.00
	At the End of the Years			NA	NA
9.	Shruti Joshi				
	At the beginning of the Year	10	0.00		
	Date wise Increase/ Decrease	Nil	Nil	10	0.00
	At the End of the Year			10	0.00

* For part of the year

VI. Indebtedness
Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtness (Rs.in lakhs)
Indebtedness at the beginning of the financial year				
i) Principal Amount	14,298	11,230	0	25,528
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	38	308	0	346
Total (i+ii+iii)	14,336	11,538	0	25,874
Change in Indebtedness during the financial year				
i) Addition	15,878	6,500	0	22,378
ii) Reduction	(10,940)	(4,163)	0	(15,103)
Net Change	4,938	2,337	0	7,275
Indebtedness at the end of the financial year				
i) Principal Amount	19,240	13,553	0	32,793
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	34	322	0	356
Total (i+ii+iii)	19,274	13,875	0	33,149

VII. Remuneration of Directors and Key Managerial Personnel

A. Remuneration to Managing Director, Whole-time Directors and/or Manager for 2019-20: (In Rs.)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Ms. H. S. Zaveri (Vice Chairman & Managing Director)	Mr. S. C. Rangani (Executive Director)	
1.	Gross salary:			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,35,00,000	99,00,000	2,34,00,000
	(b) Value of perquisites u/s 17(2)	36,955,175	2,17,660	3,71,72,835
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission: - as % of profit - others, specify (Variable Pay)	29,45,909	-	29,45,909
5.	Others, please specify (Retirals)	16,20,000	11,88,000	28,08,000
	Total (A)	5,50,21,084	1,13,05,660	6,63,26,744
	Ceiling as per the Act (Sec197)	Rs. 4,08,56,979 (Ratification of the managerial remuneration in excess of the limits provided in section 197 of the Act, has been sought from shareholders)		

B. Remuneration to Other Directors during 2019-20:

(In Rs.)

Sr. No.	Particulars of Remuneration	Name of Directors				
		Mr. D.S. Sahney	Mr. Tashwinder Singh	Mr. Ashank Desai	Mr. Rustom Desai	Vishakha R.M
1.	Fee for attending board / committee meetings	-	4,40,000	3,70,000	3,50,000	5,20,000
	Commission Others, please specify	-	5,50,000	2,40,000	2,40,000	2,40,000
	Total (1)	-	9,90,000	6,10,000	5,90,000	7,60,000
2.	Other Non-Executive Directors	1,20,000	-	-	-	-
	Fee for attending board / committee meetings Commission Others, please specify	1,30,000	-	-	-	-
	Total (2)	2,50,000	-	-	-	-
	Total (B)=(1+2)	2,50,000	9,90,000	6,10,000	5,90,000	7,60,000

C. Remuneration to Key Managerial Personnel other than Managing Director, Whole-time Directors and/or Manager for 2019-20:

(In Rs.)

Sr. No.	Particulars of Remuneration	Name of Manager (KMP)		Total Amount (in Rs.)
		Ms. Tanushree Bagrodia (CFO & VP (IT))	Ms. Shruti Joshi Company Secretary & AVP (Legal)	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	48,80,951	18,31,968	67,12,919
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	97,59,591	30,31,332	1,27,90,923
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961/Variable Pay	27,66,400	7,01,174	34,67,574
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission: - as % of profit - others, specify...	-	-	-
5.	Others, please specify (Retirals)	5,85,714	2,19,836	8,05,550
	Total (A)	1,79,92,656	57,84,310	2,37,76,966

VIII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ punishment/ Compounding fees imposed	Authority [RD/ NCLT/ Court]	Appeal made, if any (give details)
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--
Other Officers in Default					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--

 For and on behalf of the Board of Directors
NRB Bearings Limited
Harshbeena Zaveri
 Vice Chairman & Managing Director

Satish Rangani
 Executive Director

 Place : Mumbai
 Date : June 28, 2020

ANNEXURE 8

Disclosure of Remuneration under Section 197 (12) of Companies Act, 2013 and Rule 5(1) of the Companies (Appointment And Remuneration) Rules, 2014.

A. STATEMENT SHOWING DETAILS OF MEDIAN REMUNERATION OF THE DIRECTOR/KMP OF THE COMPANY

- a. The ratio of the remuneration of each Director to the median remuneration of the employees of the company for the financial year 2019-20

Name of Directors	Remuneration (Rs. In lacs)	Median Remuneration (Rs. In Lacs)	Ratio
Ms. Harshbeena Zaveri Executive/ Vice Chairman & Managing Director	Rs. 550	Rs. 4	123.36
Mr. S. C. Rangani Executive/ Whole Time Director	Rs. 113	Rs. 4	25.34
Ms. Tanushree Bagrodia (CFO)	Rs. 180	Rs. 4	40.34
Ms. Shruti Joshi (CS)	Rs. 58	Rs. 4	12.96

- b. The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2019-20;

Name of Directors	Percentage increase in remuneration in the Financial year.
Ms. Harshbeena Zaveri, Executive, Vice Chairman & Managing Director	1.16
Mr. S. C. Rangani, Executive, Whole Time Director	-17.19
Ms. Tanushree Bagrodia (CFO)	-0.10
Ms. Shruti Joshi (CS)*	31.03

* Ms. Shruti Joshi was employed with the Company for a part of FY 2018-19.

- c. The percentage increase in the median remuneration of employees in the financial year ;
The median remuneration of employees of the Company has increased by 6.01% during the financial year 2019-20. (from Rs 4,21,164 p.a to Rs 4,46,482 p.a..)
- d. The Company has 1,456 number of permanent employees on the rolls of company as on 31 March, 2020;
- e. Average percentile increase already made in the salaries of employees other than the managerial personnel and its comparison with the percentile increase in the managerial remuneration and justification thereof.
Average percentile Increase in the salaries of employees other than Managerial Personnel is **0.89%** while decrease in the Managerial Remuneration is **2.42%**.
- f. The remuneration is as per the remuneration policy of the company.

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

Harshbeena Zaveri
Vice Chairman & Managing Director

Satish Rangani
Executive Director

Place : Mumbai
Date : June 28, 2020

BUSINESS RESPONSIBILITY REPORT*[Regulation 34(2)(f)]***SECTION A: GENERAL INFORMATION ABOUT THE COMPANY**

1. Identity Number (CIN) of the Company:	L29130MH1965PLC013251
2. Corporate Name of the Company:	NRB Bearings Limited
3. Registered address:	Dhannur, 15, Sir P.M. Road, Fort, Mumbai 400 001
4. Website:	www.nrbbearings.co.in
5. E-mail id:	investorcare@nrbbearings.co.in
6. Financial Year reported:	2019-20
7. Sector(s) that the Company is engaged in (industrial activity code-wise):	<ul style="list-style-type: none">• Manufacture of bearings and components for the mobility industry• Industrial Activity Code: 35
8. List three Key products/services that the Company manufactures/provides (as in balance sheet):	<ul style="list-style-type: none">• Automotive Bearings
9. Total number of locations where business activity is undertaken by the Company (a) Number of International Locations (Provide details of major 5) (b) Number of National Locations	Nil Registered Office: Dhannur, 15, Sir P.M. Road, Fort, Mumbai 400 001 Factories: 7(Seven) in number at Navi Mumbai (Engineering Centre), Thane, Waluj, Aurangabd and Jalna in the State of Maharashtra, Hyderabad in the State of Telnagana and at Pantnagar in the State of Uttarakhand Regional Offices: 7 (Seven) in number at Pune, Gurgaon, Kolkata, Bangalore, Ahmedabad, Chennai and Indore.
10. Market Served by the Company- Local/State/National/ Internationals	India The Company also exports its products globally to approx. 45 countries worldwide.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid up Capital (INR)	19,38,45,200/-
2. Total Turnover (INR Lacs)	74,230
3. Total profit after taxes (INR Lacs)	2,945
4.Total Spending (INR Lacs) on Corporate Social Responsibility (CSR) as percentage of profit after tax(%)	217 (approx) 7.35%
5. List of activities in which expenditure in 4 above has been incurred *:- a) Promoting Education b) Enhancing vocational skills for employment c) Promoting social business projects	Please refer table below

* The projects for the activities are presented by the respective Trusts and Non-Government Organizations and are chosen by the Corporate Social Responsibility Committee after thorough evaluation.

Particulars	Activity	Amount Paid (Rs. In lakhs)
Ashoka University	Education	65,00,000
IIT- Bombay	Education	27,00,000
Aseema Charitable Trust	Education	20,00,000
321 Education Foundation	Education	30,00,000
Light of Life Trust	Education	5,00,000
Gyan Prakash Foundation	Education	5,00,000
The Apprenticeship Project	Vocational Development	5,00,000
Jai Vakeel	Vocational Development	11,00,000
The Akshay Patra Foundation	Social Business Projects	5,00,000
Hiralal Parekh Parivar Charitable Trust	Social Business Projects	30,00,000
Flood Relief - Habitat for Humanity	Social Business Projects	7,00,000
Sustainable Environment and Ecological Development Society (SEEDS)	Social Business Projects	3,00,000
Navjeevan Society for Rehabilitation of the Mentally Retarded	Vocational Development	1,00,000
SAE INDIA AWIM National Olympics	Social Business Projects	2,00,000
Society For The Higher Education (Sophia College)	Education	50,000

SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/ Companies?	SNL Bearings Limited NRB Bearings (Thailand) Limited NRB Bearings Europe GmbH NRB Bearings, USA INC
2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	SNL Bearings Limited, is a subsidiary company which is listed on BSE Limited and has its own business responsibility and CSR initiatives. Business Responsibility (BR) initiatives including CSR are undertaken at the parent level and the other subsidiary companies are a part of it.
3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	The Company encourages responsible and sustainable business practices and supports such initiatives. At present, less than 30% of other entities participate in the BR initiatives of the Company.

SECTION D: Business Responsibility (BR) INFORMATION

1. Details of Director/Directors responsible for BR

(a) Details of the Director/Director responsible for implementation of the BR policy/policies

The Board of Directors as well as the Corporate Social Responsibility (CSR) Committee of the Board monitors the various CSR activities. The CSR Committee consists of the following 3 (three) members viz.

Name	Designation	DIN
Ms. Harshbeena Zaveri	Chairman of the Committee and Vice Chairman & Managing Director of the Company	00003948
Mr. Satish Rangani	Member of the Committee and Executive Director of the Company	00209069
Mr. Ashank Desai	Member of the Committee and Non-Executive and Independent Director of the Company	00017767

The role of the CSR Committee inter alia includes the following:

- a. To formulate and recommend to the Board the Corporate Social Responsibility Policy (CSR Policy). The CSR Policy shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013 (the Act) read with Companies (Corporate Social Responsibility) Rules, 2014 (the Rules), as amended from time to time, and shall include the following activities currently included in Schedule VII:
 - (i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.
 - (ii) promoting education, including special education and employment, enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.
 - (iii) promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.
 - (iv) ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga.
 - (v) protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional art and handicrafts;
 - (vi) measures for the benefit of armed forces veterans, war widows and their dependents;
 - (vii) training to promote rural sports, nationally recognised sports, paralympic sports and olympic sports;
 - (viii) contribution to the prime minister's national relief fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) or any other fund set up by the central govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;
 - (ix) Contribution to incubators funded by Central Government or State Government or any agency or Public Sector Undertaking of Central Government or State Government, and contributions to public funded Universities, Indian Institute of Technology (IITs), National Laboratories and Autonomous Bodies (established under the auspices of Indian Council of Agricultural Research (ICAR), Indian Council of Medical Research (ICMR), Council of Scientific and Industrial Research (CSIR), Department of Atomic Energy (DAE), Defence Research and Development Organisation (DRDO), Department of Biotechnology (DBT), Department of Science and Technology (DST), Ministry of Electronics and Information Technology) engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).
 - (x) rural development projects
 - (xi) slum area development.
Explanation.- For the purposes of this item, the term `slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force.
 - (xii) disaster management, including relief, rehabilitation and reconstruction activities.
 - b. To approve the amount of expenditure to be incurred on the activities undertaken by the Company as per the CSR Policy within the overall limit specified in Section 135 (5) of the Act, as amended from time to time, but not less than 2% of the average net profits of the Company during the three immediately preceding financial years, (calculated pursuant to Section 198 of the Act) or any other sum, as may be prescribed under Section 135 of the Act from time to time.
 - c. To monitor the CSR Policy of the company from time to time.
- (b) Details of the BR head

No.	Particulars	Details
1	DIN Number (if applicable)	00003948
2	Name	Ms. Harshbeena Zaveri
3	Designation	Vice Chairman & Managing Director
4	Telephone number	+91 22 22664160
5	e-mail id	investorcare@nrbbearings.co.in

2. Principle-wise (as per National Voluntary Guidelines 'NVG') BRPolicy/policies

The Company has always believed in and worked towards “inclusive growth” improving the quality of life of the people it touched and in the communities where the Company operates. The Company has a continuing commitment to contribute to economic development of the society at large and build capacity for sustainable livelihoods. The Company believes in “holistic empowerment” of the community, through implementation of sustainable initiatives which will have maximum societal impact. Thus, respect and integrity for the environment, employees and the community are at the forefront of the business responsibility initiatives of the Company.

The NVG provide for the following 9 (nine) principles:

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

Principle 3: Businesses should promote the well being of all employees.

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

Principle 5: Businesses should respect and promote human rights.

Principle 6: Business should respect, protect, and make efforts to restore the environment.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

Principle 8: Businesses should support inclusive growth and equitable development.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner.

Details of compliance (Reply in Y/N)

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	Do you have a policy/ policies for...	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4	Has the policy been approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	www.nrbbearings.in								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the company have in-house structure to implement the policy/ policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policies the	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	The company has not understood the Principles									
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)									

3. Governance related to BR

The Board of Directors review the BR initiatives, the Audit Committee reviews the whistle blower policy of the Company, and the Corporate Social Responsibility (CSR) Committee reviews the CSR Policy and the CSR initiatives undertaken by the Company. The Board of Directors have oversight relating to the corporate governance and business responsibility initiatives of the Company.

This Business Responsibility Report will be available for review at the following link: www.nrbbearings.co.in. In line with the requirements of the Companies Act, 2013, your Company has also published the CSR Annual Report which forms a part of the Board's Report of the Company.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Ethics, Transparency and Accountability

A strong corporate governance foundation based on the cornerstones of transparency, fairness and accountability has been laid down by the Company since its inception. Your Company is committed towards this and everyone associated with the Company must abide by its principles in letter and spirit. The Company vehemently refrains from engaging in corrupt, abusive or anti-competitive practices. Towards this, the Company has formulated the Business Conduct Guidelines and Ethics Policy covering principles of business integrity, responsibilities relating to employees, customers and the environment. The Company periodically cascades the principles under the Business Conduct Guidelines and Ethics Policy across the organization. Concerns and issues related to this framework are reviewed and dealt with by the Corporate Compliance Committee. The Company has adopted a NRB-Whistle Blower Policy which provides a framework through which all the Directors and employees as well as external stakeholders viz. customers, vendors, suppliers, outsourcing partners etc. can report their genuine concerns and actual/potential violations to the designated officials fearlessly. Any concerns or reporting for grievances and violations regarding the policies can be raised to the Corporate Compliance Committee. The Audit Committee also periodically reviews the complaints and grievances, if any received. During FY 2019-20, the Company has received Nil complaints under whistle blower mechanism. Additionally, Code of Conduct for Board of Directors and Senior Management has also been formulated for ethical and transparent behavior to achieve the highest standards of corporate governance.

Principle 2: Products Lifecycle Sustainability

The Company believes product lifecycle sustainability is an approach to effectively manage stages of a product's existence to minimise any adverse environmental impact. The degree of sustainability is largely determined during the beginning of the product lifecycle in which the product is designed and developed. Following the same principle, the Company has developed its products that are safe and will contribute to sustainability throughout their lifecycle. All of the Company's products and consumable materials used in-house are ELV compliant and free from hazardous elements. Every product is certified for the same. The Company endorses products and process design for in-house software and automation. The Company has also taken several initiatives for automating engineering processes, which have reduced simulation, 3D modelling times and reduction of energy waste during testing. Sustainability initiatives include identifying the source of raw materials, ensuring good conditions for workers and reducing the carbon footprint. The Company has always promoted local and domestic (local and small scale industries) resources for their business enrichment. It has identified local small-scale industries with capability or resources and encouraged them to come up with products of international benchmark for mutual benefits. During the year under review, the Company has used approximately 40% of reclaimed raw materials in its needle roller polishing process.

Principle 3: Employee's Well-being:

Your Company encourages its employees to maintain a healthy "lifestyle" and stresses the importance of safety both at the workplace and outside it. The aim is to create a working environment supportive of employee's personal lives while meeting the Company's objectives. As at March 31, 2020, there were 1456 permanent employees in the Company out of which 54 no. were women.

The Company has embraced diversity as a culture and understands that strength lies in difference and not similarities. Though the Company encourages diversity in all aspects, it has a particular focus on gender diversity. The Company has in place a policy of prevention of sexual harassment at workplace which endeavours to provide safe workplace and environment for women not only to work freely without any danger to their person but also express their ideas freely and without fear. The Internal Complaints Committees formed at various factories and locations under the said policy reviews any complaint or grievance by any woman. In addition, the Company has several inclusivity guidelines/policies thus building an organization that celebrates and leverages diversity. Various programme are conducted to raise awareness on the issue of sexual harassment of women at workplace.

Unleashing talent is the value pillar of the Company and it emphasizes on people focus. There is a clearly defined career philosophy which involves job rotation and diversity of experiences at all stages of the individual's career. Training and Organization development is given utmost importance. The Company focuses on skill and capability building of its employees through various Learning & Development initiatives. These initiatives are focussed on functional/technical, environment-safety and behavioural aspects of employees identified for the Individual employee and the Company's need. In FY 2019-20, the number of training achieved for each of the permanent employees was 1.61 mandays and for others was 1.10 mandays.

The Company has in place an Environment, Health and Safety Policy and top priority is given to the health and safety of all persons working on the Company's premises. The health and safety policies of the Company are reviewed by the Board of Directors. Safety performance is monitored through a set of key performance indicators which are reviewed regularly.

Your Company is a great believer in fair business practices and has a very good record on industrial relations. The rights of workers to freedom of association and collective bargaining are recognized and respected. The Company is committed to upholding the values enshrined in the Constitution of India and applicable laws / regulations and ensure the recognition and protection of the basic human rights of every citizen of India and across the world and also compliance with laws and regulations relating to anti-bribery, upliftment of working conditions, prevention of child labour, protection of the environment and political non-alignment.

During the year, there have been no complaints alleging child labour, forced labour, involuntary labour, discriminatory employment or sexual harassment.

Principle 4: Stakeholder Engagement

Your Company believes that businesses should respect the interests of and be responsive towards all stakeholders especially those who are disadvantaged, vulnerable and marginalized. Customer-centricity is the core value of the Company.

The Company constantly seeks to understand what motivates the customers to consume the Company's products, seeks to provide best in class products and services and to connect and engage with the customers. This principle is enshrined in the Quality Policy of the Company. Your Company has consistently received awards and accolades from customers relating to quality and delivery. Your Company constantly endeavors to provide the best of services to its shareholders and investors and to maintain the highest level of corporate governance. For this the Company regularly interacts with the shareholders and investors through the Company's website and the quarterly and annual reports. The Annual General Meeting is also a forum where the shareholders of the Company engage directly with the Board of Directors and answers their queries on various subjects. All interactions with government, regulators and quasi-judicial bodies are done by duly authorized and trained individuals with honesty, integrity, openness and in compliance of all laws and legislations. Any association with trade bodies is done as per the relevant and extant laws and as per the principles embedded in the aforesaid Business Conduct Guidelines and Ethics Policy. Your Company also recognises its employees as important stakeholders and several initiatives are undertaken to communicate, the vision, strategy and way forward to the employees. The employees are kept abreast of all important events, achievements and milestones of your Company. Such communication channels help employees to connect, bond, inspire, motivate and celebrate achievements.

Principle 5: Human Rights

Your Company completely believes that businesses should respect and promote human rights. Openness and integrity form the core values of your Company. The Company conducts its operations with honesty, integrity and with respect for the human rights and employees.

Your Company is fully conversant of the human rights element of the Constitution of India, various laws and regulations and the contents of the international human rights. The Company expects and encourages its partners, suppliers and contractors to fully respect human rights and strictly avoid any violation of human rights. All stakeholders including employees impacted by the business have full right and access to the grievance mechanisms introduced by the Company.

The Company upholds the principles of human rights and fair treatment through various policies adopted by it such as Business Conduct Guidelines and Ethics, Policy on Prevention of Sexual Harassment at Workplace, CSR Policy, Hospitalization Policy, Voluntary Provident Fund Policy etc.

There were no complaints or grievances received against the Company in the above regard.

Principle 6: Environment

Your Company fully endorses that businesses should utilize natural and man-made resources in an optimal and responsible manner and ensure sustainability of resources by reducing, reusing, recycling and managing waste. The Company takes efforts to check and prevent pollution. The Company has an environment health and safety team which functions to ensure that the operations of the Company follow in spirit the laws relating to preservation and restoration of the environment. Several initiatives are undertaken by the research and development and the engineering team for increasing usage of clean technology, alternative sources of energy, cleaner fuels, energy efficiency etc.

During the year under review, the Company has received Nil show cause/legal notices.

Principle 7: Policy Advocacy

Your Company believes that businesses when engaged in influencing public and regulatory policy must do so in a responsible manner. By combining its own actions with external advocacy on public matters and jointly working with CSR partners, your Company is seeking transformational change. The Company is well represented in industry and trade/business associations.

Principle 8: Inclusive Growth

The Company believes that inclusive business means social and economic development through employment generation and skill development. The Company is committed to creating a positive impact through its existence on all the stakeholders. Through various initiatives and programmes under its CSR activities and social business projects, the Company not only contributes to economic and social development but also works along with underdeveloped communities to improve their lifestyle.

Principle 9: Customer Value

Your Company's business partners i.e. the suppliers, customers and dealers are very crucial for the Company's operations. The entire eco-system together ensures a well-oiled machinery which enables the Company to produce and market quality products and continuously improve products and services. Your Company also has a continuous focus of improvement of the distribution channels to ensure that its product are readily available.

The Company has a strong belief in quality and delivers the best in class products and services which principle is enshrined in the Quality Policy of the Company.

The number of customer complaints at March 31, 2020 is 215 and the Company continuously monitors the same.

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

Harshbeena Zaveri
Vice Chairman & Managing Director

Satish Rangani
Executive Director

Place : Mumbai
Date : June 28, 2020

CEO/CFO CERTIFICATION

We, Harshbeena Zaveri and Ravi Teltia, the Vice Chairman & Managing Director and Chief Financial Officer of NRB Bearings limited (the Company) respectively, hereby certify to the Board of Directors that:

- a. We have reviewed financial statements and the cash flow statement for the year 2019-20 and that to the best of our knowledge and belief:
 - i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading
 - ii. These statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations
- b. To the best of our knowledge and belief there are no transactions entered into by the Company during the year which are fraudulent, illegal or violate of the Company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operations of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the auditors and the Audit Committee:
 - i. Significant changes in internal control over financial reporting during the year;
 - ii. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements, and;
 - iii. There are no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For NRB Bearings Limited

Harshbeena Zaveri
Vice Chairman & Managing Director

Ravi Teltia
Chief Financial Officer

Place: Mumbai

Date : June 28, 2020

Declaration regarding compliance by the Board Members and Senior Management Personnel with the Company Code of Conduct

This is to confirm that the Company has adopted a code of conduct for all Board Members and Senior Management Personnel and the same has been placed on the Company's website. All Board Members and Senior Management personnel have affirmed compliance with the code of conduct in respect of the financial year ended March 31, 2020.

For NRB Bearings Limited

Harshbeena Zaveri
Vice Chairman & Managing Director

Place: Mumbai

Date : June 28, 2020

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Structure and Development

The Company is in the ball and roller bearings business for the requirements of the mobility industry which has Indian Original Equipment Manufacturers (OEMs) and Tier I customers accounting for 65 per cent-70 per cent of the demand while the rest is supplied to the Aftermarket (12 per cent-15 per cent) and Exports (20 per cent-25 per cent). Exports is predominantly to OEMs and Tier I customers. Other than the Aftermarket, vehicle manufacturers comprise of the following broad segments:

- 2/3 wheelers comprising motor cycles, scooters, mopeds, auto rickshaws (passengers and goods) and industrial 4 stroke engines.
- Passenger cars from small cars hatchbacks to luxury models and utility vehicles
- Commercial vehicles from LCVs, MCV/HCV to buses
- Farm equipment and off highway vehicles including forklifts trucks and construction equipment
- Railway locomotives
- Defense vehicles including gun carriers and tanks
- Aircraft and aerospace applications

Market growth in the Indian mobility industry has a very large potential given the geographical spread, size of population and the current low penetration. Growth in the goods mobility segment is being driven by the need to establish strong supply chains between producers and markets. Improvements in road infrastructure would help this area of business. India has also strong potential to become export hub for all segments.

The year 2019 was a difficult year for the global economy with world output growth growing at its slowest pace of 2.9 per cent since the global financial crisis of 2009, further declining from a subdued 3.6 per cent in 2018 and 3.8 per cent in 2017. Uncertainties, although declining, are still elevated due to protectionist tendencies of China and USA and rising USA-Iran geo-political tensions. The global output growth in 2019 has been the slowest since the global financial crisis of 2009, arising from a geographically broad-based decline in manufacturing activity and trade, taking a toll on business confidence, investment decisions, and global trade. The growth of advanced economies has similarly declined from 2.5 per cent in 2017 to 2.2 per cent in 2018 and further to 1.7 per cent in 2019. The world saw the fiscal year end with an unprecedented pandemic which has caused ripples in the economy and disruptions in business which could very well last till the end of the next fiscal year. The global economy is projected to contract by -3% in 2020.

Amidst a weak environment for global manufacturing, trade and demand, the Indian economy slowed down with Gross Domestic Produce (GDP) growth moderating to 4.8 per cent in the first half of 2019-20, lower than 6.2 per cent which was seen in the second half of 2018-19. The deceleration in GDP growth can be understood within the framework of a slowing cycle of growth with the financial sector acting as a drag on the real sector. To boost demand, 2019-20 has witnessed significant easing of monetary policy with the repo rate having been cut by RBI by 110 basis points. To jump-start the economy, the government and RBI has announced a slew of reforms. Nonetheless, uncertainty lingers as there are reservations about these being enough to prevent the economy from freezing, especially as global downside risks weigh on the domestic outlook. That said, there are opportunities that India can play to its advantage with key focus on local manufacturing.

Source: IMF, World Economic Outlook and Mckinsey& Company Report

The global automotive industry has evolved significantly over the past decade and has seen especially a challenging phase in 2019-20, with OEMs especially facing multiple obstacles all over the world. China faced its first even decline in vehicles sales in over 20 years, the USA market grew marginally, the shockwaves of Brexit are expected across global markets. With the global pandemic crisis forcing the automotive industry to shutter-down across the world, the post-lockdown scenario is bound to pose more unprecedented challenges to respond and adapt to new circumstances. Agility, speed, innovation, and decisive actions can help the automotive businesses respond to global impacts on supply chain and consumer behaviors. Similar to previous years, trends such as declining sedan sales, increasing alternative fuel vehicles especially electric vehicles, and more value-added services in digital retail will continue to remain dominant in the automotive industry. New and alternative forms of vehicle ownership are becoming more popular, especially subscription services and e-powered ride-hailing services. The silver lining would be self-owned vehicles in the post-covid era due to norms of social distancing and personal hygiene.

Source: Research & Markets

The automobile industry in India is the world's fourth largest. India was the world's fourth largest manufacturer of cars and seventh largest manufacturer of commercial vehicles in 2019. Indian automotive industry (including component manufacturing) is expected to reach Rs. 16.16-18.18 trillion (US\$ 251.4-282.8 billion) by 2026. Indian automobile industry received Foreign Direct Investment (FDI) worth US\$ 23.89 billion between April 2019 and December 2019. Five per cent of total FDI inflow in India went to automobiles sector. India is the largest two wheelers manufacturer in the world. Domestic automobile production increased at 2.36 per cent CAGR between FY 2016-FY2020 with 26.36 million vehicles manufactured in the country in FY20. Overall, domestic automobiles sales increased at 1.29 per cent CAGR between FY 2016-FY 2020 with 21.55 million vehicles being sold in FY 2019-20. Two wheelers and passenger vehicles dominate the domestic Indian auto market. Passenger car sales are dominated by small and mid-sized cars. Two wheelers and passenger cars accounted for 80.8 per cent and 12.9 per cent market share, respectively, accounting for a combined sale of over 20.1 million vehicles in FY 2019-20.

Overall, automobile export reached 4.77 million vehicles in FY 2019-20, growing at a CAGR of 6.94 per cent during FY 2016-FY 2020. Two wheelers made up 73.9 per cent of the vehicles exported, followed by passenger vehicles at 14.2 per cent, three wheelers at 10.5 per cent and commercial vehicles at 1.3 per cent.

The automobile industry produced a total 26,362,282 vehicles including Passenger Vehicles, Commercial Vehicles, Three Wheelers, Two Wheelers and Quadricycles in April 2019-March 2020 as against 30,914,874 in April 2018-March 2019, registering a de-growth of (-) 14.73 percent over the same period last year.

Source: SIAM & IBEF

Vehicle Production (Nos.)

Category	2019-20	2018-19	% Growth
2-wheelers			
Motorcycles	14,359,418	16,499,424	-13.0%
Scooter	6,027,198	7,095,164	-15.1%
Mopeds	649,678	905,189	-28.2%
Total	21,036,294	24,499,777	-14.1%
3-Wheelers	1,133,858	1,268,833	-10.6%
Passenger Cars	2,175,242	2,711,160	-19.8%
MUV/MPV	1,258,773	1,317,311	-4.4%
HCV/MCV	233,979	444,356	-47.3%
LCV	518,043	668,049	-22.5%
Total	26,356,189	30,909,486	-14.7%

Source: SIAM

The Indian auto-components industry has experienced healthy growth over the last few years. The auto-component industry of India has expanded by 10.6 per cent to reach at a level of US\$ 56.2 billion in FY 2018-19. The auto-components industry accounts for 2.3 per cent of India's Gross Domestic Product (GDP) and employs as many as 1.5 million people directly and indirectly each. A stable government framework, increased purchasing power, large domestic market, and an ever-increasing development in infrastructure have made India a favourable destination for investment.

In fiscal 2019-20, the auto component industry declined by 10-12 per cent as demand from OEMs across asset classes and exports declined during the fiscal. Replacement demand cushioned the fall, as it estimated to have grown by ~7 per cent due to demand from the existing population of vehicles.

Growth drivers of the Auto comp industry:

- Growing demand
Growing working population and expanding middle class are expected to remain key demand drivers
- Export Opportunities
Proximity to markets such as Middle East and Europe

- Cost competitive
GST reduction in vehicles will spur demand
GST on Electric Vehicles reduced to 5 per cent from 12 per cent
- Fourth largest vehicles manufacturer in the world
India expected to be the third largest market by 2026
- Favourable trade policy
100% FDI allowed and no restrictions on import-export

The Government of India's Automotive Mission Plan (AMP) has come a long way in ensuring growth for the sector. Indian automobile industry is expected to achieve a turnover of \$300 billion by the year 2026 and will grow at a rate of CAGR 15 per cent from its current revenue of \$74 billion. As per the Union Budget 2019-20, government moved GST council to lower the GST rate on electric vehicles from 12 per cent to 5 per cent. The AMP 2016-26 will help the automotive industry to grow and will benefit Indian economy in the following ways:

- Contribution of auto industry in the country's GDP will rise to over 12 per cent
- Around 65 million incremental number of direct and indirect jobs will be created
- End of life Policy will be implemented for old vehicles

Globalizing has opened newer avenues for the transportation industry, especially a shift towards electric, electronic and hybrid cars, which are deemed more efficient, safe, and reliable modes of transportation. Over the next decade, this will lead to newer verticals and opportunities for auto-component manufacturers, who would need to adapt to the change via systematic research and development.

National Electric Mobility Mission Plan aims at achieving sales of 6-7 million units of hybrid and electric vehicles by 2020. As per Automobile Component Manufacturers Association (ACMA) forecasts, automobile component exports from India are expected to reach US\$ 80 billion by 2026. The Indian auto-components industry is set to become the third largest in the world by 2025. Indian auto-component makers are well positioned to benefit from the globalization of the sector as exports potential could increase exponentially in the next decade.

Source: IBEF & CRISIL Research

Financials

During the year under review Revenue from operations, net of levies, has decreased by 20 per cent to Rs. 75,196 lacs from Rs. 94,038 lacs in 2018-19. Domestic sales decreased by 20 per cent Rs. 58,492 lacs from Rs. 72,750 lacs while exports have decreased by 21 per cent to Rs. 15,738 lacs from Rs. 19,840 lacs in 2018-19.

The table below sets forth the key expense items as a percentage of income for 2019 -20 and 2018-19.

(Rs. in Lacs)

	% of Turnover			
	March 31, 2020		March 31, 2019	
		%		%
Revenue from operations (Rs. in lacs)	75,196	100	94,038	100
Other income (Rs. in lacs)	1,915	-	680	-
Expenditure:				
- Material (Including change in stock)	33,472	44.51	38,902	41.37
- Employee Cost	11,071	14.72	11,608	12.34
- Manufacturing and Other expenses (Net)	23,395	31.11	26,993	28.70
Total Expenditure	67,938	90.35	77,503	82.42
Profit before Depreciation, Interest and Tax	9,173	12.20	17,214	18.30
Depreciation	2,949	3.92	3,186	3.39
Finance costs	2,061	2.74	1,414	1.50
Profit before Exceptional Items and Tax	4,163	5.54	12,614	13.41
Exceptional Item	-	-	1,654	1.76

The 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:

Ratios	FY19-20	FY18-19	% change	Explanation for change
Inventory Turnover	1.57	2.16	-27%	Mainly due to reduction in COGS and increase in Inventory
Interest Coverage Ratio	3.02	11.10	-73%	Increase in interest and reduction in EBIT
Debt Equity Ratio	0.72	0.55	32%	Debt increase
Operating Profit Margin %	9.78%	17.86%	-45%	Mainly due to reduction in sales and fixed cost remaining at the same level.
Net Profit Margin %	3.97%	10.67%	-63%	Mainly due to reduction in sales and fixed cost remaining at the same level.
RONW %	6.41%	20.84%	-69%	Mainly due to drop in PAT (due to reduction in sales and fixed cost remaining the same level)

Economic Value Addition

EVA is residual income after charging the Company for the cost of capital provided by the lenders and shareholders. It represents the value added to the shareholder by generating operating profits in excess of the cost of capital employed in the business. EVA is negative in the current year resulting from the decline in operating profits and need for additional borrowings for the business.

	2019-20	2018-19
		(Rs. In Lacs)
EBIT	6,224	15,682
Less: Adjusted Tax	1,218	4,391
NOPAT (Net Operating Profit less tax)	5,006	11,291
Equity	45,897	47,401
Debt	33,150	25,875
Total Invested Capital	79,047	73,276
Post Tax Cost of Debt %	4.94	3.98
Cost of Equity %	9.57	11.28
Weighted Average Cost of Capital % (WACC)	7.63	8.70
Weighted Average Cost of Capital (WACC)	6,030	6,376
EVA (NOPAT – WACC)	-1024	4,915

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

Cost of equity is based on cost of risk free return equivalent to yield on 10 year G-secs @ 6.73% p.a. plus equity premium adjusted for Company's beta variant at 0.76.

Segment wise Performance

The Company has a single reportable segment of ball and roller bearings as the primary business segment for the purpose of IND AS 108. The assets and liabilities of the Company are all expended towards this business segment.

Outlook

India's automobile industry is headed for another year of double-digit sales decline during the current fiscal (2020-21), given the extended lockdown to contain the Covid-19 pandemic. Overall sales volume would plunge to multi-year lows, with sales of passenger vehicles and commercial vehicles reaching fiscal 2010 levels. What started as a supply-side pain has quickly engulfed the demand side, too, with job-loss and pay-cut fears dampening consumer sentiment. Commercial Vehicle sales have been languishing under the impact of new axle-load norms, and are unlikely to show much recovery till freight demand remains low. However, tractors and two-wheelers are likely to see relatively faster recovery in the second half of this current fiscal. It is expected that both the segments benefit from the forecast of a normal monsoon, which augur well for rural incomes and focus of government to increase the income of farmers including recently announced three key measures for agriculture sector.

COVID-19 outbreak adds woes to the auto components industry, production revenue expected to decline for second consecutive year and it is projected that domestic auto-component production revenue growth declines by 15-17 per cent in fiscal 2021. Due to the COVID-19 outbreak, there has been an adverse impact on both supply side and demand side for the auto components industry. Due to nationwide lockdown there has been a production shut down and slow down as well and it is expected that demand sentiments will still remain muted. Thus, we expect that auto components manufacturers will be affected adversely in Q1 of fiscal 2021 and to some extent in Q2. It is expected that things will gradually improve in H2 of fiscal 2021.

In this backdrop of production disruption and muted demand sentiments, it is expected that, in fiscal 2021 as well, demand for auto components is expected to decline. Volume demand from OEMs will decline by ~13-24 per cent across asset classes. Further, export demand is also expected to decline by ~20 per cent (in value terms). Demand from the replacement market is expected to decline by 12-14 per cent (in value terms) due to limited movement of vehicles in fiscal 2021 amid the lockdown imposed.

Source: Crisil Research

Critical trends

As the industry gears to ramp up performance in India and globally, the following are shaping the industry:

- Constantly shifting market dynamics due to changing manufacturing locales, customer demands, operating models and priorities.
- Changing needs of OEMs, who are likely to want different, and more agile component inputs. While demand, timelines and processes keep shifting.
- Technological improvements and discontinuities i.e. electric vehicles, autonomous driving etc. that are already starting to change revenue pools, trigger new competition and invite new forms of co-operation.
- An evolving regulatory and trade environment.

Opportunities and Threats

Opportunities

- Pursue export opportunities aggressively.
- Enhance import substitution.
- Offer premium features at lower costs at a rapid pace
- Focus on component categories that could contribute more to vehicle costs
- Enter new segments of aftermarket like aggregator of mechanics, small OEM for aftermarket, fleet owners
- Offer components which could take off due to an increase in electric vehicle (EV) sales.
- Expand portfolio to serve adjacent industries.

Identifying which opportunity fits best, and working strategically to seize it could create a successful future for the Company.

Challenges/Threats

- **Constantly shifting market dynamics**

Manufacturing locales, customer demands and operating models are all evolving, creating a dynamic market for auto component manufacturers.

The number of vehicle recalls has significantly increased in recent years, leading to a growing trend of quality consciousness and renewed focus on manufacturing excellence. The global supply chain is more connected than ever before. This amplifies the impact of any unexpected changes—from exchange rate fluctuations and price volatility to geopolitical tensions, natural disasters or pandemic. These factors and their impact on the industry are difficult to forecast, adding uncertainty to an already dynamic situation. Adding to the mix are rapidly changing customer preferences and the constant need to upgrade, which are constantly creating new paradigms.

- **Changing OEM needs**

The industry needs to keep pace with the changing needs of automotive OEMs, who in turn are coping with the dynamic expectations of the end customer, consolidation of platforms to reduce complexity and alterations in vehicle cost composition. The automotive manufacturers require simpler, more versatile components that are usable across multiple platforms.

- **Technological improvements and discontinuities**

Autonomous vehicles, Connected vehicles, Electrification and Shared Mobility (ACES) are very real, disruptive and

technology-driven trends that could change the future of the mobility industry. India is making rapid strides in innovative ACES technologies across cars, two-wheelers and commercial vehicles. These technologies are gaining ground due to increasing customer acceptance, stricter emission regulations, lower battery costs and more widely available charging infrastructure.

- **Evolving regulatory and trade environment**

Rapidly evolving emissions and safety regulations as well as technological disruptions such as connectivity and e-mobility could underpin the demand for electronics at an OEM and customer level. It is expected that the implementation of BS-VI standards will lead to a spike in demand for components like catalytic convertors, electronic fuel injection systems, oxygen sensors and intelligent battery sensors.

- **Spurious/Counterfeit Products**

Spurious / Counterfeit products continue to attract price sensitive Replacement Market which accounts for 20-25 per cent of total demand of bearing industry. These supplies, being of inferior quality, are unsafe in use and pose a risk to people, industry and to the economy by way of unexpected downtime and are safety hazards. In spite of industry wide efforts in educating customers and increasing awareness about the need to use safe sources of procurement, the problem continues owing to the slow legal process in punishing unscrupulous suppliers. There is an industry wide effort to control the same.

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

Risks and concerns

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

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

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

Currently, the Management Team is engaged in tackling Covid-19 related operational and liquidity issues to restore normalcy to the extent feasible in such challenging environment.

The following broad categories of risks have been considered:

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

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

Internal Control Systems and Adequacy

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

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

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

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

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

Human Resource and Industrial Relations

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

The primary focus of IR during the current year will continue to be on the engaging, motivating and improving the productivity while ensuring improved productivity and product quality at the plants without any interim work disruptions, so that overall workforce requirements are controlled to an optimal level. For speedy recovery from the pandemic during the current year, IR is working on this people approach while encouraging teamwork by way of Cross Functional Teams (CFTs) to enable its achievement. This will help in harnessing potential of our young talented GETs and Management trainees, who currently constitute over a third of our employees, by providing an understanding of the Company's customers and markets. Besides developing knowhow, building managerial and technical capabilities to align with career aspirations, they also serve as a platform to interact with peers from diverse backgrounds and spread the values of togetherness, positive thinking and mutual respect. All of these should enable a more collaborative work culture across plants post Covid-19 restrictions.

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

Permanent employees directly employed by the Company currently total 1456 nos.

Cautionary Statement

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

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

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

Harshbeena Zaveri
Vice Chairman & Managing Director

Satish Rangani
Executive Director

Place : Mumbai
Date : June 28, 2020

CORPORATE GOVERNANCE REPORT

Your Directors present the Company's Report on Corporate Governance for the year ended March 31, 2020, in terms of Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

COMPANY'S PHILOSOPHY

The governance philosophy of NRB Bearings Limited ("the Company") is based on two basic tenets - transparency and accountability. Responsible corporate conduct is integral to the way business is done – at all levels within the Company, actions are governed by our values and principles. Your Company is committed to doing things the right way which means taking business decisions and acting in a way that is ethical and is in compliance with the applicable legal requirements. The road to sustainable, profitable growth and creating long term value for all stakeholders, is having the highest standards of corporate behavior towards everyone we work with, the communities we touch and the environment which we impact. The Company's Code of Conduct for Senior Management Personnel and Code of Conduct and Monitoring and Reporting of Trades by Insiders are an extension of our values and reflect our commitment to ethical business practices, integrity and regulatory compliances.

The Company's governance framework is based on the following principles:

- Appropriate composition and size of the Board, with each member bringing in expertise in their respective domains;
- Availability of information to the members of the Board and Board Committees to enable them to discharge their fiduciary duties;
- Timely disclosure of material operational and financial information to the stakeholders;
- Systems and processes in place for internal control; and
- Proper business conduct by the Board, Senior Management and Employees.

The Company continues to focus its resources, strengths and strategies to achieve the vision of providing superior quality products with high performance and become a preferred supplier of needle roller bearings across the globe.

GOVERNANCE STRUCTURE

The Corporate Governance structure at NRB Bearings is as follows:

1. **Board of Directors:** The Board is entrusted with an ultimate responsibility of the management, directions and performance of the Company. As its primary role is fiduciary in nature, the Board provides leadership, strategic guidance, objective and independent view to the Company's management while discharging its responsibilities, thus ensuring that the management adheres to ethics, transparency and disclosures.
2. **Committees of the Board:** The Board has constituted the following Committees viz, Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility (CSR) Committee, Business Strategy Committee, Digitization Committee and the Stakeholders' Relationship Committee. Each of the said Committee has been mandated to operate within a given framework.

THE BOARD OF DIRECTORS

Composition and category of Directors

All Directors, including Non-Executive Directors, are professionally competent. The Board is broad-based and consists of eminent individuals from financial, industrial, technical and marketing background. The Company is managed by the Board of Directors in co-ordination with the Senior Management team. The composition and strength of the Board is reviewed from time to time for ensuring that it remains aligned with statutory as well as business requirements.

As on March 31, 2020, the Company's Board consists of 7 (seven) Directors. The Board comprises of 2 (two) Executive Directors and 5 (five) Non-Executive Directors out of which 4 (four) are Independent Directors. Mr. Satish Rangani, was appointed as an Executive Director of the Company for a period of one (1) year with effect from January 24, 2020, and the appointment was approved by the Board of Directors at its meeting held on October 25, 2019. The composition of the Board is in conformity with Section 149 of the Companies Act, 2013 and Regulation 17 of the Listing Regulations. None of the Directors, except Ms. Harshbeena Zaveri and Mr. D. S. Sahney are related to each other.

Directors' Attendance and their other Directorships/ Committee memberships

As mandated by Regulation 26(1)(b) of the Listing Regulations, none of the Directors is a member of more than 10 (ten) Board Level Committees (considering only Audit Committee and Stakeholders' Relationship Committee) or Chairman of

more than 5 (five) Committees across all public limited companies (listed or unlisted) in which he/she is a Director. Further all Directors have informed about their Directorships, Committee memberships/ Chairmanships including any changes in their positions. Relevant details of the Board of Directors as on March 31, 2020 are given below:

Directorship / Committee Membership as on March 31, 2020

Name	Date of Appointment	Category of Director	Directorships in other Indian Public Limited Companies (excluding NRB Bearings)	No. of Board Committees in which Chairman / Member (excluding NRB Bearings)		Attendance at the last AGM	Shareholding in NRB Bearings Ltd
				Chairman	Member		
Ms Harshbeena Zaveri DIN: 00003948	01/10/2015	Executive Promoter	2	0	3	Yes	1,03,84,936
Mr. D. S. Sahney DIN: 00003956	25/05/2001	Non-Executive Non Independent Promoter	1	0	1	Yes	8,50,089
Mr. Satish Rangani DIN: 00209069	09/08/2019	Executive	1	0	1	Yes	9,000
Mr Tashwinder Singh DIN: 06572282	23/07/2013	Independent	0	0	0	Yes	Nil
Mr. Ashank Desai DIN: 00017767	30/03/2016	Independent	2	0	3	Yes	Nil
Mr. Rustom Desai DIN: 02448175	23/01/2017	Independent	0	0	0	Yes	Nil
Ms. Vishakha R.M. DIN: 07108012	02/11/2018	Independent	1	0	0	Yes	Nil

Notes:

1. Directorships exclude Private Limited Companies, Foreign Companies and Section 8 Companies.
2. Chairmanship/Membership of Committee only includes Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee in Indian Public Limited companies other than NRB Bearings Limited.
3. Details of Director(s) retiring or being re-appointed are given in notice to Annual General Meeting.

Other Directorships held by directors:

(Directorships exclude Private Limited Companies, Foreign Companies and Section 8 Companies.)

Sr. No	Name of Directors	Details of other Directorships	Details of Committee Memberships
1	Ms. Harshbeena Zaveri	<ul style="list-style-type: none"> • SNL Bearing Limited - Non-executive Director • National Proxide Limited Non-Executive / Independent Director 	SNL Bearings Limited : <ul style="list-style-type: none"> • Audit Committee-Member • Stakeholder Relationship Committee- Member • Nomination and Remuneration Committee-Member
2	Mr. Satish Rangani	<ul style="list-style-type: none"> • SNL Bearings Limited - Non-Executive Director 	SNL Bearings Limited : <ul style="list-style-type: none"> • Stakeholder Relationship Committee-Member • Corporate Social Responsibility Committee-Member
3.	Mr. Tashwinder Singh	Nil	Nil

4.	Ms. Vishakha R. M.	<ul style="list-style-type: none"> India First Life Insurance Limited 	India First Life Insurance Limited: <ul style="list-style-type: none"> Risk Management Committee-Member Investment Committee-Member Policyholders Protection Committee-Member With Profits Committee-Member Allotment Committee-Member Corporate Social Responsibility Committee-Member
5.	Mr. Rustom Desai	Nil	Nil
6.	Mr. Ashank Desai	<ul style="list-style-type: none"> Mastek Limited- Promoter/ Non-Executive Director Majesco Limited Non-Executive / Non-Independent Director 	Mastek Limited: <ul style="list-style-type: none"> Audit Committee-Member Corporate Social Responsibility Committee-Member Stakeholder Relationship Committee- Member Nomination and Remuneration Committee-Member Governance Committee- Chairman
7.	Mr. D. S. Sahney	<ul style="list-style-type: none"> NRB Industrial Bearings Limited Promoter / Executive Director 	NRB Industrial Bearings Limited: <ul style="list-style-type: none"> Audit Committee-Member

Independent Directors

The Independent Directors fulfil the criteria of independence specified in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulations. A formal letter of appointment to Independent Directors as provided in Companies Act, 2013 has been issued to the Independent Directors and disclosed on website of the Company viz. www.nrbbearings.com. In the opinion of the Board, the Independent Directors fulfill the conditions specified in the Listing Regulations and are independent of the management.

Number of Independent Directorships

In compliance with the Listing Regulations, Directors of the Company do not serve as Independent Director in more than 7 (seven) listed companies. In case he/she is serving as a Whole-Time Director in any listed company, does not hold the position of Independent Director in more than 3 (three) listed companies.

Board Meetings

The Board meets at regular intervals to discuss and decide on business strategies/policies and review the financial performance of the Company and its subsidiaries. The Board Meetings are pre-scheduled and in case of business exigencies, the Board's approval is taken through circular resolutions. The circular resolutions are noted at the subsequent Board Meeting.

The notice and detailed agenda along with the relevant notes and other material information are sent in advance separately to each Director and in exceptional cases tabled at the meeting with the approval of the Board. This ensures timely and informed decisions by the Board. The Board reviews the performance of the Company vis-à-vis the budgets/targets.

During the financial year 2019-20 the Board of Directors met four times i.e., on - May 29, 2019, August 9, 2019, October 25, 2019 and February 11, 2020. The maximum gap between any two consecutive meetings was less than 120 (one hundred and twenty days, as stipulated under Section 173(1) of the Act, and Regulation 17(2) of the Listing Regulations and the Secretarial Standards issued by Institute of Company Secretaries of India.

Attendance of Directors at the Board Meetings:

Sr. No.	Name of Director	No. of Board Meetings attended
1.	Ms. Harshbeena Zaveri	4
2.	Mr. D. S. Sahney	3
3.	Mr. S. C. Rangani	4
4.	Mr. Tashwinder Singh	4

5.	Mr. Ashank Desai	4
6.	Mr. Rustom Desai	4
7.	Ms. Vishakha R.M.	4

Information placed before the Board

The Company provides the information as set out in Regulation 17 read with Part A of Schedule II of the Listing Regulations to the Board and the Board Committees to the extent it is applicable and relevant. Such information is submitted either as part of the agenda papers in advance of the respective meetings or by way of presentations and discussions during the meetings.

Post Meeting Mechanism

The important decisions taken at the Board/Board Committee Meetings are communicated to the concerned department/division.

Board Support

The Company Secretary attends the Board Meetings and advises the Board on compliance with applicable laws and governance principles applicable, as also legal provisions applicable to matters under discussion.

FAMILIARISATION PROGRAMME FOR DIRECTORS

On appointment, the concerned Director is issued a Letter of Appointment setting out in detail, the terms of appointment, duties, responsibilities and expected time commitments. Each newly appointed Independent Director is taken through an induction and familiarization program including visit to the plant/ Engineering Centre to familiarize them with all facts of Roller Bearing manufacturing and interactive session with the core management team members of the Company on manufacturing, engineering, human relations, marketing, finance and other important aspects. The details of familiarization program can be accessed from the website www.nrbbearings.com.

GOVERNANCE CODES**Code of Conduct**

The Board of Directors has laid down a Code of Conduct for Business and Ethics (the Code) for all the Board members and all the employees in the senior management grade of the Company. The Code covers amongst other things the Company's commitment to honest and ethical personal conduct, fair competition, corporate social responsibility, sustainable environment, health & safety, transparency and compliance of laws and regulations etc. The Code of Conduct is posted on the website of the Company www.nrbbearings.com. All the Board members and senior management personnel have confirmed compliance with the code. A declaration to that effect signed by the Vice Chairman & Managing Director is attached and forms part of the Annual Report of the Company.

Conflict of Interests

Each Director informs the Company on an annual basis about the Board and the Committee positions he occupies in other companies including Chairmanships and notifies changes during the year. The members of the Board while discharging their duties, avoid conflict of interest in the decision making process.

Insider Trading Code

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

COMMITTEES OF THE BOARD

The Board of Directors have constituted Board Committees to deal with specific areas and activities which concern the Company and require a closer review. The Board Committees are formed with approval of the Board and function under their respective charters. These Committees play an important role in the overall management of day-to-day affairs and governance of the Company. The Board Committees meet at regular intervals and take necessary steps to perform its duties entrusted by the Board. The minutes of the Committee meetings are placed before the Board for noting.

The Company has six Board Level Committees:

- A) Audit Committee,
- B) Nomination and Remuneration Committee,
- C) Stakeholders` Relationship Committee,
- D) Corporate Social Responsibility Committee,
- E) Business Strategy Committee, and
- F) Digitization Committee

(A) AUDIT COMMITTEE

Composition

The Audit Committee of the Board of Directors (“the Audit Committee”) is entrusted with the responsibility to supervise the Company’s internal controls and financial reporting process. The composition, quorum, powers, role and scope are in accordance with Section 177 of the Companies Act, 2013 and the provisions of Regulation 18 of the Listing Regulations. All members of the Audit Committee are financially literate and bring in expertise in the fields of finance and accounts, taxation, company law, risk and international finance. It functions in accordance with its terms of reference that defines its authority, responsibility and reporting function. Mr. Tashwinder Singh, Independent Director is the Chairman of the Audit Committee. The other members of the Audit Committee include Ms. Vishakha R.M.(Independent Director) and Ms. Harshbeena Zaveri.

Meetings and Attendance

The Audit Committee met four(4) times during the financial year 2019-20. The maximum gap between two meetings was not more than 120 (one hundred and twenty) days. The Committee met on May 29, 2019, August 9, 2019, October 25, 2019 and February 11, 2020. The requisite quorum was present at all the meetings. The Chairman of the Audit Committee was present at the last Annual General Meeting of the Company held on August 9, 2019.

The table below provides the attendance of the Audit Committee members:

Sr. No.	Name of the Directors	Position	Category	No. of Meetings Attended
1.	Mr. Tashwinder Singh	Chairman	Independent Director	4
2.	Ms. Harshbeena Zaveri	Member	Executive Director (Vice Chairman & Managing Director)	4
3.	Ms. Vishakha R.M.	Member	Independent Director	4

Terms of Reference

For the purpose of effective compliance of provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations. The Audit Committee is responsible for overseeing of the Company’s financial reporting process and reviewing with management the quarterly/ half yearly and annual financial statements before submission to the Board. To fulfil its above role, the Audit Committee has powers to investigate any activity within its terms of reference, to seek information from employees and to obtain outside legal and professional advice.

Its other terms of reference, inter alia, include:

1. Reviewing with management the quarterly/annual financial statements before submission to the Board focusing primarily on (i) matters required to be included in the Directors’ Responsibility Statement to be included in the Board’s Report in terms of clause (c) of Section 134 (3) of the Companies Act, 2013, (ii) any changes in accounting policies and practices, (iii) major accounting entries based on exercise of judgement by management, (iv) qualifications in the draft audit report, (v) significant adjustments arising out of audit, (vi) compliance with stock exchanges and legal requirements concerning financial statements and (vii) any related party transactions, i.e. transactions of the Company of materials nature with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company at large.
2. Recommending for appointment, remuneration and terms of appointment of auditors of the Company, reviewing and monitoring the auditors independence and performance and effectiveness of the audit process and discussion with internal auditors of any significant findings and follow-up thereon particularly into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature.
3. Scrutiny of inter-corporate loans and investments.

4. Valuation of undertakings or assets of the Company wherever, it is necessary.
5. Evaluation of internal financial controls and risk management systems.
6. Reviewing the functioning of the whistle blower mechanism.
7. Approval of appointment of the Chief Financial Officer (CFO) after assessing the qualifications, experience and background of the candidate.
8. Approval or any subsequent modification of transactions with the Company with related parties.
9. Monitoring the end use of funds raised through public offers and related matters.

Functions of Audit Committee

The Audit Committee, while reviewing the Annual Financial Statements also reviews the applicability of various accounting standards referred to in Section 133 of the Companies Act, 2013. The compliance of the accounting standards as applicable to the Company has been ensured in the preparation of the Financial Statements for the year ended March 31, 2020.

The Audit Committee has acted as a link between the management, external and internal auditors and the Board of Directors. It has discussed with the Statutory Auditors their audit methodology for performing Independent audit of the Company's Financial Statements and internal financial controls in accordance with the generally accepted auditing practices.

Besides the above, the statutory auditor and internal auditor's representatives are permanent invitees to all Audit Committee meetings. The Secretarial Auditor and Cost Auditor are invited to meetings whenever matters relating to secretarial audit or cost audit have to be considered. The Company Secretary acts as a Secretary to the Committee as required by Regulation 18(1)(e) of the Listing Regulations.

The Company follows best practices in financial reporting. The Company has been reporting on quarterly basis, the Un-Audited Financial Statements as required by the Regulation 33 of the Listing Regulations. The Company's quarterly Un-audited Standalone and Consolidated Financial Statements are made available on the web-site www.nrbbearings.com and are also sent to the Stock Exchanges where the Company's Equity Shares are listed for display at their respective websites.

Internal Controls and Governance Processes

The Company continuously invests in strengthening its internal control and processes. The Audit Committee along with CFO formulates a detailed plan for the Internal Auditors for the year, which is reviewed at the Audit Committee Meetings. The Internal Auditors attend the meetings of the Audit Committee on regular basis and submit their recommendations to the Audit Committee and provide a road map for the future.

(B) NOMINATION AND REMUNERATION COMMITTEE

Composition

The Nomination and Remuneration Committee comprises of 3 (three) Directors, Ms. Vishakha R. M, Independent Director Mr. Tashwinder Singh, Independent Director and Mr. Rustom Desai, Independent Director . Mr. Tashwinder Singh, Independent Director, was the Chairman of the Committee. As per Section 178 of the Companies Act, 2013 and the SEBI (LODR), 2015, the Chairman of the Company shall not act as the Chairman of the Nomination and Remuneration Committee. After his appointment as the Chairman of the Board of Directors with effect from August 9, 2019, Mr. Tashwinder Singh vacated the Chair. Ms. Vishakha R. M, Independent Director, was appointed Chairman of the Committee with effect from October 25, 2019. The composition of Nomination and Remuneration Committee is in accordance with the provisions of Section 178(1) of the Companies Act, 2013 and Regulation 19 of the Listing Regulations.

Meeting and Attendance

The Nomination and Remuneration Committee met 4 (four) times during the year on May 28, 2019, August 9, 2019, October 25, 2019 and February 10, 2020. The requisite quorum was present at the meeting. The Chairman of the Nomination and Remuneration Committee was present at the last Annual General Meeting of the Company. The table below provides the attendance of the Nomination and Remuneration Committee members:

Sr. No.	Name of the Director	Position	Category	No. of Meetings attended
1.	Ms. Vishakha R.M.	Chairman	Independent Director	4
2.	Mr. Rustom Desai	Member	Independent Director	4
3.	Mr. Tashwinder Singh	Member	Independent Director	4

Terms of Reference

The broad terms of reference of the Nomination and Remuneration Committee, as approved by the Board, are in compliance with Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations which are as follows:

1. Identify persons who are qualified to become directors and who may be appointed in senior management positions in accordance with the criteria laid down, while ensuring that all pecuniary relationships or transactions of the Non-Executive Directors vis-à-vis the Company are disclosed as also their shareholding in the Company where they are proposed to be appointed as directors, recommend to the Board their appointment and removal.
2. Formulate the criteria for determining, qualifications, positive attributes and independence of a director.
3. Recommend to the Board a policy relating to the remuneration for the directors, key managerial personnel and other employees, which ensures that the level and composition of compensation of remuneration is reasonable and sufficient to attract and retain and motivate employees of the quality required to run the Company successfully.
4. Ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
5. Determine remuneration to directors, key managerial personnel and senior management such that it involves a balance between fixed and incentive pay appropriate to the working of the Company and its goals.

Remuneration Policy

Remuneration to Non-Executive Directors (including Independent Directors)

The Board has decided directors shall be remunerated by way of sitting fees of Rs. 40,000/- each per meeting being paid for the Board meetings and Business Strategy committee meetings, Rs. 30,000/- each per meeting paid for the Audit Committee meetings, Nomination and Remuneration Committee and CSR Committee meetings and Rs. 20,000/- per meeting paid for Stakeholders Relationship Committee meetings. In addition, the non-executive Directors are entitled to commission upto 0.50%, with a ceiling of Rs.6.00 lakhs per Director as determined by the Board of Directors, which will be apportioned and payable for 2019-20.

In view of increased engagement with the senior leadership team, the Non-Executive Chairman, is entitled to the commission upto 1% of the net profits less Commission payable to the non-executive directors (other than the Chairman) subject to a ceiling of Rs. 12,00,000/- for each financial year.

The details of the remuneration package of Directors/ Key management personnel is tabled below: (In Rs.)

Name of Director/KMP	Sitting fees FY 2019-20	Commission on profits * \$ FY 2019-20	Salary and Perquisites FY 2019-20	Total
Ms. Harshbeena Zaveri	-	29,45,909	5,20,75,175	5,50,21,084
Mr. Tashwinder Singh	4,40,000	5,50,000	-	9,90,000
Mr. D. S. Sahney	1,20,000	1,30,000	-	2,50,000
Mr. S. C. Rangani	-	-	1,13,05,660	1,13,05,660
Mr. Ashank Desai	3,70,000	2,40,000	-	6,10,000
Mr. Rustom Desai	3,50,000	2,40,000	-	5,90,000
Ms. Vishakha R.M.	5,20,000	2,40,000	-	7,60,000
Ms. Tanushree Bagrodia#	-	-	1,79,92,656	1,79,92,656
Ms. Shruti Joshi	-	-	57,84,310	57,84,310

* Commission to Non-Executive Directors upto 0.50% of net profits, with a ceiling of Rs.6.00 lakhs p.a. per director as determined by the Board of Directors based on net profits for the year FY 2019-20 (payable for 2019-20).

** Commission to Non-Executive Chairman has been approved upto 1% of net profits, less commission payable to Non-Executive Directors as above) subject to a ceiling of Rs. 12,00,000/- for each financial year (payable for 2019-20).

\$ Approved at the meeting of the Nomination and Remuneration Committee held on June 24, 2020

#Ms. Tanushree Bagrodia resigned as Chief Financial Officer with effect from February 17, 2020.

Other than as disclosed above, there is no pecuniary relationship or transaction between the Company and the Non-Executive Directors.

Board Evaluation

In terms of the requirement of the Companies Act, 2013 and the Listing Regulations, an annual performance evaluation of the Board is undertaken where the Board formally assesses its own performance with the aim to improve the effectiveness of the Board and the Committees. The evaluation process is focused on various aspects of the functioning of the Board and Committees such as composition of the Board, improving Board effectiveness, performance of Board Committees, Board knowledge sessions and time allocation for strategic issues, etc. During the year, Board Evaluation cycle was completed by the Company internally which included the Evaluation of the Board as a whole, Board Committees and Peer Evaluation of the Directors. Evaluation of the performance of individual Directors on parameters such as attendance, contribution and independent judgment was also carried out during the year. The Board noted that the evaluation process showed that the Board was rated as "Good" reflecting the overall engagement and effectiveness of the Board and the Committees.

Skill matrix for the Board of Directors

In terms of requirement of Listing Regulations, 2015, the Board has identified the following core skills / expertise / competencies of the Directors in the context of the Company's business for effective functioning as given below:

- Leadership experience

Experience in leading large well-governed organisations with understanding of organisational systems and processes, complex regulatory environment, strategic planning and risk management, understanding of emerging global and local trends as well as the ability to develop talent and ensure succession planning and the ability to manage crises.

- Experience in guiding business strategy

Experience to develop long term strategies to grow business and the ability to understand business environment impacting market and formulate policies for enhancing market share coupled with collaborative competencies.

- Finance and Accounting expertise

Expertise in financial management, capital allocation, financial reporting requirements along with understanding of financial statements.

- Technological expertise

Ability to anticipate changes in technology, drive product and process innovation.

- Corporate governance and regulatory landscape

Ability and willingness to devote adequate time and energy to fulfil board and committee responsibilities, formulate policies which will ensure interests of the Company and shareholders are safeguarded while maintaining management accountability and adherence to high standards of corporate governance, with an understanding of changing regulatory framework.

Identified Skills	HSZ	SCR	TS	AD	RD	VRM	DSS
Leadership experience	✓	-	✓	✓	✓	✓	✓
Experience in guiding business strategy	✓	✓	✓	✓	✓	-	-
Finance and Accounting expertise	-	✓	✓	-	-	✓	-
Technological expertise	✓	-	-	✓	✓	-	-
Corporate governance and regulatory landscape	✓	✓	✓	-	-	✓	✓

HSZ: Harshbeena Zaveri, SCR: Satish Rangani, TS: Tashwinder Singh, RD: Rustom Desai, AD: Ashank Desai, VRM: R.M. Vishakha, DSS: D. S. Sahney

(C) STAKEHOLDERS RELATIONSHIP COMMITTEE

Composition and Attendance

The Stakeholders Relationship Committee comprises of 3 (three) directors. Mr. Ashank Desai, Independent Director is the Chairman of this Committee. During the year under review the Committee met four (4) times on April 12, 2019, May 28, 2019, August 9, 2019 and October 25, 2019. The table below highlights the composition and attendance of the members of the Committee. The requisite quorum was present at all the meetings.

Sr. No.	Name of the Directors	Position	Category	No. of Meetings attended
1	Mr. Ashank Desai	Chairman	Independent Director	4
2	Ms. Harshbeena Zaveri	Member	Executive Director (Vice Chairman & Managing Director)	3
3	Ms. Vishakha R.M.	Member	Independent Director	4

Pursuant to the provision laid down by SEBI regarding the frequency of the Committee meetings to at least once in a year, as physical transfers for approval for transmission were not very frequent, it was decided by the Committee that the Company also reduce the frequency of the meeting to once in a year in addition to meetings as maybe required for approving issue of duplicate share certificates or any other statutory matter.

Terms of Reference

The terms of reference of the Stakeholders Relationship Committee are as follows:

1. Review and resolve any grievances of the security holders of the Company- including shareholders, debenture holders and other security holders.
2. Review of the work done by the share transfer agent- M/s Universal Capital Securities Private Limited by monitoring the share transfer process and review observations of the regulatory authority regarding the same.
3. Approve any requests for transfers/transmission of shares, to approve any request for issue of duplicate share certificates and to ensure that the timelines specified by regulators for the same are adhered to.
4. Approve or modify the process of transfer and transmission of securities of the Company.
5. Approve or modify the process of issue of duplicate certificate.

The shareholders of the Company are serviced by the share transfer agent- M/s. Universal Capital Securities Private Limited. As required under the Listing Regulations, the Company has appointed Ms. Shruti Joshi, Company Secretary as Compliance Officer to monitor the share transfer process and liaison with the regulatory authorities.

DETAILS OF SHAREHOLDERS' COMPLAINTS RECEIVED, RESOLVED AND PENDING SHARE TRANSFERS

The total number of complaints received and resolved during the year ended March 31, 2020 was as follows:

Sr. No.	Particulars	Number of Complaints
1	No. of Investors Complaints pending at the beginning of the year	0
2	No. of Investors Complaints received during the year	0
3	No. of Investors Complaints resolved and disposed of during the year	0
4	No. of Investors Complaints those remaining unresolved at the end of the year.	0

The above table includes Complaints received from SEBI SCORES, BSE and NSE by the Company.

There were no complaints outstanding as on March 31, 2020. The number of pending share transfers and pending requests for dematerialization as on March 31, 2020 were Nil. Shareholders'/Investors' queries and other correspondence are normally attended to within seven working days except where constrained by disputes or legal impediments. No investor grievances remained unattended /pending for more than 30 (thirty) days as on March 31, 2020.

(D) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Composition

The Corporate Social Responsibility (CSR) Committee comprises of 3 (three) Directors, Ms. Harshbeena Zaveri is the Chairman of the Committee. The other members of the CSR Committee include Mr. S. C. Rangani and Mr. Ashank Desai. The Composition of CSR Committee is in accordance with the provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014. The Company has spent Rs.216.50 lakhs on various CSR activities and projects for the financial year 2019-20.

Terms of Reference

- i. Formulating and recommending to the Board a CSR policy which indicates the activities to be undertaken by the Company as specified in schedule VII ensuring that preference is given to the local areas where it operates.

- ii. Recommending the amount of expenditure to be incurred on such activities.
- iii. Monitoring the CSR policy from time to time.

The Company has formulated CSR Policy, which is uploaded on the website of the Company viz. www.nrbbearings.com wherein company has identified the following activities it would like to promote as:

- i. Promotion of Education – both at schools and post graduate levels.
- ii. Promoting gender equality and empowering women.
- iii. Ensuring environmental sustainability.

The Composition of the CSR Committee as at March 31, 2020 and the details of meetings of the Committee are as under:

Meetings and Attendance:

The CSR Committee met once (1) during the year on November 25, 2019. The requisite quorum was present at the meeting. The table below provides the attendance of the members at the CSR Committee meeting:

Sr. No.	Name	Position	Category	No. of Meetings Attended
1.	Ms. Harshbeena Zaveri	Chairman	Executive Director (Vice Chairman & Managing Director)	1
2.	Mr. S. C. Rangani	Member	Executive Director	1
3.	Mr. Ashank Desai	Member	Independent Director	1

(E) INDEPENDENT DIRECTORS' MEETING

During the year under review, the Independent Directors met on February 10, 2020, inter alia, to:

- Evaluate performance of Non-Independent Directors and the Board of Directors as a whole;
- Evaluate performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors;
- Evaluation of the quality, content and timeliness of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present and participated at this Meeting.

AFFIRMATIONS AND DISCLOSURES:

a. Compliances with Governance Framework

The Company is in compliance with all mandatory requirements under the Listing Regulations.

b. Related party transactions

All transactions entered into with the Related Parties as defined under the Companies Act, 2013 and Regulation 23 of the Listing Regulations during the financial year were in the ordinary course of business and on arm's length basis. There were no materially significant transactions with Related Parties during the financial year 2019-20. Related party transactions have been disclosed under significant accounting policies and notes forming part of the Financial Statements in accordance with IND AS. A statement in summary form of transactions with Related Parties in ordinary course of business and arm's length basis is periodically placed before the Audit committee for review and recommendation to the Board for approval. During the year there were no transactions with Related Parties, which were not in the normal course of business, not at arm's length or exceeding the threshold limits prescribed under the Companies Act, 2013.

As required under Regulation 23(1) of the Listing Regulations, the Company has formulated a policy on dealing with Related Party Transactions. The Policy is available on the website of the Company viz. www.nrbbearings.com.

None of the transactions with Related Parties were in conflict with the interest of Company. All the transactions are in the ordinary course of business and have no potential conflict with the interest of the Company at large and are carried out on an arm's length or fair value basis.

c. Details of non-compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during last three Financial Years.

The Company has complied with all requirements specified under the Listing Regulations as well as other regulations and guidelines of SEBI. Consequently, there were no strictures or penalties imposed by either SEBI or Stock Exchanges or any statutory authority for non-compliance of any matter related to the capital markets during the last three financial years. There were no instances of non-compliance of any matter related to the capital market during the last three financial years.

d. Vigil Mechanism/ Whistle Blower Policy

Pursuant to Section 177(9) and (10) of the Companies Act, 2013, and Regulation 22 of the Listing Regulations, the Company has formulated Whistle Blower Policy for vigil mechanism for Directors and employees to report to the management about the unethical behavior, fraud or violation of Company's Code. The mechanism provides for adequate safeguards against victimization of employees and Directors who use such mechanism and makes provision for access to Corporate Compliance Committee reporting directly to the Audit Committee. The Whistle Blower Policy is displayed on the Company's website viz. www.nrbbearings.com.

e. Disclosure of Accounting Treatment

In the preparation of the financial statements, the Company has followed the Indian Accounting Standards referred to in Section 133 of the Companies Act, 2013. The significant accounting policies which are consistently applied are set out in the Notes to the Financial Statements.

f. Risk Management

Business risk evaluation and mitigation is an ongoing process within the Company. The assessment is periodically reviewed by the Audit Committee and by the Board.

g. Commodity price risk and Commodity hedging activities

The Company is exposed to the risk of price fluctuation of raw materials as well as finished goods. The Company proactively manages its risk through forward booking inventory management and proactive vendor development practices. The Company's reputation for quality, products differentiation and service, coupled with existence of powerful brand image with robust marketing network mitigates the impact of price risk on finished goods.

h. Details of Utilization of funds

During the year under review the Company has not raised any funds through preferential allotment or qualified institutions placement.

i. Certificate from practicing Company Secretary

The Company has obtained a certificate from Mr. Upendra Shukla, Practicing Company Secretary, confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India and Ministry of Corporate Affairs or any such authority and the same forms part of this report.

j. Recommendation of Committees

During the year under review, there has been no instance of the Board not accepting any recommendation of any Committee to the Board as is mandatorily required.

k. Fees paid to Statutory Auditors

Total fees for all services paid by the Company and the subsidiaries, on a consolidated basis, to the M/s. Walker Chandio & Co., LLP, Chartered Accountants, Statutory Auditors and forms part of the Notes to Financial Statements.

l. Sexual Harassment of Women at work place (Prevention, Prohibition and Redressal) Act 2013

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

Internal Complaints Committees (ICC) have been set up at all offices and plants of the Company as set out in the Act to receive, investigate and redress complaints, if any. During the year under review no complaint was received.

m. Non-mandatory requirements

The status of adoption of non-mandatory requirements as specified in sub-regulation 1 of Regulation 27 of the Listing Regulations is as follows :

i. Chairman of the Board

Mr. Tashwinder Singh, Independent Director was appointed as the Chairman of the Board on August 9, 2019. The Company maintains the expenses relating to the office of the non-executive Chairman and reimburses all expenses incurred in performance of his duty.

ii. Shareholder Rights

The Company publishes its Results on its website at www.nrbbearings.com which is accessible to the public at large. The same are also available on the website of the Stock Exchanges on which the Company's shares are listed and are published in a national English newspaper and in local language (Marathi) newspaper, within forty eight hours of approval thereof.

iii. Modified opinion(s) in audit report

During the year under review, there is no audit qualification in the Company's financial statements.

iv. Separate post of Chairperson and Managing Director

Ms. Harshbeena Zaveri is the Managing Director of the Company and Mr. Tashwinder Singh the Chairperson.

v. Reporting of Internal Auditor

The Internal Auditors report directly to the Audit Committee

The Board reviews the above non-mandatory requirements of the Listing Regulations from time to time.

n. Disclosure of Compliance

The Company has complied with the corporate governance requirements specified in Regulation 17 to 27 and Regulation 46 of the Listing Regulations, within the mandatory time period.

Annexure to Corporate Governance Report

The Board of Directors
NRB Bearings Limited,
Dhannur, 15, Sir P.M. Road,
Fort, Mumbai - 400 001.

I have examined the registers, records, books, form, returns and disclosures received from the Directors of NRB Bearings Limited, (CIN L29130MH1965PLC013251), having Registered Office at Dhannur, 15, Sir P.M. Road, Fort, Mumbai - 400 001 (the Company), produced before me by the Company for the purpose of issuing this Certificate in pursuance of Regulation 34(3) read with Schedule V Para-C Sub-clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verification (including Director Identification Number (DIN) status on MCA website) as considered necessary and explanation furnished to me by the Company and its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ended on 31st March, 2020 has been debarred or disqualified from being appointed or continuing as Directors of the companies by the Securities and Exchange Board of India and/or Ministry of Corporate Affairs:

Sr.No:	Name of the Director	DIN	Date of Appointment in the Company
1)	Harshbeena Sahney Zaveri (DIN: 00003948)	Managing Director	01/10/2015
2)	Satish Chellaram Rangani (DIN: 00209069)	Whole-time Director	24/07/2013
3)	Devesh Singh Sahney (DIN: 00003956)	Non Executive Director	25/05/2001
4)	Ashank Datta Desai (DIN: 00017767)	Non Executive, Independent Director	30/03/2016
5)	Rustom Jamshed Desai (DIN: 02448175)	Non Executive, Independent Director	23/01/2017
6)	Tashwinder Harjap Singh (DIN: 06572282)	Non Executive, Independent Director	23/07/2013
7)	Vishakha Rajesh Maheshwari (DIN: 07108012)	Non Executive, Independent Director	02/11/2018

Note: Ensuring the eligibility for appointment/continuing as Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion based on verification of documents/ information available to me. This certificate 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.

UPENDRA C. SHUKLA
COMPANY SECRETARY
FCS: 2727/CP No: 1654

Place: Mumbai

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of NRB Bearings Limited

1. This certificate is issued in accordance with the terms of our engagement letter dated 20 August, 2019.
2. We have examined the compliance of conditions of corporate governance by NRB Bearings Limited ('the Company') for the year ended on 31 March 2020, as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2), and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

Management's Responsibility

3. The compliance of conditions of corporate governance is the responsibility of the management. This responsibility includes the designing, implementing and maintaining operating effectiveness of internal control to ensure compliance with the conditions of corporate governance as stipulated in the Listing Regulations.

Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to express reasonable assurance in the form of an opinions to whether the Company has complied with the conditions of corporate governance as stated in paragraph 2 above. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the relevant records of the Company in accordance with the applicable Generally Accepted Auditing Standards in India, the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India ('ICAI'), and Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

7. Based on the procedures performed by us and to the best of our information and according to the explanations provided to us, in our opinion, the Company has complied, in all material respects, with the conditions of corporate governance as stipulated in the Listing Regulations during the year ended 31March2020.

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

Restriction on use

8. This certificate is issued solely for the purpose of complying with the aforesaid regulations and may not be suitable for any other purpose.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No. 001076N/N500013

per **Adi P. Sethna**
Partner
Membership No.:108840

Place: Mumbai
Date : June 28, 2020

SHAREHOLDER INFORMATION

GENERAL BODY MEETING

DETAILS OF LAST THREE ANNUAL GENERAL MEETINGS HELD

AGM	Financial Year	Date and Time	Venue	Details of Special Resolution Passed
54 th	2018-19	August 9 th , 2019 3.30 PM	M C Ghia Hall, K Dubash Marg, Mumbai – 400001	<ul style="list-style-type: none"> • Appointment of Mr. Tashwinder Singh as Independent Director of the Company for a second term • Approval of annual remuneration exceeding Rs. 5.00 Crores or 2.5% of the net profits, whichever is higher to Ms. Harshbeena Zaveri, Vice Chairman & Managing Director.
53 rd	2017-18	August 9 th , 2018, 3:30 P.M.	M C Ghia Hall, K Dubash Marg, Mumbai – 400001	No special resolution was passed
52 nd	2016-17	August 11 th , 2017, 3:00 P.M.	Y B Chavan Centre, Cultural Hall, Nariman Point, Mumbai - 400021	No special resolution was passed

At the ensuing AGM, e-voting facility will be provided.

POSTAL BALLOT

During the year under review 2 (two) special resolutions were passed through postal ballot, as follow :

- i. Alteration of Articles of Association of the Company by substituting and replacing the existing set of Articles of Association with a new set of Articles of Association;
- ii. Appointment of Mr. Satish Rangani (DIN : 00209069), who has attained the age of 70 years, as a whole-time Director, designated as Executive Director.

Mr. Upendra C. Shukla, Practicing Company Secretary was appointed as the Scrutinizer for conducting the postal ballot process in fair and transparent manner. Upon completion of the scrutiny of Ballot Forms and electronic responses, the Scrutinizer had submitted his report to the Chairman of the Company. The results of the Postal Ballot were declared on Friday, April 26, 2019. The said results along with the Scrutinizer's Report was displayed on the website of the Company, i.e., www.nrbbearings.com and intimated to the Stock Exchanges where the shares of the Company are listed. Both the resolution were approved with requisite majority.

Details of voting pattern for the postal ballot for Special Resolution

Resolutions for	Voted in favour of the resolution			Voted against the resolution		
	No. of members voted through e-voting/postal ballot	No. of votes cast (No. of shares)	% of total no. of votes cast	No. of members voted through e-voting/postal ballot	No. of votes cast (No. of shares)	% of total no. of votes cast
Alteration of Articles of Association of the Company by substituting and replacing the existing set of Articles of Association with a new set of Articles of Association	102	6,53,23,789	81.88%	28	1,44,52,305	18.12%
Appointment of Mr. Satish Rangani (DIN : 00209069), who has attained the age of 70 years, as a whole-time Director, designated as Executive Director.	104	7,92,42,527	99.34%	24	5,23,567	0.66%

Procedure for Postal Ballot

- Appointment of Scrutinizer who is not in the employment of the Company.
- Notice of postal ballot along with the explanatory statement to shareholders by registered post or speed post or courier or through electronic means like registered email id.
- Facilitation of the communication for assent or dissent of the members within a period of thirty (30) days.
- Advertisement in newspaper, one English newspaper and in one vernacular language newspaper in the principal vernacular language of the district in which the registered office of the Company is situated.
- Notice should also be placed on the website of the Company.
- Declaration of results by the Scrutinizer after following due process.

Proposed postal ballot

Currently, the Company does not have any proposal to pass any resolution through postal ballot.

ANNUAL GENERAL MEETING FOR THE FINANCIAL YEAR 2019-20

DAY AND DATE	September 15, 2020
TIME	3:00 p.m.
VENUE	The Annual General Meeting shall be held by means of Video Conferencing / Other Audio Visual Means in accordance with the relevant circulars issued by the Ministry of Corporate Affairs.
BOOK CLOSURE DATES	September 9, 2020 to September 15, 2020

Tentative Calendar for Financial Year ending March 31, 2021

The tentative dates for Board Meetings for consideration of quarterly financial results are as follows:

Sr. No.	Particulars of Quarter	Tentative dates
1.	First Quarter Results	July/August 2020
2.	Second Quarter & Half Yearly Results	October/November 2020
3.	Third Quarter & Nine-months ended Results	January/February 2021
4.	Fourth Quarter & Annual Results	April/May 2021

Dividend

The Board of Directors at their Meeting held on February 11, 2020, declared interim dividend of Re. 0.80 per share, on equity shares of the Company and the same was paid out on February 27, 2020. Considering the profits for the year under review your directors hereby inform you that the Interim Dividend paid by the Company, shall be considered as the final dividend for the year ended March 31, 2020.

Dividend History for the last 7 financial years

The Table below highlights the history of Dividend declared by the Company in the last 7 financial years:

Sr. No.	Financial year	Date of Declaration of Dividend	Amount declared per share
1	2012-13	July 23, 2013	1.70
2	2013-14	August 11, 2014	1.10
3	2014-15	July 24, 2015	1.50
4	2015-16-Interim Dividend, considered as Final Dividend	March 10, 2016	1.40
5	2016-17-Interim Dividend, considered as Final Dividend	February 13, 2017	1.40
6	2017-18 – Interim Dividend 2017-18 – Final Dividend	March 20, 2018 August 9, 2018	1.40 1.20
7	2018-19	August 9, 2019	1.20

Unclaimed Dividend/ Shares

Pursuant to the provisions of Section 124(5) of the Companies Act, 2013, if the dividend transferred to the Unpaid Dividend Account of the Company remains unpaid or unclaimed for a period of seven years from the date of such transfer then such unclaimed or unpaid dividend shall be transferred by the Company along with interest accrued, if any to the Investor Education and Protection Fund ('the IEPF'), a fund established under sub-section (1) of section 125. The details of unclaimed/unpaid dividend are available on the website of the Company viz. www.nrbbearings.com.

Mandatory Transfer of Shares to Demat Account of Investors Education and Protection Fund Authority (IEPFA) in case of unpaid/ unclaimed dividend on shares for a consecutive period of seven years

In terms of Section 124(6) of the Companies Act, 2013 read with Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, (as amended from time to time) (IEPF Rules) shares on which dividend has not been paid or claimed by a shareholder for a period of seven consecutive years or more shall be credited to the Demat Account of Investor Education and Protection Fund Authority (IEPFA) within a period of thirty days of such shares becoming due to be so transferred. Upon transfer of such shares, all benefits (like bonus, etc.), if any, accruing on such shares shall also be credited to such Demat Account and the voting rights on such shares shall remain frozen till the rightful owner claims the shares

Shares which are transferred to the Demat Account of IEPFA can be claimed back by the shareholders from IEPFA by following the procedure prescribed under the aforesaid rules.

Therefore, it is in the interest of shareholders to regularly claim the dividends declared by the Company.

Details of Unclaimed Dividend as on March 31, 2020 and due dates for transfer are as follows:

Sr. No.	Financial year	Date of Declaration of Dividend	Unclaimed Amount (Rs.)	Due Date for transfer to IEPF Account
1	2012-13	July 23, 2013	2,72,164.90	August 27, 2020
2	2013-14	August 11, 2014	2,48,094.00	September 15, 2021
3	2014-15	July 24, 2015	3,54,258.00	August 28, 2022
4	2015-16 (Interim Dividend)	March 10, 2016	3,32,494.00	April 15, 2023
5	2016-17 (Interim Dividend)	February 13, 2017	3,34,072.00	March 20, 2024
6	2017-18 (Interim Dividend)	March 20, 2018	3,58,338.40	April 24, 2025
7	2017-18	August 9, 2018	4,02,531.60	September 13, 2025
8	2018-19	August 9, 2019	5,98,652.60	September 13, 2026

During the year under review, 2011-12 final dividend has been transferred to IEPF on November 29, 2019.

As per Regulation 34(3) read with Schedule V of the Listing Regulations, there are no shares in the suspense account.

Distribution of Shareholding as on March 31, 2020:

No. of Equity Shares	2020				2019			
	No. of share holders	% of share holders	No. of shares held	% share holding	No. of share holders	% of share holders	No. of shares held	% share holding
Upto 500	20,555	88.06	20,82,704	2.14	22,568	89.45	21,27,629	2.19
501- 1000	1,564	6.70	13,40,967	1.38	1,522	5.96	13,13,065	1.36
1001-2000	608	2.61	9,66,213	0.99	575	2.25	9,18,475	0.95
2001- 3000	208	0.89	5,40,668	0.55	216	0.84	5,51,585	0.57
3001- 4000	87	0.37	3,14,044	0.32	81	0.32	2,96,293	0.31
4001- 5000	69	0.30	3,29,355	0.34	61	0.24	2,92,456	0.30
5001- 10000	99	0.42	7,18,242	0.74	89	0.35	6,70,793	0.69
10001 & above	153	0.65	9,06,30,407	93.50	152	0.59	9,07,52,304	93.63
TOTAL	23,343	100.00	9,69,22,600	100.00	25,264	100.00	9,69,22,600	100.00

Shareholding Pattern as on March 31, 2020:

No. of Equity Shares	2020				2019			
	No. of share holders	% of share holders	No. of shares held	% share holding	No. of share holders	% of share holders	No. of shares held	% share holding
Individuals/HUF clearing members	22,427	96.08	2,03,92,869	21.04	24,346	96.37	2,30,28,601	23.76
Corporate Bodies/LLP/NBFC Partnership Firms	224	0.96	11,68,977	1.21	210	0.83	47,15,237	4.68
IEPF Suspense A/c	1	0	62,045	0.06	1	0.00	58,620	0.06
Trust	1	0	3,38,09,300	34.88	3	0.01	3,38,11,900	34.89
Foreign Collaborator	-	-	-	-	-	-	-	-
NRI/OCBs	627	2.69	18,78,465	1.94	629	2.49	3,80,957	0.39
FI/FII/Banks/ Foreign national/ Trusts/Foreign Portfolio Investor	23	0.10	1,89,11,322	19.51	34	0.13	1,62,90,737	16.81
Mutual Funds/UTI	38	0.16	1,98,09,005	20.44	39	0.15	1,82,82,966	18.86
Alternate Investment Fund	1	0.00	33,778	0.03	2	0.01	3,53,582	0.36
Insurance Companies	1	0.00	8,56,839	0.88				
TOTAL	23,343	100.00	9,69,22,600	100.00	25,264	100.00	9,69,22,600	100.00

DEMATERIALIZATION OF SHARES AND LIQUIDITY

99.66 % of the equity shares of the Company have been dematerialized (NSDL 97.17% and CDSL 2.49%) as on March 31, 2020. The Company has entered into agreements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) whereby shareholders have an option to dematerialize their shares with either of the Depositories.

Dematerialization of Shares

Shareholders who continue to hold shares in physical form are requested to dematerialize their shares at the earliest and avail the benefits of dealing in shares in demat form. For convenience of shareholders, the process of getting the shares dematerialized is given hereunder:

- Demat account should be opened with a Depository Participant (DP).
- Shareholders should submit the Dematerialization Request Form (DRF) along with share certificates in original, to their DP.
- DP will process the DRF and will generate a Dematerialization Request Number (DRN).
- DP will submit the DRF and original share certificates to the Registrar and Transfer Agents (RTA), which is Universal Capital Securities Private Limited.
- RTA will process the DRF and confirm or reject the request to DP/ depositories.
- Upon confirmation of request, the shareholder will get credit of the equivalent number of shares in his demat account maintained with the DP.

SEBI had amended Regulation 40 of the Listing Regulations wherein it is intimated that transfer of securities shall not be processed unless the securities are held in dematerialized form with a depository with effect from April 1, 2019.

Consolidation of folios and avoidance of multiple mailing

In order to enable the Company to reduce costs and duplicity of efforts for providing services to investors, members who have more than one folio in the same order of names, are requested to consolidate their holdings under one folio. Members may write to the Registrars & Transfer Agents indicating the folio numbers to be consolidated along with the original shares certificates to be consolidated.

RECONCILIATION OF SHARE CAPITAL AUDIT REPORT

As stipulated by SEBI, a qualified Practicing Company Secretary carries out Secretarial Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges where the Company's shares are listed. The audit confirms that the total listed and paid-up Capital is in agreement with the aggregate of the total number of shares in dematerialised form (held with NSDL and CDSL) and total number of shares in physical form.

Compliance with Secretarial Standards

The Institute of Company Secretaries of India, a Statutory Body, has issued Secretarial Standards on various aspects of corporate law and practices. The Company has complied with each one of them.

The Company's shares are listed on the following Stock Exchanges and the listing fees have been paid to the Exchanges:

Stock Exchange	Stock Code
BSE Limited P.J. Towers, Dalal Street, Mumbai – 400 023	530367
National Stock Exchange of India Limited (NSE) Exchange Plaza, 5th Floor, Plot No C/1, G Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400051	NRBBEARING

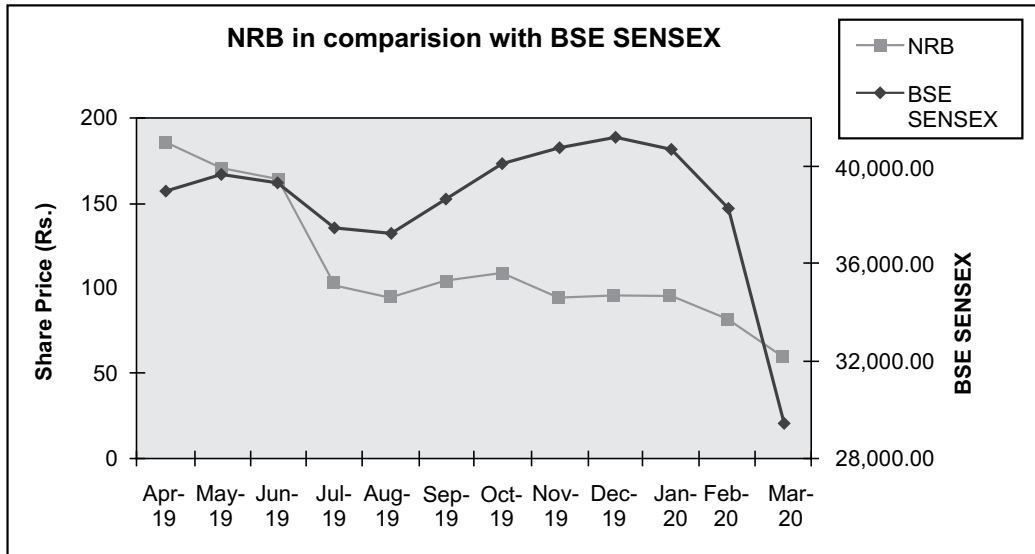
The Company has entered into agreements with NSDL and CDSL during the year 2000-01 and has been allotted ISIN No. INE 349A01013. The shares were split into shares of face value Rs. 2/- each effective April 4, 2007 and the new ISIN No. is INE 349A 01021

Listing fees for the year 2019-20 have been paid to the Stock Exchange- BSE Limited and National Stock Exchange of India Limited.

Share Price Data

2019-20	Bombay Stock Exchange			National Stock Exchange		
	High (Rs)	Low(Rs)	Volume	High (Rs)	Low(Rs)	Volume
April 2019	204.40	183.00	2,20,197	219.30	175.30	30,92,824
May 2019	194.85	155.00	1,29,079	194.65	160.05	12,49,844
June 2019	174.90	153.05	68,892	173.25	153.10	6,72,390
July 2019	165.05	101.90	1,20,683	165.20	101.60	9,92,886
August 2019	102.50	74.65	36,31,081	106.90	74.00	92,09,153
September 2019	108.00	91.60	8,24,519	108.10	92.50	24,38,704
October 2019	118.10	88.50	12,58,755	121.20	87.60	36,19,778
November 2019	112.00	95.35	70,403	112.00	95.05	9,12,849
December 2019	97.20	87.50	47,528	98.00	87.35	3,83,493
January 2020	114.00	92.85	4,07,720	114.60	92.00	21,02,100
February 2020	99.35	80.30	47,661	100.00	80.10	4,64,451
March 2020	85.25	48.50	1,14,090	87.30	48.00	8,72,694

NRB Bearings Equity Share performance.



MEANS OF COMMUNICATION TO SHAREHOLDERS

- (i) The Un-audited quarterly/ half yearly results are announced within 45 (forty-five) days of the close of the quarter. The audited annual results are announced within 60 (sixty) days from the closure of the financial year as per the requirement of the Listing Regulations.
- (ii) The approved financial results are forthwith sent to the Stock Exchanges and are published in a national English newspaper and in local language (Marathi) newspaper, within forty-eight hours of approval thereof.
- (iii) The Company’s financial results and official press releases are displayed on the Company’s Website- www.nrbbearings.com.
- (iv) Any presentation made to the institutional investors or/and analysts are also posted on the Company’s website.
- (v) Management Discussion and Analysis report forms part of the Annual Report, which is sent to the shareholders of the Company.
- (vi) The quarterly results, shareholding pattern, quarterly compliances and all other corporate communication to the Stock Exchanges are filed electronically.
- (vii) A separate dedicated section under “Investor Relations”, on the Company’s website gives information on unclaimed dividends, shareholding pattern, quarterly/half yearly results and other relevant information of interest to the investors / public.
- (viii) SEBI processes investor complaints in a centralized web based complaints redressal system i.e. SCORES. Through this system a shareholder can lodge complaint against a company for his grievance. The Company uploads the action taken on the complaint which can be viewed by the shareholder. The Company and shareholder can seek and provide clarifications online through SEBI.
- (ix) The Company has designated the email id investorcare@nrbbearings.co. in exclusively for investor relation, and the same is prominently displayed on the Company’s website www.nrbbearings.com.

Share Transfer System

The Stakeholders Relationship Committee comprising of 3 (three) Directors is authorized to consider and resolve the grievances of security holders of the Company. The committee meets yearly and on a need basis to approve physical transfer of shares. Share transfers in physical form are presently registered and returned within a period of 15 (fifteen) days from the date of receipt in case documents are complete in all respects.

Nomination

Shareholders of physical shares can nominate a person for the shares held by them. Requisite nomination forms shall be circulated by the Company to the shareholders upon request. The shareholders are advised to avail of this facility.

Electronic Clearing Service

The Securities and Exchange Board of India (SEBI) has made it mandatory for all companies to use the Bank account details furnished by the Depositories for depositing dividends. While opening accounts with depository participants (DPs), shareholders are required to give their details of their bank accounts which will be used by the Company for printing on dividend warrants for remittance of dividend. However, members who wish to receive dividend in an account other than the one specified while opening the depository account may notify their DP about any change in bank account details.

Service of documents through electronic mode

As a part of Green Initiative, the members who wish to receive the notices/documents through e-mail, may kindly intimate their e-mail addresses to the Company's Registrar and Share Transfer Agent, Universal Securities Private Limited i.e. info@unisec.in or to the company to its dedicated e-mail id i.e., investorcare@nrbbearings.co.in

Credit Rating

As on March 31, 2020, the Company was rated by Crisil A1+ for short term and AA (stable) for long term borrowings. However, due to the economic scenario, the long term ratings have been revised by Crisil from AA- (stable) to AA- (negative), with effect from May 26, 2020.

Address for Correspondence:

Compliance Officer	Universal Capital Securities Pvt Ltd	Address of the Company
Ms. Shruti Joshi, Company Secretary Phone: 022-22664160/4998 E-mail: investorcare@nrbbearings.com	21, Shakil Niwas, Mahakali Caves Road, Andheri (East), Mumbai - 400093 Tel : 022-28207203/05 Fax : 022-28207207 e-mail: info@unisec.in	NRB Bearings Limited, Dhannur, 15, Sir P. M. Road, Fort, Mumbai – 400001 Phone: 022-22664160/4998 Fax :022-22660412

Plant Locations:

The Company has the following manufacturing locations:

Thane	Pokhran Road No.2, Majiwade, Thane 400 610
Aurangabad	E-40, MIDC Industrial Area, Chikalthana, Aurangabad 431210.
Jalna	C-6, Additional MIDC Industrial Area, Jalna 431203
Waluj	E-72, (I) MIDC, Waluj, Aurangabad 431133
Hyderabad	A-5, Uppal Industrial Estate, Hyderabad 500039
Uttarakhand	Plot No 33, Sector – II, SIDCUL IIE Pantnagar, Udham Singh Nagar, Uttarakhand 263153

COMPLIANCE CERTIFICATE OF THE AUDITORS:

The Statutory Auditors have certified that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations and the same is annexed to this Report.

INDEPENDENT AUDITOR'S REPORT

To the Members of NRB Bearings Limited

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of **NRB Bearings Limited** ('the Company'), which comprise the Balance Sheet as at 31 March 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. 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 accounting principles generally accepted in India including Indian Accounting Standards ("Ind AS") specified under Section 133 of the Act, of the state of affairs of the Company as at 31 March 2020, and its profit (including other comprehensive loss), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Our responsibilities under those standards are further described in the "Auditor's Responsibilities 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 financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matters

4. Impact of COVID-19

We draw attention to Note 48 of the accompanying standalone financial statements, which describes the uncertainties relating to the COVID-19 pandemic outbreak and management's evaluation of the impact on the standalone financial statements of the Company as at the balance sheet date. The impact of these uncertainties on the Company's operations is significantly dependent on future developments. Our opinion is not modified in respect of this matter.

5. Non-compliance with laws and regulations

We draw attention to Note 11(a) to the accompanying standalone financial statements, which indicates delay in receipts of foreign currency receivables amounting to ₹ 3,171 lakhs as at 31 March 2020 beyond the timelines stipulated vide FED Master Direction No.16/2015-16, under the Foreign Exchange Management Act, 1999. The management of the Company is in the process of recovering the outstanding dues and regularizing these defaults by filing necessary applications with the appropriate authority for condonation of such delays. The management is of the view that the fines/penalties if any, that may be levied pursuant to delay, are currently unascertainable but would not be material and accordingly, the accompanying standalone financial statements do not include any consequential adjustments that may arise due to such delay / default. Our opinion is not modified in respect of this matter.

Key Audit Matter

6. 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.

7. We have determined the matter described below to be the key audit matter to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
<p>Recoverability of investment, trade receivables, loans / advances given to /recoverable from subsidiary company</p> <p>Refer Notes 5(a), 5(a)(2), 11, 14, 16 and 43(a) in the standalone financial statements.</p> <p>The Company, as at 31 March 2020, has investments in NRB Bearings (Thailand) Limited, ('wholly owned subsidiary') amounting to ₹ 2,413 lakhs, loans outstanding (including interest receivable) amounting to ₹ 1,741 lakhs, trade receivables amounting to ₹ 1,243 lakhs, advances recoverable amounting to ₹ 107 lakhs and has given guarantee amounting to ₹ 2,528 lakhs, which is engaged in business of manufacturing and trading of bearings. Such investment in the aforesaid subsidiary is accounted for at cost in accordance with Ind AS 27, Separate Financial Statements. The Company assesses the recoverable amount of the investment when impairment indicators exist by comparing the fair value (less costs of disposal) and carrying amount of the investment as on the reporting date. Loans / Guarantee given to, advances and trade receivables due from the wholly owned subsidiary is accounted for in accordance with Ind AS 109, Financial Instruments. Refer Note 1.1 for the relevant accounting policy for such balances outstanding as at 31 March 2020.</p> <p>During the year ended 31 March 2020, NRB Bearings (Thailand) Limited has reported a profit of ₹ 104 lakhs (THB 5 million) but as at that date, its accumulated losses aggregating ₹ 2,775 lakhs (THB 120 million), have significantly eroded its capital.</p> <p>As at 31 March 2020, management has assessed that the recoverable value of its investment in the subsidiary, determined using 'Discounted Cash Flow valuation model is higher than the carrying value of the investment in NRB Bearings (Thailand) Limited. However, there is a risk that the investment in NRB Bearings (Thailand) Limited may be impaired if the projections used in computation of recoverable amount method are not met. The Management's assessment of recoverable amount requires estimation and judgement around the key assumptions underpinning management's assessment including, but not limited to, projections of future cash flows, growth rates and future market and economic conditions. Such assumptions have been affected by the COVID-19 pandemic in the current year adding to the complexity in estimation involved.</p> <p>Considering the materiality of the amount involved, and significant management judgement required for valuation, the recoverability of aforesaid balances as at 31 March 2020 has been determined to be a key audit matter in the current year audit.</p>	<p>Our audit procedures in relation to assessing the recoverable value of investments included but were not limited to, the following:</p> <ul style="list-style-type: none"> • Obtained an understanding of management's processes and controls for determining the recoverable value of investments; • Assessed the design of and tested the operating effectiveness of the key controls around fair valuation; • Assessed the professional competence, objectivity and capabilities of the valuation specialist engaged by the management; • Assessed the appropriateness of the valuation methodology used to arrive at the recoverable value of the investments using auditor's valuation specialist; • Evaluated the reasonableness of the assumptions used in cash flow projections such as growth rate, gross margins, discount rates, etc., based on historical results, current developments including the possible impact of COVID 19 and future plans estimated by the management using expertise of our valuation specialist on required parameters; • Assessed cash flow forecasts to ensure consistency with current operations of the Company, reconciled the cash flow projections to the business plans approved by the Company's board of directors and reviewed the sensitivity analysis performed by the management on aforesaid key assumptions and performed further independent sensitivity analysis to determine impact of estimation uncertainty on the valuation; • Tested the mathematical accuracy of the cash flow projections and fair valuation computation; and • Evaluated the appropriateness and adequacy of the related disclosures made in the standalone financial statements in accordance with the applicable accounting standards.

Information other than the Standalone Financial Statements and Auditor's Report thereon

8. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Corporate Governance Report, but does not include the standalone financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the Annual Report, which is expected to be made available to us after that date.

Our opinion on the standalone financial statements does not cover the other information and we do not and will 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 identified above and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, 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.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

9. The accompanying standalone financial statements have been approved by the Company's Board of Directors. 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, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
10. In preparing the 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.
11. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

12. Our objectives are to obtain reasonable assurance about whether the 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 Standards on Auditing 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 financial statements.
13. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the 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 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 with reference to financial statements 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 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
14. 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.
15. 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.
16. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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

17. As required by Section 197(16) of the Act, based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under Section 197 read with Schedule V to the Act.
18. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
19. Further to our comments in Annexure A, 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 purpose of our audit of the accompanying standalone financial statements;
 - 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 standalone financial statements dealt with by this report are in agreement with the books of account;
 - d) in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under Section 133 of the Act;
 - e) the matters described in paragraph 4 and 5 under the Emphasis of Matters section, in our opinion, may have an adverse effect on the functioning of the Company;

- f) on the basis of the written representations received from the directors and 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;
- g) we have also audited the internal financial controls with reference to standalone financial statements of the Company as on 31 March 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report as per Annexure B expressed an unmodified opinion; and
- 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:
 - 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 Company has disclosed the impact of pending litigations on its financial position as at 31 March 2020;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2020;
 - iii. following is the instance of delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company
Unpaid dividend for Financial Year 2011-2012 amounting to ₹ 3 lakhs; and
 - iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these standalone financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Adi P. Sethna

Partner

Membership No.: 108840

UDINo.: 20108840AAAACG5574

Place: Mumbai

Date: 28 June 2020

Annexure A to the Independent Auditor's Report of even date to the members of NRB Bearings Limited, on the standalone financial statements for the year ended 31 March 2020

Annexure A

Based on the audit procedures performed for the purpose of reporting a true and fair view on the standalone financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (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 its property, plant and equipment to cover all the items once every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, all property, plant and equipment were physically verified by the Management during the year ended 31 March 2018. According to the information and explanations given to us no material discrepancies were noticed on such verification.
- (c) The title deeds of all the immovable properties (which are included under the head 'Property, plant and equipment') are held in the name of the Company except for the following properties which were transferred as a result of acquisition of company and amalgamation of companies as stated in Note 2 to the standalone financial statements respectively, wherein the title deed is in the name of the erstwhile companies.

Nature of property	Total Number of Cases	Whether leasehold /freehold	Gross block as on 31 March 2020	Net block on 31 March 2020	Remarks
Land at Waluj	1	Leasehold land	₹ 6 lakhs	₹ 4 lakhs	The lease deed is in the name of NRB Torrington Private Limited, erstwhile Company that was merged with the Company under Section 391 to 394 of the Companies Act, 1956 in terms of the approval of the Honorable High Court.
Land at Hyderabad	1	Freehold land	₹ 55 lakhs	₹ 55 lakhs	The land is in the name of Shahney Steels Press Works Limited that was acquired by the Company under Board for Financial and Industrial Reconstruction (BIFR) order in the financial year 1992-93.

- (ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year, except for goods-in-transit and stocks lying with third parties. For stocks lying with third parties at the year-end, written confirmations have been obtained by the management. No material discrepancies were noticed on the aforesaid verification.
- (iii) The Company has granted an unsecured loan to only one party covered in the register maintained under Section 189 of the Act, which is its wholly owned foreign subsidiary; and with respect to the same:
- (a) in our opinion, the terms and conditions of the loan granted are not, prima facie, prejudicial to the Company's interest;
- (b) the schedule of repayment of principal and interest has been stipulated and repayment of the principal amount and the receipts of interest are regular.
- (c) there is no overdue amount in respect of loan granted to the party.

- (iv) In our opinion, the Company has complied with the provisions of Section 186 in respect of investments, loans and guarantees. Further, in our opinion, the Company has not entered into any transaction covered under Section 185 and Section 186 of the Act in respect of provision of security.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's products and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) (a) Undisputed statutory dues including employees' state insurance, income-tax, sales-tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have been regularly deposited with the appropriate authorities, except for delays in certain amounts of provident fund. Further, the amount of provident fund outstanding at the year-end for a period of more than six months from the date they became payable and which have not been paid till date, are as follows:

Statement of arrears of statutory dues outstanding for more than six months

Name of the statute	Nature of dues	Amount (₹ in Lakhs)	Period to which the amount relates	Due Date
The Employees Provident Funds and Miscellaneous Provisions Act, 1952	Provident fund	5	April 2019	15 May 2019
		5	May 2019	15 June 2019
		5	June 2019	15 July 2019
		5	July 2019	15 August 2019
		5	August 2019	15 September 2019

- b) The Company did not have any disputes for which dues are outstanding for service tax or duty of customs or duty of excise during the year. The dues outstanding in respect of income-tax, sales-tax, local body tax and value added tax on account of disputes, are as follows:

Statement of Disputed Dues

Name of the statute	Nature of dues	Amount (₹ in Lakhs)	Amount paid under Protest (₹ in Lakhs)	Period to which the amount relates	Forum where dispute is pending
The Income-tax Act, 1961	Income-tax	35	35	A.Y. 2007-08	Commissioner of Income Tax (Appeals)
		83	83	A.Y. 2008-09	High Court
		16	16	A.Y. 2009-10	Commissioner of Income Tax (Appeals)
		2	2	A.Y. 2011-12	
		414	152	A.Y. 20012-13	
		96	19	A.Y. 20013-14	Income Tax Appellate Tribunal
15	15	A.Y. 20013-14			
The Income-tax Act, 1961	Income-tax	165	40	A.Y. 2014-15	Commissioner of Income Tax (Appeals)
		250	107	A.Y. 2015-16	
		367	44	A.Y. 2016-17	
		635	412	A.Y. 2017-18	
		219	-	A.Y. 2018-19	
		273	-	A.Y. 2019-20	

Name of the statute	Nature of dues	Amount (₹ in Lakhs)	Amount paid under Protest (₹ in Lakhs)	Period to which the amount relates	Forum where dispute is pending
The Bombay Sales Tax Act, 1959	Value Added tax	1	-	F.Y. 1996-97	Deputy Commissioner (Appeals)
The Central Sales Tax Act, 1956	Sales tax	3	-	F.Y. 1996-97	Deputy Commissioner (Appeals)
		5	-	F.Y. 2012-13	Appellate Deputy Commissioner (Appeals)
		8	-	F.Y. 2012-13	Assistant Commissioner (Commercial Tax)
		2	-	F.Y. 2013-14	Assistant Commissioner (Commercial Tax)
		7	-	F.Y. 2013-14	Commercial Tax Officer
		3	-	F.Y. 2014-15	Assistant Commissioner (Commercial Tax)
		44	-	F.Y. 2014-15	Deputy Commissioner (Commercial Tax)
		14	-	F.Y. 2014-15	Commercial Tax Officer
		6	-	F.Y. 2015-16	Deputy Commissioner (Commercial Tax)
		10	10	F.Y. 2015-16	Joint Commissioner Sales (Appeals)
		1	0**	F.Y. 2016-17	Senior Joint Commissioner (Appeals)
		1	0**	F.Y. 2017-18	
The Bombay Provincial Municipal Corporation Act 1949, read with Bombay Provincial Municipal Corporation (Local Body Tax) Rules 2010 (as amended)	Local body tax	72	17	F.Y. 2013-14	Deputy Commissioner of Local Body Tax (Appeals)
		36	9	F.Y. 2014-15	
		8	3	F.Y. 2015-16	

(*) Including interest

(**) Amount less than ₹ 1 lakh

(viii) The Company has not defaulted in repayment of loans or borrowings to any bank or any dues to debenture-holders during the year and has no loans / borrowings payable to any financial institution.

The Company has defaulted in repayment of dues to the government during the year, as detailed below. Also refer footnote (iii) below Note 25 of the accompanying standalone financial statements.

Particulars	Period of default	Amount of default as on 31 March 2020 (₹ in lakhs)
Deferred sales tax loan	Above 180 days	11

- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, the term loans availed during the year were applied for the purposes for which the loans were obtained.
- (x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.
- (xi) Managerial remuneration has been paid and provided by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the standalone financial statements etc., as required by the applicable Ind AS.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures. Accordingly, the provisions of clause 3(xiv) of the Order are not applicable.
- (xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act. Accordingly, the provisions of clause 3(xv) of the Order 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 **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Adi P. Sethna

Partner

Membership No.: 108840

UDINo.: 20108840AAAACG5574

Place: Mumbai

Date: 28 June 2020

Annexure B to the Independent Auditor's Report of even date to the members of NRB Bearings Limited on the standalone financial statements for the year ended 31 March 2020**Annexure B****Independent Auditor's Report on the internal financial controls with reference to the standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

1. In conjunction with our audit of the standalone financial statements of NRB Bearings Limited ('the Company') as at and for the year ended 31 March 2020, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements 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 (the "Guidance Note") 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 the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Standalone Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. 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 with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, 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.
5. 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 with reference to the standalone financial statements.

Meaning of Internal Financial Controls with Reference to Standalone Financial Statements

6. A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements include 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 with Reference to Standalone Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to the standalone financial statements and such controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Adi P. Sethna
Partner
Membership No.: 108840
UDIN: 20108840AAAACG5574

Place: Mumbai
Date: 28 June 2020

Standalone Balance Sheet as at 31 March 2020

(₹ in Lakhs)

	Particulars	Note No.	As at 31 March 2020	As at 31 March 2019
I	Assets			
1	Non-current assets			
	Property, plant and equipment	2	32,060	28,448
	Capital work-in-progress		1,142	1,252
	Investment property	3	-	-
	Intangible assets	4	39	59
	Investment in subsidiaries	5(a)	2,688	2,673
	Financial assets			
	Investments	5(b)	224	460
	Loans	6	460	435
	Other financial assets	7	21	6
	Income-tax (Current-tax) assets (net)	8	2,589	2,364
	Other non-current assets	9	1,365	1,489
	Total non-current assets		40,588	37,186
2	Current assets			
	Inventories	10	20,670	24,130
	Financial assets			
	Trade receivables	11	20,695	22,090
	Cash and cash equivalents	12	6,551	2,156
	Bank balances other than cash and cash equivalents	13	117	100
	Loans	14	1,764	1,821
	Other financial assets	15	543	540
	Other current assets	16	3,194	3,051
	Total current assets		53,534	53,888
	Total assets		94,122	91,074
II	Equity and Liabilities			
A	Equity			
	Equity share capital	17	1,938	1,938
	Other equity	18	43,959	45,462
	Total equity		45,897	47,400
B	Liabilities			
1	Non-current liabilities			
	Financial liabilities			
	Borrowings	19	7,324	8,290
	Other financial liabilities	20	45	-
	Deferred tax liabilities (net)	21	1,276	981
	Other non-current liabilities	22	168	-
	Total non-current liabilities		8,813	9,271
2	Current liabilities			
	Financial liabilities			
	Borrowings	23	21,733	15,575
	Trade payables			
	Total outstanding dues of micro enterprises and small enterprises	24	1,188	1,044
	Total outstanding dues of creditors other than micro enterprises and small enterprises		6,960	10,307
	Other financial liabilities	25	7,463	5,975
	Other current liabilities	26	569	420
	Provisions	27	1,499	1,082
	Total current liabilities		39,412	34,403
	Total liabilities		48,225	43,674
	Total Equity and Liabilities		94,122	91,074

Notes 1 to 50 form an integral part of the Standalone financial statements

This is the Standalone Balance Sheet referred to in our audit report of even date

For Walker Chandiok & Co LLP

Chartered Accountants

Firm Registration No. 001076N / N500013

Adi P. Sethna

Partner

Membership No.: 108840

Place : Mumbai
Date : 28 June 2020
For and on behalf of the Board of Directors
Tashwinder Singh

 Chairman
 DIN : 06572282

Harshbeena Zaveri

 Vice Chairman and
 Managing Director
 DIN : 00003948

S. C. Rangani

 Executive Director
 DIN : 00209069

Ravi Teltia

Chief Financial Officer

Shruti Joshi

Company Secretary

Place: Mumbai
Date: 28 June 2020

Standalone Statement of Profit and Loss for the year ended 31 March 2020 (₹ in Lakhs)

	Particulars	Note No.	Year ended 31 March 2020	Year ended 31 March 2019
I	Revenue from operations	28	75,196	94,038
II	Other Income	29	1,915	680
III	Total income (I + II)		77,111	94,718
IV	Expenses:			
	Cost of materials consumed	30	32,436	42,218
	Changes in inventories of finished goods and work-in-progress	31	1,036	(3,316)
	Employee benefits expense	32	11,071	11,608
	Finance costs	33	2,061	1,414
	Depreciation and amortisation expense	2 to 4	2,949	3,186
	Other expenses	34	23,395	26,993
	Total Expenses (IV)		72,948	82,104
V	Profit before tax and exceptional items (III-IV)		4,163	12,614
VI	Exceptional Items - gain	34A	-	1,654
VII	Profit before tax (V+VI)		4,163	14,268
VIII	Income tax expense / (credit):	35		
	(i) Current tax		766	3,725
	(ii) Deferred tax		452	666
			1,218	4,391
IX	Net profit after tax (VII-VIII)		2,945	9,877
X	Other comprehensive income / (loss) (OCI)	36		
	Items that will not be reclassified to profit or loss			
	- Remeasurement loss on defined benefit plans		(389)	(40)
	- Loss on fair value of equity instruments		(226)	(110)
	- Income tax effect on above		136	14
			(479)	(136)
XI	Total Comprehensive Income for the year (IX + X)		2,466	9,741
XII	Earnings per equity share:	50		
	Basic and diluted (in ₹)		3.04	10.19
	Face value per share (in ₹)		2	2

Notes 1 to 50 form an integral part of the Standalone financial statements

This is the Standalone Statement of Profit and Loss referred to in our audit report of even date

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm Registration No. 001076N / N500013

Adi P. Sethna

Partner

Membership No.: 108840

Place : Mumbai

Date : 28 June 2020

For and on behalf of the Board of Directors

Tashwinder Singh

Chairman

DIN : 06572282

Harshbeena Zaveri

Vice Chairman and

Managing Director

DIN : 00003948

S. C. Rangani

Executive Director

DIN : 00209069

Ravi Teltia

Chief Financial Officer

Shruti Joshi

Company Secretary

Place: Mumbai

Date: 28 June 2020

Standalone Cash Flow Statement for the year ended 31 March 2020

(₹ in Lakhs)

	Particulars	Year ended 31 March 2020	Year ended 31 March 2019
A	Cash flow from operating activities		
	Profit before tax	4,163	14,268
	Adjustments for:		
	Depreciation and amortisation expense	2,949	3,185
	Liabilities no longer required, written back	(23)	(27)
	Foreign exchange gain (unrealised)	(73)	(740)
	Fair valuation loss / (gain) on derivative instrument measured at FVTPL	74	(150)
	Fair valuation loss / (gain) on financial assets measured at FVTPL	9	(2)
	Finance costs	2,061	1,414
	Interest income	(121)	(170)
	Dividend income	(225)	(140)
	Profit on sale of property plant and equipments (net) (including exceptional gain)	(1)	(1,655)
	Rent Income	(126)	(127)
	Provision for doubtful advances	65	-
	Bad debts written off	56	-
	Provision for doubtful debts (net of bad debts written off)	-	753
	Operating profit before working capital changes	8,808	16,610
	Adjustments for changes in working capital:		
	Adjustment for (increase)/ decrease in assets		
	- Trade receivables	1,789	1,128
	- Inventories	3,461	(9,861)
	- Bank balances other than cash and cash equivalents	(13)	43
	- Other non-current financial assets	(40)	(30)
	- Other current financial assets	(52)	(156)
	- Other non-current assets	-	(92)
	- Other current assets	(73)	1,093
	Adjustment in increase/ (decrease) in liabilities		
	- Other non-current liabilities	168	-
	- Other financial liabilities	(1,297)	55
	- Trade payables	(3,445)	956
	- Provisions	29	148
	- Other current liabilities	171	(279)
	Operating profit after working capital changes	9,506	9,615
	Direct taxes paid (net of refunds)	(989)	(4,885)
	Net cash generated from operating activities (A)	8,517	4,731

Standalone Cash Flow Statement for the year ended 31 March 2020

(₹ in Lakhs)

	Particulars	Year ended 31 March 2020	Year ended 31 March 2019
B	Cash Flow From Investing Activities		
	Purchase of property, plant and equipment and intangibles (including movement of capital advances, capital work-in-progress and capital creditors)	(5,270)	(8,948)
	Sale proceeds of property, plant and equipment	1	1,726
	Investment in subsidiary company	(15)	(773)
	Rent income	126	127
	Interest received	115	170
	Refund of inter-corporate deposit to related party	128	1,033
	Dividend received	225	140
	Net cash used in investing activities (B)	(4,690)	(6,525)
C	Cash Flow From Financing Activities		
	Proceeds from non-current borrowings	2,500	3,413
	Proceeds from (repayment of) current borrowings (net)	5,848	6,396
	Repayment of non-current borrowings	(1,647)	(4,251)
	Finance costs paid	(2,043)	(1,414)
	Settlement of lease obligation	(161)	-
	Movement in unclaimed dividend bank balances	(4)	(7)
	Dividends paid on equity shares (including unclaimed)	(3,291)	(1,156)
	Dividend distribution tax paid	(634)	(212)
	Net cash generated from financing activities (C)	568	2,769
	Net Increase in Cash and Cash Equivalents (A+B+C)	4,395	974
	Add: Balance of Cash and Cash Equivalents at the beginning of the year	2,156	1,182
	Closing balance of Cash and Cash Equivalents (Refer note 12)	6,551	2,156
	Components of Cash and Cash Equivalents:		
	Cash on Hand	3	3
	Balances with banks in current accounts	4,019	2,113
	Balances with banks in deposits with maturity of less than 3 months	2,529	40

Notes:

- The statement of cash flow has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) Statement of cash flows. Also refer note 39E.

Notes 1 to 50 form an integral part of the Standalone financial statements

This is the Standalone Statement of Cash Flow referred to in our audit report of even date

For Walker Chandio & Co LLP

Chartered Accountants

Firm Registration No. 001076N / N500013

Adi P. Sethna

Partner

Membership No.: 108840

Place : Mumbai
Date : 28 June 2020
For and on behalf of the Board of Directors
Tashwinder Singh

 Chairman
 DIN : 06572282

Harshbeena Zaveri

 Vice Chairman and
 Managing Director
 DIN : 00003948

S. C. Rangani

 Executive Director
 DIN : 00209069

Ravi Teltia

Chief Financial Officer

Shruti Joshi

Company Secretary

Place: Mumbai
Date: 28 June 2020

Standalone Statement of Changes in Equity for the year ended 31 March 2020

A. Equity share capital (Refer note 17)

(₹ in lakhs)

Equity share capital	Number of shares	Amount
As at 31 March 2018	96,922,600	1,938
Changes during the year	-	-
As at 31 March 2019	96,922,600	1,938
Changes during the year	-	-
As at 31 March 2020	96,922,600	1,938

B. Other equity (Refer Note 18)

(₹ in lakhs)

Particulars	Reserves and surplus					Other reserves	Total
	Securities premium	General reserve	Capital Redemption reserve	Debenture Redemption reserve	Retained earnings	Fair Value Gain on Equity Instruments through OCI	
Balance as at 31 March 2018	848	9,521	11	3,250	22,922	544	37,096
Transactions during the year							
Net profit for the year	-	-	-	-	9,877	-	9,877
Less: Other comprehensive loss	-	-	-	-	(26)	(110)	(136)
Less: Final dividend of previous year (₹ 1.2 per equity share)	-	-	-	-	(1,163)	-	(1,163)
Less: Dividend distribution tax on final dividend	-	-	-	-	(212)	-	(212)
Less: Transfer from debenture redemption reserve to general reserve	-	1,000	-	(1,000)	-	-	-
Balance as at 31 March 2019	848	10,521	11	2,250	31,398	434	45,462
Transactions during the year							
Net profit for the year	-	-	-	-	2,945	-	2,945
Less: Transitional adjustment of Ind AS-116 (Refer Note 47)	-	-	-	-	(41)	-	(41)
Less: Other comprehensive loss	-	-	-	-	(253)	(226)	(479)
Less: Final dividend of previous year ₹ 2.6 per equity share	-	-	-	-	(2,520)	-	(2,520)
Less: Interim dividend for the year ended ₹ 0.80 per equity shares	-	-	-	-	(775)	-	(775)
Less: Dividend distribution tax on dividend on final dividend	-	-	-	-	(490)	-	(490)
Less: Dividend distribution tax on dividend on Interim dividend	-	-	-	-	(143)	-	(143)
Balance as at 31 March 2020	848	10,521	11	2,250	30,121	208	43,959

Note 1 to 50 form an integral part of the Standalone financial statements

This is the Standalone Statement of Changes in Equity referred to in our audit report of even date

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm Registration No. 001076N / N500013

Adi P. Sethna

Partner

Membership No.: 108840

Place : **Mumbai**

Date : **28 June 2020**

For and on behalf of the Board of Directors

Tashwinder Singh

Chairman
DIN : 06572282

Harshbeena Zaveri

Vice Chairman and
Managing Director
DIN : 00003948

S. C. Rangani

Executive Director
DIN : 00209069

Ravi Teltia

Chief Financial Officer

Shruti Joshi

Company Secretary

Place: **Mumbai**

Date: **28 June 2020**

Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2020

1 Company Information

NRB Bearings Limited ('the Company') is a public limited company domiciled and incorporated in India in 1965. The registered and corporate office of the company is situated at Dhannur, 15, Sir P. M. Road, Fort, Mumbai 400 001, Maharashtra. The company is engaged in the manufacture of ball and roller bearings.

The separate financial statements were authorised for issue in accordance with the resolution of the board of directors on 28 June 2020.

Basis of Preparation

The Company has prepared its financial statements to comply in all material respects with the provisions of the Companies Act, 2013 (the Act) and rules framed thereunder and the guidelines issued by Securities and Exchange Board of India. In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) under Section 133 of the Act.

The financial statements have been prepared on an accrual basis using the historical cost convention, except for the following assets and liabilities:

- i) Certain financial assets and liabilities that are measured at fair value
- ii) Defined benefit plans-plan assets measured at fair value

1.1 Significant accounting policies

a. Investment in subsidiaries

Investments in subsidiaries are accounted at cost less impairment in accordance with Ind AS 27 - Separate financial statements.

b. Foreign Currency Transactions

The functional currency of the Company is Indian national rupee (INR) which is also the presentation currency. All other currencies are accounted for as foreign currency.

Transactions denominated in foreign currencies are initially recorded at the exchange rate prevailing at the date of transaction.

Foreign currency monetary items are reported using the closing exchange rates. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

Exchange differences on monetary items are recognised in Statement of Profit and Loss in the period in which they arise except for: exchange difference arising on settlement / restatement of long-term foreign currency monetary items recognized in the financial statements upto the year ended 31 March 2017 prepared under previous GAAP, are capitalized as a part of the depreciable property plant and equipments to which the monetary item relates and depreciated over the remaining useful life of such assets. If such monetary items do not relate to acquisition of depreciable property plant and equipments, the exchange difference is amortised over the maturity period / upto the date of settlement of such monetary item, whichever is earlier and charged to the Statement of Profit and Loss.

c. Revenue Recognition

The company derives revenues from sale of manufactured goods and related services. Revenue is recognised on satisfaction of performance obligation upon transfer of control of promised products or services to customers in an

Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2020

amount that reflects the consideration the Company expects to receive in exchange for those products or services. Revenue is measured based on the transaction price, which is the consideration, adjusted to discounts, incentives and returns, etc., if any. For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time in which the performance obligations are satisfied.

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, it is not required to adjust any of the transaction prices for the time value of money.

Revenue in excess of invoicing are classified as contract asset while invoicing in excess of revenues are classified as contract liabilities.

d. Other Income

Interest income for all debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Dividend are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the company, and the amount of the dividend can be measured reliably.

e. Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period.

Deferred income tax is recognised in full, using the balance sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets (Including Minimum Alternate Tax credit) are recognised for all deductible temporary differences and unused tax losses or credits only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the company has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively."

Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2020

f. Leases

Measurement and recognition of leases

The Company assesses at contract inception whether a contract is, or contains, a lease. A lease is defined as 'a contract, or part of a contract, that convey the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

To apply this definition, the Company assesses whether the contract meets three key criteria which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Company.
- the Company has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract.
- the Company has the right to direct the use of the identified asset throughout the period of use. The Company assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Company as a lessee

At lease commencement date, the Company recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company and any lease payments made in advance of the lease commencement date.

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance, fixed), and payments arising from options reasonably certain to be exercised. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest expenses. It is remeasured to reflect any reassessment or modification.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset or Statement of profit and loss, as the case may be.

On the statement of financial position, right-of-use assets have been included in property, plant and equipment and lease liabilities have been included in other financial liabilities (non-current and current).

The Company has elected to account for short-term leases and leases of low-value assets using the exemption / practical expedient given under Ind AS 116, Leases. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term or on another systematic basis if that basis is more representative of the pattern of the Company's benefit.

On the statement of financial position, right-of-use assets have been included in property, plant and equipment and lease liabilities have been included in other financial liabilities (non-current and current).

Company as a lessor

Leases for which the Company is a lessor classified as finance or operating lease.

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

g. Impairment of non-financial assets

The carrying amount of the non-financial assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal /external factors. An impairment loss is recognised whenever the carrying amount of an asset or a cash generating unit exceeds its recoverable amount. The recoverable amount of the assets (or where

Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2020

applicable, that of the cash generating unit to which the asset belongs) is estimated as the higher of its net selling price and its value in use. Impairment loss is recognised in the statement of profit and loss.

After impairment, depreciation / amortisation is provided on the revised carrying amount of the asset over its remaining useful life.

A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation / amortisation if there were no impairment.

h. Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are presented as part of borrowings within borrowings in current liabilities in the balance sheet.

i. Inventories

Raw material and components, work in progress, Finished Goods and Traded goods are stated at “cost or net realisable value whichever is lower”. Goods in transit are stated at cost. Cost formulae used is weighted average cost. Due allowance is estimated and made for defective and obsolete items, wherever necessary, based on the past experience of the Company.

Cost comprises of all cost of purchase, cost of conversion and other cost 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, unless such costs are specifically identifiable, in which case they are included in the valuation at actuals.

j. Investments and financial assets

Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the company’s business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The company reclassifies debt investments when and only when its business model for managing those assets changes.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment”

Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2020

Measurement of debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the company classifies its debt instruments:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.
- **Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. Interest income from these financial assets is included in other income using the effective interest rate method.
- **Fair value through profit or loss:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the Statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

Measurement of equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/ (losses) in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, the company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

De-recognition of financial assets

A financial asset is derecognised only when

- The Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has transferred an asset, the company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the company has not retained control of the financial asset. Where the company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2020

k. Derivatives

The Company enters into certain derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through profit or loss and are included in other gains / (losses).

l. Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

m. Property plant and equipment (including Capital Work-in-Progress)

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost are stated at cost of acquisition inclusive of all attributable cost of bringing the assets to their working condition, less accumulated depreciation and accumulated impairment losses, if any.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is possible that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Schedule II to the Companies Act, 2013 prescribes useful lives for property, plant and equipment and allows Companies to use higher/lower useful lives and residual values if such useful lives and residual values can be technically supported and justification for difference is disclosed in the financial statements. The management believes that the depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of property, plant and equipment.

Depreciation/ amortisation on property plant and equipments has been provided on the straight-line method as per the useful life assessed based on technical advice, taking into account the nature of the asset, the estimated use of the asset on the basis of management's best estimation of getting economic benefits from those class of assets. Depreciation is provided pro rata from the date of addition or upto the date of disposal, as the case may be.

The Company uses its external technical expertise along with historical and industry trends for arriving at the economic life of an asset.

Class of asset	Revised useful life based on SLM (Range)
Leasehold land	60 - 90 years
Buildings and flats	15 – 50 years
Plant and equipment	3 – 30 years
Furniture and fixtures	3 – 10 years
Office equipment	3 – 10 years
Electrical installations	5 – 20 years
Vehicles	5 years

Assets not yet ready for use are recognised as capital work in progress.

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

n. Investment Properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not used by the company for business purposes, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance costs are

Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2020

expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Investment properties are depreciated using the straight-line method over their estimated useful lives. Investment properties generally have a useful life of 25-40 years. The useful life has been determined based on technical evaluation performed by the management's expert.

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its investment properties recognised as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of investment properties.

o. Intangible Assets

Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the intangible assets.

Identifiable intangible assets are recognised when it is probable that future economic benefits attributed to the asset will flow to the Company and the cost of the asset can be reliably measured.

Computer software's are capitalised at the amounts paid to acquire the respective license for use and are amortised on a straight line basis, over the period of useful lives or period of three years, whichever is less. The assets' useful lives are reviewed at each financial year end.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised. Amortisation is provided pro rata from the date of addition or upto the date of disposal, as the case may be.

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

p. Borrowings and other financial liabilities

Borrowings and other financial liabilities are initially recognised at fair value (net of transaction costs incurred). Difference between the fair value and the transaction proceeds on initial recognition is recognised as an asset / liability based on the underlying reason for the difference.

Subsequently all financial liabilities are measured at amortised cost using the effective interest rate method.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss. The gain / loss is recognised in other equity in case of transaction with shareholders.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

q. Borrowing Costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time the assets are substantially ready for their intended use. All other borrowing costs are recognised as an expense in Profit or Loss in the period in which they are incurred.

r. Provisions, Contingent Liabilities and contingent assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using equivalent period government securities interest rate. Unwinding of the discount is recognised in the statement of profit and loss as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within

Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2020

the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the Notes to the Financial Statements. Contingent assets are not recognised, but disclosed in the financial statements. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

s. Employee Benefits

A) Short term employee benefits: All employee benefits payable within twelve months from the end of the period in which services are rendered are classified as short term employee benefits. Benefits such as salaries, wages, short term compensated absences, etc. and the expected cost of bonus, ex-gratia are recognised in the period in which the employee renders the related service.

B) Post employment benefits

i. Defined Contribution Plans: The company's superannuation scheme, state governed provident fund and family pension scheme are defined contribution plans. The contribution paid/ payable under the schemes, is recognised during the period in which the employee renders the related service.

ii. Gratuity: The Company has computed its liability towards future payments of gratuity to employees, on actuarial valuation basis which is determined based on project unit credit method and the charge for current year is debited to the Statement of Profit and Loss. Actuarial gains and losses arising on the measurement of defined benefit obligation is charged/ credited to other comprehensive income.

C) Compensated absences: Liability for compensated absences that are not short term, are determined on actuarial valuation basis which is determined based on project unit credit method and the charge for current year is debited to the Statement of Profit and Loss. Actuarial gains and losses arising on the measurement of defined benefit obligation is charged/ credited to profit or loss. "

t. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss (excluding other comprehensive income) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events such as bonus issue, bonus element in a right issue, shares split and reverse share splits (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss (excluding other comprehensive income) for the year attributable to equity share holders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

u. Operating Cycle

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

v. Contributed equity

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

w. Critical estimates and judgements

The preparation of Financial Statements in conformity with Ind AS which requires management to make estimates, assumptions and exercise judgement in applying the accounting policies that affect the reported amount of assets, liabilities and disclosure of contingent liabilities at the date of financial statements and the reported amounts of income and expenses during the year.

The Management believes that these estimates are prudent and reasonable and are based upon the Management's best knowledge of current events and actions. Actual results could differ from these estimates and differences between actual results and estimates are recognised in the periods in which the results are known or materialised.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items

Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2020

which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed.

i) Property, plant and equipment, Investment Properties and Intangible Assets:

Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation to be recorded during any reporting period. The useful lives and residual values are based on technical evaluation performed by the management's expert and Company's historical experience with similar assets and taking into account anticipated technological changes, whichever is more appropriate.

ii) Income Tax:

The Company reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to an adjustment to the amounts reported in the standalone financial statements.

iii) Contingencies:

Management has estimated the possible outflow of resources at the end of each annual reporting financial year, if any, in respect of contingencies / claim / litigations by / against the Company as it is not possible to predict the outcome of pending matters with accuracy.

iv) Impairment of financial assets:

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

v) Impairment of non-financial assets:

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Units (CGU) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent to those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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. In determining fair value less cost of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

vi) Defined benefit obligation

The cost of post-employment benefits is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rate of return on assets, future salary increases and mortality rates. Due to the long term nature of these plans such estimates are subject to significant uncertainty. The assumptions used are disclosed in Note 46.

x. Exceptional items

When items of income and expense within statement of profit and loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such material items are disclosed separately as exceptional items.

y. Standards issued but not effective

There are no standards that are issued but not yet effective on 31 March 2020

Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2020

2 Property, plant and equipment

(₹ in Lakhs)

Particulars	Free Hold Land	Leasehold Land	Buildings & Flats	Plant & Equipment	Furniture & Fixtures	Office Equipment	Electrical Installation	Vehicles	Total
Gross carrying value									
As at 01 April 2018	60	177	8,750	46,810	665	820	1,078	504	58,864
Additions	-	-	3,068	6,111	35	9	147	25	9,395
Disposals	-	-	120	-	-	-	-	7	127
As at 31 March 2019	60	177	11,698	52,921	700	829	1,225	522	68,132
Transition impact of Ind As 116 Lease (Refer Note 47)	-	-	252	-	-	-	-	7	259
Additions	-	-	162	5,916	18	39	135	6	6,276
Disposals	-	-	-	3	-	-	-	-	3
As at 31 March 2020	60	177	12,112	58,834	718	868	1,360	535	74,664
Accumulated Depreciation									
As at 01 April 2018	-	27	2,022	32,394	469	532	860	272	36,576
Charge for the year	-	2	228	2,634	80	90	49	81	3,164
Disposals	-	-	49	-	-	-	-	7	56
As at 31 March 2019	-	29	2,201	35,028	549	622	909	346	39,684
Charge for the year*	-	2	416	2,245	61	69	48	82	2,923
Disposals	-	-	-	3	-	-	-	-	3
As at 31 March 2020	-	31	2,617	37,270	610	691	957	428	42,604
Net carrying value									
As at 31 March 2019	60	148	9,497	17,893	151	207	316	176	28,448
As at 31 March 2020	60	146	9,495	21,564	108	177	403	107	32,060

Footnotes:

- Buildings and flats include:
 - Shares in respect of residential premises of a cost of ₹ 2 lakhs and WDV of ₹ 0 lakh and WDV of ₹ 0 lakh and WDV ₹ 0 lakh (**) in a co-operative society which is in the process of being transferred in the name of the Company.
 - Cost of shares of an aggregate face value of ₹ 750 (31 March 2019: ₹ 750) in co-operative housing societies viz. 5 shares of ₹ 50 each in Vile Parle Vatika Cooperative Housing Society Limited, 5 shares of ₹ 50 each in The Ganesh Villa Co-operative Housing Society Limited and 5 shares of ₹ 50 each in Vinayak Bhavan Cooperative Housing Society Limited.
- The title deeds/ leasehold right of Land and Buildings, having gross carrying amount aggregating ₹ 61 lakhs (31 March 2019: ₹ 61 lakhs) and net carrying amount aggregating ₹ 60 lakhs (31 March 2019 - ₹ 60 lakhs), have been transferred to and vested in the Company, pursuant to the Schemes of Amalgamation/Arrangement and the procedural formalities for changing the name of the Company is in process.
- The above amounts includes adjustment of foreign exchange loss aggregating to ₹ 271 lakhs (31 March 2019: ₹ 319 lakhs) against the carrying value of plant and equipment. The balance amount, based on aforesaid adjustments, of plant and equipment to be amortised, as at the year-end, aggregates ₹ 1,231 lakhs (31 March 2019 : ₹ 1,358 lakhs).
- Refer Note 42 for information on property, plant and equipment pledged as security by the Company.

(*) Charge for the year includes charge created on Right-of-use ('ROU') assets of ₹ 116 lakhs for building on leasehold land and ₹ 4 lakhs for vehicles (Also refer note 47)

(**) Amount less than ₹ 1 lakh

Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2020

3 Investment Properties

(₹ in Lakhs)

Particulars	Buildings and flats	Total
Gross carrying value*		
As at 01 April 2018	41	41
As at 31 March 2019	41	41
As at 31 March 2020	41	41
Accumulated Depreciation*		
As at 01 April 2018	41	41
As at 31 March 2019	41	41
As at 31 March 2020	41	41
Net carrying value		
As at 31 March 2019	-	-
As at 31 March 2020	-	-

* There is no addition and disposal to the gross block and depreciation charge for the year ended 31 March 2020 and 31 March 2019.

3.1 Fair value of Investment Property

(₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Buildings and flats	1,729	1,729
Total	1,729	1,729

3.2 Income from Investment property generating Rental Income

(₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Rental Income derived from investment properties	126	127
Direct Operating expenses from property (including repairs and maintenance) that generated rental income	1	1
Direct Operating expenses from property (including repairs and maintenance) that did not generate rental income	-	-
Income arising from investment properties before depreciation	125	126
Depreciation	-	-
Income from Investment properties (net)	125	126

3.3 Estimation of fair value of investment properties:

The fair valuation is based on current prices in the active market for similar properties. The main inputs used are quantum, area, location, demand, age of building and trend of fair market rent, ready reckoner rate etc. This fair value is based on valuations performed by an accredited independent valuer. The fair value measurement is categorised in level 2 fair value hierarchy.

3.4 The carrying value as at 1 April 2016 as per previous GAAP of the Investment Properties is considered as a deemed cost on the date of transition.

Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2020
4 Intangible assets

(₹ in Lakhs)

Particulars	Software	Total
Gross carrying value		
As at 01 April 2018	658	658
Additions	18	18
Disposals	-	-
As at 31 March 2019	676	676
Additions	7	7
Disposals	-	-
As at 31 March 2020	683	683
Accumulated Amortisation		
As at 01 April 2018	595	595
Charge for the year	22	22
Disposal/adjustment	-	-
As at 31 March 2019	617	617
Charge for the year	26	26
Disposal/adjustment	-	-
As at 31 March 2020	644	644
Net carrying value		
As at 31 March 2019	59	59
As at 31 March 2020	39	39

Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2020
Non-Current
5(a) Investments in subsidiaries

(₹ in Lakhs)

Particulars	As at 31 March 2020		As at 31 March 2019	
	Quantity (Nos.)	Amount	Quantity (Nos.)	Amount
Investment in Equity shares (fully paid-up)				
(i) Investment in Foreign subsidiaries (wholly owned) (Unquoted) (At cost)				
NRB Bearings (Thailand) Limited (Face value THB 10 each) (Refer note 2 below)	14,666,994	2,413	14,666,994	2,413
NRB Bearings Europe GmbH (Face value Euro 1 each)	25,000	20	25,000	20
NRB Bearings USA Inc. (Face value USD 100 each)	200	15	-	-
(ii) Investment in Indian subsidiary (Quoted) (At Cost)				
SNL Bearings Limited (Face Value ₹ 10 each)	2,652,762	240	2,652,762	240
		2,688		2,673

Notes:

1 Aggregate amount of unquoted investments (gross)	2,448	2,433
Aggregate amount of quoted investments (gross)	240	240
Market value of quoted investments	2,838	8,356
Aggregate amount of impairment in the value of investments	-	-

2 The Company has investments in NRB Bearings (Thailand) Limited (NRBT) amounting to ₹ 2,413 lakhs (31 March 2019: ₹ 2,413 lakhs), has given loan (including interest receivable) amounting to ₹ 1,741 lakhs (31 March 2019: ₹ 1,764 lakhs), has trade receivables amounting to ₹ 1,243 lakhs (31 March 2019: ₹ 1,239 lakhs), has given advances amounting to ₹ 107 lakhs (31 March 2019: ₹ Nil) and has given guarantee amounting to ₹ 2,528 lakhs (31 March 2019: ₹ 2,376 lakhs). NRBT is wholly owned subsidiary of the Company, which is engaged in manufacture and marketing of bearing products in and around Thailand. During the year ended 31 March 2020, NRBT has reported a net profit of ₹ 104 lakhs (THB 5 million) but as at that date its accumulated losses aggregated to ₹ 2,775 lakhs (THB 120 million) which have significantly eroded its net worth. The management has considered that the losses suffered by NRBT and significant erosion of their net worth indicate a possible impairment in carrying value of the investment. The management has assessed that the recoverable value of its investment using 'Discounted Cash Flow' valuation model is higher than the carrying value of the investment in and other recoverables from in NRBT. Determination of the recoverable amount required estimation and judgement around the key assumptions underpinning management's assessment include, but are not limited to, projections of future cash flows, growth rates and future market and economic conditions. Such assumptions have been affected after considering the impact of the COVID-19.

Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2020
Financial assets
5(b) Investments

(₹ in Lakhs)

Particulars	As at 31 March 2020		As at 31 March 2019	
	Quantity (Nos.)	Amount	Quantity (Nos.)	Amount
(i) Equity investment measured at fair value through other comprehensive income				
a. Quoted				
Indusind Bank Limited (Face value ₹ 10 each)	8,541	29	8,541	152
Eicher Motors Limited (Face value ₹ 10 each)	600	79	600	123
Hero Motocorp Limited (Face value ₹ 2 each)	6,250	100	6,250	160
b. Unquoted				
21st Century Battery Limited (Face value ₹ 10 each)	10,000	1	10,000	1
Less: Provision for impairment in values		(1)		(1)
Total investment in equity shares		208		435
(ii) Investment in mutual funds measured at fair value through profit and loss (Unquoted)				
Investment in Mutual Funds				
DSP Black Rock Equity Fund	50,000	16	50,000	25
Total non-current investments		224		460

Refer Note 37 for information about fair value measurement.

Notes:

Aggregate amount of quoted investments (gross)	208	435
Aggregate market value of quoted investments	208	435
Aggregate amount of unquoted investments (gross)	17	26
Aggregate amount of impairment in the value of investments	(1)	(1)

Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2020

		(₹ in Lakhs)	
		As at 31 March 2020	As at 31 March 2019
Non-Current			
6	Loans		
	Unsecured, considered good		
	Security deposits	460	435
	Total	460	435
	Break up of security details		
	Loans receivables considered good - secured	-	-
	Loans receivables considered good - unsecured	460	435
	Loans receivables which have significant increase in credit risk	-	-
	Loans receivables - credit impaired	-	-
	Total	460	435
	Loss allowance	-	-
	Total loans	460	435
	Refer Note 37 for information about fair value measurement.		
7	Other financial assets		
	Margin money deposits with the maturity of more than 12 months	21	6
	Total	21	6
	Footnote		
	Held as lien by bank against bank guarantees amounting to ₹ 15 lakhs (31 March 2019: ₹ 6 lakhs)		
8	Income tax (current-tax) assets (net)		
	Advance taxes paid [net of provision for tax ₹ 26,310 lakhs (31 March 2019: ₹ 25,544 lakhs)]	2,589	2,364
	Total	2,589	2,364
9	Other non-current assets		
	Capital advances	796	870
	Less: Loss allowance	(50)	-
	Prepayments	13	14
	Balance with government authorities	606	605
	Total	1,365	1,489
	Current		
10	Inventories		
	Raw materials and components [including Goods-in-transit ₹ 6 lakhs (31 March 2019: ₹ 39 lakhs)]	6,793	9,265
	Work-in-progress	5,569	5,561
	Finished goods [including Goods-in-transit ₹ 581 lakhs (31 March 2019: ₹ 977 lakhs)]	3,603	4,647
	Stores and spares	4,705	4,657
	Total	20,670	24,130

Note: Inventory amounting to ₹ 190 lakhs (31 March 2019: ₹ 135 lakhs) written-down to net realisable value recognised during the year as an expense.

Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2020

(₹ in Lakhs)

	As at 31 March 2020	As at 31 March 2019
11 Trade receivables		
Receivable from:		
- Related parties (Refer note 41)	1,265	1,284
- Others	22,867	24,284
Less: Loss allowance	(3,437)	(3,478)
	19,430	20,806
Total receivables	20,695	22,090
Current portion	20,695	22,090
Non-current portion	-	-

Break up of security details

Trade receivables considered good - secured	101	180
Trade receivables considered good - unsecured	20,594	21,910
Trade receivables which have significant increase in credit risk	-	-
Loss allowance	3,437	3,478
Total	24,132	25,568
Loss allowance	(3,437)	(3,478)
Total trade receivables	20,695	22,090

Footnote:

- No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person.
- Refer note 38 for information about credit risk and market risk of trade receivables.
- The outstanding balances as at 31 March 2020 includes trade receivables amounting to ₹ 3,171 lakhs, from customers situated outside India. There are delays in receipt of remittance pending settlement beyond the timeline stipulated by the FED Master Direction No. 16/2015-16, under the Foreign Exchange Management Act, 1999. The Company is in the process of recovering these outstanding dues, however provision wherever required has been made in the books. Further, Company is in the process of regularizing these defaults by filing necessary applications with the appropriate authority for condonation of delays / penalties, if any. Pending conclusion of the aforesaid matter, the amount of penalty, if any, that may be levied, is not ascertainable, but would not be material. Accordingly, the accompanying standalone financial statements do not include any adjustments that may arise due to such delay.

12 Cash and cash equivalents

Balances with banks		
- Current accounts	2,235	1,729
- EEFC account	1,784	384
Deposits with the original maturity of less than three months (Refer footnote below)	2,529	40
Cash on hand	3	3
Total	6,551	2,156

Footnote:

Held as lien by bank against bank guarantees amounting to ₹ 29 lakhs (31 March 2019: ₹ 28 lakhs).

Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2020

(₹ in Lakhs)

	As at 31 March 2020	As at 31 March 2019
13 Bank balances other than cash and cash equivalents		
Margin money deposits (fixed deposits pledged with banks) [Refer footnote (a) below]	86	73
Unpaid dividend [Refer footnote (b) below]	31	27
Total	117	100

Footnote :

(a) Held as lien by bank against bank guarantees amounting to ₹ 59 lakhs (31 March 2019: ₹ 52 lakhs).

(b) Unpaid dividend account includes amount of ₹ 27 lakhs pertaining to previous years (31 March 2019 : ₹ 19 lakhs).

14 Loans
Unsecured, considered good

Inter corporate deposits to related party (including interest thereon) (Refer note 41)	1,741	1,764
Loans to employees	32	57
Less: Loss allowance	(15)	-
Recoverable from trust	6	-
Total	1,764	1,821

Break up of security details

Loans considered good - secured	-	-
Loans considered good - unsecured	1,779	1,821
Loans which have significant increase in credit risk	-	-
Loans - credit impaired	(15)	-
Total	1,764	1,821
Loss allowance	-	-
Total loans	1,764	1,821

Refer Note 37 for information about fair value measurement.

Footnote :

No loans or other receivable are due from directors or other officers of the Company either severally or jointly with any other person

15 Other financial assets

Interest receivable	6	4
Derivative assets	220	530
Rent receivable	317	6
Total	543	540

Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2020

(₹ in Lakhs)

	As at 31 March 2020	As at 31 March 2019
16 Other current assets		
Advances to suppliers:		
- Related parties (Refer note 41)	127	5
- Others	786	1,061
Advance for expenses	51	85
Export incentive and duty drawback receivable	32	14
Balance with government authorities	1,748	1,392
Prepayments	450	494
Total	3,194	3,051
17 Equity share capital		
Authorised:		
100,000,000 (31 March 2019: 100,000,000) Equity Shares of face value ₹ 2 each	2,000	2,000
Total	2,000	2,000
Issued, Subscribed and Paid-Up:		
96,922,600 (31 March 2019: 96,922,600) Equity Shares of face value ₹ 2 each fully paid up	1,938	1,938
Total	1,938	1,938

(i) Reconciliation of number of Equity Shares outstanding at the beginning and at the end of the year :

Particulars	2019-20		2018-19	
	(In Nos.)	(₹ in lakhs)	(In Nos.)	(₹ in lakhs)
Shares outstanding at the beginning of the year	96,922,600	1,938	96,922,600	1,938
Shares outstanding at the end of the year	96,922,600	1,938	96,922,600	1,938

(ii) Rights attached to equity shares:

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

Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2020

(iii) Details of shareholders holding more than 5% shares in the company:

Name of Shareholder	As at 31 March 2020		As at 31 March 2019	
	Number of shares held	% of Holding	Number of shares held	% of Holding
(Late) Trilochan Singh Sahney Trust 1 (held by a trustee in his individual name)	33,809,300	34.88%	33,809,300	34.88%
Harshbeena Sahney Zaveri	10,384,936	10.71%	8,568,704	8.84%
Nalanda India Equity Fund Limited	9,682,667	9.99%	9,682,667	9.99%
HDFC Small Cap Fund	8,748,982	9.03%	8,425,182	8.69%

(iv) Details of allotment of shares for consideration other than cash, allotments of bonus shares and shares bought back during past five years:

- Aggregate number and class of shares allotted as fully paid up pursuant to contracts without payment being received in cash - Nil
- Aggregate number and class of shares allotted as fully paid up by way of bonus shares - Nil
- Aggregate number and class of shares bought back - Nil

18 Other equity

(₹ in Lakhs)

a) Reserves and surplus	As at 31 March 2020	As at 31 March 2019
Securities Premium	848	848
General Reserve	10,521	10,521
Capital Redemption Reserve	11	11
Debenture Redemption Reserve	2,250	2,250
Retained Earnings	30,121	31,398
Fair Value Gain on Equity Instruments through OCI	208	434
Total	43,959	45,462
i) Securities Premium		
Opening balance	848	848
Add: Transaction during the year	-	-
Closing balance	848	848
ii) General Reserve		
Opening balance	10,521	9,521
Add: Transferred from debenture redemption reserve	-	1,000
Closing balance	10,521	10,521
iii) Capital Redemption Reserve		
Opening Balance	11	11
Add: Transfer from retained earnings	-	-
Closing balance	11	11

Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2020

	(₹ in lakhs)	
	As at 31 March 2020	As at 31 March 2019
iv) Debenture Redemption Reserve		
Opening balance	2,250	3,250
Add: Transfer to general reserve	-	(1,000)
Closing balance	2,250	2,250
v) Retained Earnings		
Opening balance	31,398	22,922
Less: Transition impact of Ind AS 116 (net of deferred tax) [Refer note 47]	(41)	-
Add: Profit for the year	2,945	9,877
Add: Other comprehensive income / (loss) for the year (Refer note 36)	(253)	(26)
Less: Final dividend for the year ended ₹ 2.60 fully paid up shares for 31 March 2019 (31 March 2018: ₹ 1.2 per fully paid share)	(2,520)	(1,163)
Less: Interim dividend for the year ended ₹ 0.80 per fully paid up shares for 31 March 2020 (31 March 2019: ₹ Nil per fully paid share)	(775)	-
Less: Dividend distribution tax on final dividend	(490)	(212)
Less: Dividend distribution tax on interim dividend	(143)	-
Closing balance	30,121	31,398
b) Others:		
i) Fair Value Gain of Equity Instruments through OCI		
Opening balance	434	544
Change in Fair value of FVOCI equity instrument (Refer note 36)	(226)	(110)
Closing balance	208	434

Nature and purpose of reserves

i) Capital Redemption Reserve

It is created on account of merger and the same will be utilised in accordance with the provision of Companies Act 2013.

ii) Securities Premium Reserve

Securities premium is used to record the premium received on issue of shares. The amount will be utilised in accordance with the provisions of the Companies Act, 2013.

iii) Debenture Redemption Reserve

The Company had issued non-convertible debentures and accordingly Debenture redemption reserve was required to be created in accordance with the Companies (Share capital and debentures) Rules 2014. Pursuant to the Companies (Share Capital and Debentures) Amendment Rules, 2019, relaxation has been provided to certain companies from creation of Debenture redemption reserve. Thus, basis such amendment, the Company is no longer required to create debenture redemption reserve.

iv) General Reserve

General Reserve is created from time to time by way of transfer of profits from retained earnings for appropriation purpose. This reserve is a distributable reserve.

v) Retained Earnings

Retained earnings represents the accumulated profits / losses made by the Company over the years.

vi) Fair Value Gain on Equity Instruments through OCI

The Company has elected to recognise changes in the fair value of equity investments in Other Comprehensive Income. These changes are accumulated within the FVOCI equity investment reserves within equity and will be transferred to retained earnings on derecognition of these equity instruments.

Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2020

(₹ in lakhs)

As at 31 March 2020 As at 31 March 2019

Non-current
19 Long term borrowings

Non convertible Debentures - Unsecured (Refer note (a) below)	2,992	4,974
External commercial borrowings from bank - Secured (Refer note (b) below)	862	1,573
Foreign Currency Term Loan from banks - Secured (Refer note (c) below)	560	1,192
Term Loan from banks - Secured (Refer note (d) below)(*)	2,500	-
Deferred sales tax loan - Unsecured (Refer note (e) below)	410	551
Total	7,324	8,290

(*) Per the terms of the sanction letter, the Company must create security mortgage in respect of the aforesaid loan. However, the Company was unable to create the security mortgage on account of procedural delays and practical difficulties faced on account of nationwide lockdown. The Company is committed towards the creation of security mortgage and has thus classified such borrowings as secured in accordance with the terms of the borrowing.

(₹ in lakhs)

	Particulars	Security	Terms of repayment of principal	Number of installment outstanding	Rate of interest	As at 31 March 2020	As at 31 March 2019
a	Non-convertible Debentures						
	300 Non convertible debentures of face value of ₹ 1,000,000 each	Unsecured	Reedemable at par, on 12 September 2023	1	9.60%	3,150	3,148
	200 Non convertible debentures of face value of ₹ 1,000,000 each	Unsecured	Reedemable at par, on 12 June 2020	1	9.49%	2,152	2,155
					Total	5,302	5,303
	Comprises of						
	Long Term Borrowings					2,992	4,974
	Current maturities of long term debt (*)					2,310	329
						5,302	5,303
b	External commercial borrowings from bank						
	External commercial borrowings	Secured by hypothecation of charge on specified moveable assets as and by way of first exclusive charge with borrower to have a minimum Fixed Asset Coverage Ratio(FACR) of 1.1x .	Quarterly installments starting from 04 February 2019 to be completed in 04 February 2022	8	6.40%	1,743	2,381
					Total	1,743	2,381
	Comprises of						
	Long Term Borrowings					862	1,573
	Current maturities of long term debt (*)					881	808
						1,743	2,381
c	Foreign Currency Term Loan from banks						
	Term Loan	Secured by first exclusive charge by way of a hypothecation over specified moveable properties both present and future.	Quarterly installments starting from 14 June 2018 to be completed in 14 December 2021	7	3.95% to 6.00%	1,309	1,880
					Total	1,309	1,880
	Comprises of						
	Long Term Borrowings					560	1,192
	Current maturities of long term debt (*)					749	688
						1,309	1,880

Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2020

(₹ in lakhs)

	Particulars	Security	Terms of repayment of principal	Number of installment outstanding	Rate of interest	As at 31 March 2020	As at 31 March 2019
d	Term Loan from banks						
	Term Loan	Secured by exclusive charge by way of Mortgage of a residential property of the Company situated in Mumbai.	Annual installments starting from 08 April 2021 to be completed in 08 April 2023	3	9.25%	2,500	-
	Comprises of				Total	2,500	-
	Long Term Borrowings					2,500	-
						2,500	-
e	Deferred sales tax loan						
	Deferred sales tax loan	Unsecured	Annual installments to be completed by May 2025	6	-	562	735
	Comprises of				Total	562	735
	Long Term Borrowings					410	551
	Current maturities of long term debt (*)					152	184
						562	735

(*) Includes interest/instalments payable, recognised as part of carrying value of financial liabilities at amortised cost.

The carrying amounts of financial and non financial assets as security for secured borrowings are disclosed in Note 42.

20 Other financial liabilities

(₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Lease liability	45	-
	45	-

21 Deferred tax liabilities (net)

(₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Deferred tax liability on account of :		
Depreciation and amortisation expense	(3,112)	(2,582)
IND AS 116 (Right of Use Asset)	(82)	-
Financial liability at amortised cost	(5)	(5)
Fair valuation of derivative contracts	(50)	(23)
Others	(7)	(1)
	(3,256)	(2,611)
Deferred tax assets on account of :		
Provision for gratuity	193	67
Amortisation of borrowing	4	4
Provision for provident fund	20	-
Provision for doubtful debts	1,202	1,216
Voluntary retirement compensation	-	15
Provision for compensated absence	329	328
Lease liability	104	-
Minimum alternate tax credit entitlement	128	-
	1,980	1,630
Total	1,276	981

Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2020
22 Other non-current liabilities

(₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Advance received	168	-
	168	-

23 Short Term Borrowings

(₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Secured		
Loans from banks- Repayable on demand	10,959	6,504
Loans in foreign currency from banks- Repayable on demand	2,763	3,571
Unsecured		
Loans from banks- Repayable on demand	2,511	2,500
Commercial papers [Maximum balance outstanding during the year ₹ 5,500 lakhs (31 March 2019 ₹ 3,500 lakhs)]	5,500	3,000
Total	21,733	15,575

The carrying amounts of financial and non financial assets as security for secured borrowings are disclosed in Note 42.

Particulars	Security	As at 31 March 2020	As at 31 March 2019
Loans from banks - Secured			
Working capital demand loans	Secured by first pari passu hypothecation charge on all the existing and future current assets of the Company	9,459	6,504
Packing credit loan		1,500	-
		10,959	6,504
Loans in foreign currency from banks			
Packing credit loan	Secured by first pari passu hypothecation charge on all the existing and future current assets of the Company	2,763	3,571
		2,763	3,571

24 Trade Payables

(₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Trade payables: micro and small enterprises (Refer footnote below)	1,188	1,044
Amounts due to related parties (Refer note 41)	395	614
Trade payables: others	6,565	9,693
Total	8,148	11,351

Refer note 38 for information about liquidity risk and market risk of trade payables

Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2020

Footnote:

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:

a) The principal amount remaining unpaid to any supplier at the end of the year	1,151	1,029
b) Interest due remaining unpaid to any supplier at the end of the year	36	15
c) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-
d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	36	15
e) The amount of interest accrued and remaining unpaid at the end of each accounting year	36	15
f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act, 2006	-	-

Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the Company.

25 Other financial liabilities

(₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Current Maturities of Long-Term Borrowings (Refer note 19)		
- Non convertible debentures	2,310	329
- External commercial borrowings from bank	881	808
- Foreign currency term loan from banks	749	688
- Deferred sales tax loan (Refer footnote iii)	152	184
Derivative liability	77	313
Security deposits	289	861
Lease liability	141	-
Unpaid dividends (unclaimed) [Refer footnotes (i) and (iii)]	31	27
Other payables		
- Property plant and equipments	2,068	1,510
- Employee related liability	765	1,255
Total	7,463	5,975

Refer note 38 for information about liquidity risk of other financial liability

Footnotes:

- i. There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as 31 March 2020 (31st March 2019: ₹ Nil)
- ii. Current year number includes interim dividend declared by the board of directors at their meeting dated 11 February 2020
- iii. During the current year, the Company has made payment of the installment due towards Deferred sales tax borrowing after suo-moto adjusting refund due to the company pertaining to earlier years amounting to ₹ 11 lakhs, which the Company has been following up since a long time. The Company is awaiting the refund adjustment order from the Department of sales tax.

Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2020
26 Other current liabilities (₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Statutory dues	330	254
Advances received	239	166
Total	569	420

27 Provisions (₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Provision for employee benefits		
- Compensated absences (Refer note 44)	945	887
- Gratuity (Refer note 44)	554	195
Total	1,499	1,082

28 Revenue from Operations (₹ in Lakhs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Sale of products		
Finished goods - Bearings	74,230	92,590
Other operating revenues		
Scrap sales	613	955
Export incentives	302	423
Sale of tools	16	-
Liabilities no longer required, written back	23	27
Other operating income	12	43
Total	75,196	94,038

29 Other Income (₹ in Lakhs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Dividend Income on equity shares of subsidiary company	212	133
Dividend Income on financial assets measured at FVOCI	8	7
Dividend Income on financial assets measured at FVTPL	5	-
Interest Income on financial assets measured at amortised cost		
- From banks on deposits	9	26
- On loans inter corporate deposits (Refer note 41)	112	144
Fair value changes on financial assets measured at FVTPL	-	2
Fair valuation gain on derivative instrument measured at FVTPL	76	150
Profit on sale of property plant and equipments (net)	1	1
Rent	126	127
Net gain on foreign currency transactions and translation	1,316	71
Interest on electricity deposit	21	17
Insurance claim received	24	-
Others	5	2
Total	1,915	680

Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2020
30 Cost of Materials Consumed

(₹ in Lakhs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Raw materials and components consumed		
Opening stock	9,265	4,248
Add: Purchases	29,964	47,235
Less: Closing stock (Refer note 10)	(6,793)	(9,265)
Total	32,436	42,218

31 Changes in inventories of finished goods and work -in-progress

(₹ in Lakhs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Work-in-progress		
Opening	5,561	4,041
Closing (Refer note 10)	5,569	5,561
	(8)	(1,520)
Finished Goods		
Opening	4,647	2,851
Closing (Refer note 10)	3,603	4,647
	1,044	(1,796)
Total	1,036	(3,316)

32 Employee Benefits Expense

(₹ in Lakhs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Salaries, allowances and other benefits	9,935	10,417
Contribution to provident and other funds (Refer note 44)	639	627
Staff welfare expenses	497	564
Total	11,071	11,608

33 Finance Costs

(₹ in Lakhs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Interest expense on financial liabilities measured at amortised cost		
- Long term borrowing	921	742
- Short term borrowing	954	663
Interest on lease liability (Refer note 47)	25	-
Exchange difference regarded as an adjustment to borrowing cost	154	-
Other borrowing costs	7	9
Total	2,061	1,414

Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2020
34 Other Expenses

(₹ in Lakhs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Consumption of stores and spare parts	6,433	6,973
Processing charges	1,710	2,542
Power and fuel	2,852	3,005
Repairs and maintenance -		
Buildings	232	235
Plant and machinery	386	347
Others	68	72
Insurance	197	196
Rent (Refer note 47)	256	413
Rates and taxes	158	121
Legal and professional fees	1,064	1,101
Directors' fees and commission (Refer note 41)	32	80
Commission on sales	852	980
Travelling and conveyance	692	842
Postage, telephone and fax	53	61
Bank charges	32	45
Advertisement and sales promotion expenses	1,012	649
Forwarding charges	2,705	3,847
Bad debts written off [net of amounts provided thereagainst ₹ 40 lakhs (31 March 2019 ₹ Nil lakhs)]	56	-
Provision for doubtful debts [net of amount reversed there against ₹ 15 lakhs (31 March 2019 ₹ Nil lakhs)]	-	753
Information technology expenses	347	399
Provision for doubtful advances	65	-
Contract labour	2,327	2,674
Sanitation and housekeeping expenses	242	258
Export expenses	320	259
Security charges	263	254
Fair valuation loss on derivative contracts	150	-
Fair valuation loss on financial assets measured at FVTPL	9	-
Auditors' remuneration (Refer note 34.1 below)	92	60
Expenditure on Corporate Social Responsibility (Refer note 34.2 below)	217	182
Miscellaneous expenses	573	645
Total	23,395	26,993

34.1 Auditors' remuneration (excluding Goods and service tax)

As auditors - Audit and limited review	59	48
Tax audit	3	3
GST audit	19	-
Other matters	8	7
Reimbursement of expenses	3	2
Total	92	60

Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2020

34.2 Details of expenditure on Corporate Social Responsibility:

Average net profit of the Company for last three financial years	10,443	8,410
Prescribed CSR expenditure (2% of the average net profit as computed above)	209	168
Details of CSR expenditure during the financial year		
Total amount to be spent for the financial year	209	168
Amount spent	217	182
Amount unspent	-	-

34A Exceptional gain during the year ended 31 March 2019 represents surplus on sale of property.

35 Tax expense in statement of profit and loss (including OCI)

(₹ in Lakhs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Current tax expense		
Current tax for the year	766	3,725
Total current tax expense	766	3,725
Deferred taxes		
Deferred tax expense for the year	316	652
Net deferred tax expense	316	652
Total	1,082	4,377

35.1 Tax reconciliation (for profit and loss)

(₹ in Lakhs)

Profit before income tax expense	4,163	14,268
Tax at the rate of 34.944% (for 31 March 2019 - 34.994%)	1,455	4,986
Tax effect of amounts which are not deductible / not taxable in calculating taxable income		
Non deductible expenses for tax purpose	31	29
Exempt income	(79)	(49)
Additional allowances for tax purpose	(359)	(393)
Tax adjustment of prior years	-	(218)
Adjustment on account of Ind As 116 transition	22	-
Others	12	22
Income tax expense	1,082	4,377

Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2020
35.2 Deferred tax related to the following:

(₹ in lakhs)

Deferred tax liability (net)	As at 31 March 2020	Recognised through profit and loss and retained earnings and OCI	As at 31 March 2019	Recognised through profit and loss through OCI	As at 31 March 2018
Deferred tax liabilities on account of:					
Difference between book and tax depreciation	(3,112)	(530)	(2,582)	(830)	(1,752)
IND AS 116 (Right of Use Asset) (*)	(82)	(82)	-	-	-
Financial liability measured at amortised cost	(5)	-	(5)	-	(5)
Fair valuation of derivative contracts	(50)	(27)	(23)	(23)	-
Others	(7)	(6)	(1)	-	(1)
Total deferred tax liabilities	(3,256)	(645)	(2,611)	(854)	(1,758)
Deferred tax assets on account of:					
Provision for gratuity (#)	193	126	67	41	26
Amortisation of borrowings	4	-	4	4	-
Provident fund contribution	20	20	-	-	-
Provision for doubtful debts	1,202	(14)	1,216	184	1,032
Voluntary retirement compensation	-	(15)	15	(15)	30
Provision for compensated absence	329	1	328	44	284
Lease liability (*)	104	104	-	-	-
Minimum alternate tax credit entitlement	128	128	-	-	-
Fair valuation of derivative contracts	-	-	-	(56)	56
Total deferred tax assets	1,980	350	1,630	202	1,428
Total deferred tax liability (Net)	1,276	295	981	651	330

(*) Amount of deferred tax recognised through retained earnings is on account of adoption of Ind AS 116 [Refer notes 1.1(f) and 47].

(#) Includes credit of ₹ 136 lakhs (31 March 2019: ₹ 14 lakhs) recognised in OCI.

36 Other Comprehensive Income (OCI)

(₹ in Lakhs)

	Year ended 31 March 2020	Year ended 31 March 2019
Items that will not be reclassified to profit or loss		
Actuarial loss on remeasurements of the net defined benefit plans	(389)	(40)
Fair value changes on equity instruments through other comprehensive income	(226)	(110)
Tax on above	136	14
Total	(479)	(136)

Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2020

37 Fair value measurements

(₹ in lakhs)

Financial instruments by category:

Particulars	31 March 2020			31 March 2019		
	FVOCI	FVTPL	Amor- tised cost	FVOCI	FVTPL	Amor- tised cost
Financial Assets - Non-current						
Investments (other than subsidiaries)	208	16	-	435	25	-
Loans	-	-	460	-	-	435
Other financial assets	-	-	21	-	-	6
Financial Assets - Current						
Trade receivables	-	-	20,695	-	-	22,090
Cash and cash equivalents	-	-	6,551	-	-	2,156
Bank balances other than cash and cash equivalents	-	-	117	-	-	100
Loans	-	-	1,764	-	-	1,821
Other financial assets	-	220	323	-	530	10
Financial Liabilities - Non-Current						
Borrowings (including current maturities)	-	-	11,416	-	-	10,299
Other financial liabilities	-	-	45	-	-	-
Financial Liabilities - Current						
Short term borrowings	-	-	21,733	-	-	15,575
Trade payables	-	-	8,148	-	-	11,351
Other financial liabilities	-	77	3,294	-	313	3,653

I. Fair value hierarchy

The fair values of the financial assets and liabilities are included at the amount 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.

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level is given below.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. For example, listed equity instruments that have quoted market price.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities included in level 3.

During the periods mentioned above, there have been no transfers amongst the levels of hierarchy.

Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2020

II. Valuation techniques used to determine fair value

Significant valuation techniques used to value financial instruments include:

The fair values for investment in equity instrument and mutual fund are based on the quoted market prices. Fair values of security deposits, loans are based on discounted cash flows using a discount rate determined considering company's incremental borrowing rate. Non current borrowings are fair valued using effective interest rates.

Fair valuation of interest rate swap and foreign currency option contracts are calculated on the basis of estimated mid-market levels, estimated bid-side or offer side levels, or on the basis of indicative bid or offer or unwind prices or on such other appropriate basis. It is derived from other proprietary or other pricing models based on certain assumptions.

Fair valuation of forward exchange contracts are determined using forward exchange rates at the balance sheet date.

The carrying amounts of trade receivables, cash and cash equivalent, other bank balances, current investments, short term loans, other current financial assets, short term borrowings, trade payables, other current financial liabilities and non current financial liabilities are considered to be approximately equal to the fair value and hence they have not been disclosed under tables below.

III. Valuation Process

The finance department performs the calculations of financial assets and liabilities required for financial reporting purposes. This team reports directly to the chief financial officer (CFO). Discussions of valuation processes and results are held between the CFO and the finance team at least once every three months, in line with the quarterly reporting periods.

IV. Financial assets and liabilities measured at fair value - recurring fair value measurement:

(₹ in lakhs)

Particulars	31 March 2020			31 March 2019		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Assets						
Mutual fund investments measured at FVTPL	16	-	-	25	-	-
Investments in equity instrument measured at FVOCI	208	-	-	435	-	-
Interest rate swap and foreign currency option	-	220	-	-	345	-
Forward contract	-	-	-	-	185	-
Financial Liability						
Interest rate swap and foreign currency option	-	77	-	-	278	-
Forward contract	-	-	-	-	35	-

V. Fair value of financial assets and liabilities measured at amortised cost (It is categorised under Level 2 of fair value hierarchy)

(₹ in lakhs)

Particulars	31 March 2020		31 March 2019	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets				
Security deposits	460	460	435	435
Other financial assets	21	21	6	6
Financial Liabilities				
Non-current borrowings (including current maturities)	11,416	11,416	10,299	10,299

Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2020

38 Financial risk management

The Company's principal financial liabilities comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables, investments and cash and cash equivalents that derive directly from its operations.

The Company is exposed to credit risk, market risk and liquidity risk. The Company's senior management oversees the management of these risks.

A Credit risk

The company is exposed to credit risk from its operating activities (primarily for trade receivables) and from its financing activities (deposits with banks and other financial instruments).

Credit risk management

To manage credit risk, the Company follows a policy of providing 0-90 days credit on the basis of nature of customers. The credit limit policy is established considering the current economic trends of the industry in which the company is operating.

However, the trade receivables are monitored on a periodic basis for assessing any significant risk of non-recoverability of dues and provision is created accordingly.

Bank balances and deposits are held with only high rated banks and majority of other security deposits are placed majorly with government agencies/public sector undertakings.

Age of receivables that are past due:

(₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Upto 3 months	16,859	17,635
3 - 6 months	1,812	1,544
6 - 12 months	2,473	1,446
More than one year	2,988	4,943
Total	24,132	25,568
Provision for expected credit loss created	(3,437)	(3,478)

B Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. For the Company, liquidity risk arises from obligations on account of financial liabilities – borrowings, trade payables and other financial liabilities.

Liquidity risk management

The Company's corporate finance department is responsible for liquidity and funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments at each reporting date:

Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2020

Maturities of financial liabilities

(₹ in lakhs)

As at 31 March 2020	Within 1 year	Between 1 and 2 years	Beyond 2 years	Total
Non-derivative				
Non-current borrowings (including current maturities)	4,092	2,401	4,923	11,416
Short term borrowings	21,733	-	-	21,733
Trade payables	8,148	-	-	8,148
Other non-current financial liabilities	-	32	13	45
Other current financial liabilities	3,294	-	-	3,294
Derivative				
Interest rate swap and foreign currency option	77	-	-	77
Total	37,344	2,433	4,936	44,713

(₹ in lakhs)

As at 31 March 2019	Within 1 year	Between 1 and 2 years	Beyond 2 years	Total
Non-derivative				
Non-current borrowings (including current maturities)	2,009	3,603	4,687	10,299
Short term borrowings	15,575	-	-	15,575
Trade payables	11,351	-	-	11,351
Other current financial liabilities	3,653	-	-	3,653
Derivative				
Interest rate swap, foreign currency option and forward contract	313	-	-	313
Total	32,901	3,603	4,687	41,191

C Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: Foreign currency risk, interest rate risk and price risk.

(i) Foreign currency risk

The Company is exposed to foreign exchange risk on their receivables, payables which are held in USD, EUR, Thai Baht, CHF and JPY. The fluctuation in the exchange rate of INR relative to these currencies may have a material impact on the company's assets and liabilities.

Foreign currency risk management

In respect of the foreign currency transactions, the company hedges substantial exposure via forward contracts and foreign currency options, remaining exposures are unhedged since the management believes that the same is insignificant in nature and also it will be offset by the corresponding receivables and payables which will be in the nature of natural hedge.

Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2020

The company's exposure to foreign currency risk at the end of reporting period are as under:

(₹ in lakhs)

Particulars	31 March 2020				
	USD	EURO	THB	CHF	JPY
Financial liabilities					
Trade payables	218	356	-	13	233
Capital creditors	222	-	-	-	1,553
Loans payable	3,052	2,763	-	-	-
Forward contract payable	-	-	-	-	-
Foreign currency option contracts	(2,121)	-	-	-	-
Financial assets					
Trade receivables	7,079	10,321	-	-	-
Inter corporate deposits to related parties (including interest receivable)	-	-	1,741	-	-
Balance with government authorities	-	1,113	-	-	-
Bank balance in EEFC account	500	1,284	-	-	-
Net exposure to foreign currency assets / (liabilities)	6,208	9,599	1,741	(13)	(1,786)

(₹ in lakhs)

Particulars	31 March 2019				
	USD	EURO	THB	CHF	JPY
Financial liabilities					
Trade payables	340	711	-	12	895
Capital creditors	-	1,127	-	-	320
Loans payable	4,261	3,571	-	-	-
Forward contract payable	(129)	(139)	-	-	(107)
Foreign currency option contracts	(2,962)	-	-	-	-
Financial assets					
Trade receivables	7,998	8,534	-	-	-
Inter corporate deposits to related parties (including interest receivable)	-	-	1,764	-	-
Balance with government authorities	-	471	-	-	-
Bank balance in EEFC account	52	332	-	-	-
Forward contract receivable	(674)	(223)	-	-	-
Net exposure to foreign currency assets / (liabilities)	5,866	3,844	1,764	(12)	(1,108)

Sensitivity to foreign currency risk

The following table demonstrates the sensitivity in above currencies with all other variables held constant. The below impact on the Company's profit before tax is based on changes in the fair value of unhedged foreign currency monetary assets and liabilities at balance sheet date:

Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2020

(₹ in lakhs)

Currencies	31 March 2020		31 March 2019	
	Increase by 2%	Decrease by 2%	Increase by 2%	Decrease by 2%
USD	124	(124)	117	(117)
EUR	192	(192)	77	(77)
THB	35	(35)	35	(35)
CHF(*)	(0)	0	(0)	0
JPY	(36)	36	(22)	22

(*) Amount less than ₹ 1 lakh

Sensitivity analysis to foreign currency risk includes an exposure to foreign exchange fluctuations on long term foreign currency loans of \$40 lakhs equivalent to ₹ 3,029 lakhs (31 March 2019 - \$ 61 lakhs equivalent to ₹ 4,232 lakhs) that have been capitalised into the cost of the related assets and are expected to impact profit or loss over a period of 6 to 15 years in the form of adjustment to the depreciation charge.

(ii) Cash flow and fair value interest rate risk

The Company's interest rate risk is mainly due to the long term borrowing acquired at floating interest rate. The Company's policy is to maintain most of its borrowing at fixed rate using interest rate swaps to hedge the exposure. During the year ended 31 March 2020 and 31 March 2019, the Company's borrowing at variable rate were mainly denominated in INR and USD.

The fixed rate borrowing are carried at amortised cost, hence they are not subject to interest rate risk since the carrying amount and future cash flows will not fluctuate because of change in market interest rates.

The company's borrowing structure at the end of reporting period are as follows:

(₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Variable rate borrowings	5,815	7,832
Fixed rate borrowings	26,772	17,307
Interest free borrowing	562	735
Total	33,149	25,874

As at the end of the reporting period, the Company had the following variable rate borrowings and interest rate swap contracts outstanding:

(₹ in lakhs)

Particulars	31 March 2020		31 March 2019	
	Balance	% of total loans	Balance	% of total loans
Variable rate loan	5,815	17.54%	7,832	30.27%
Interest rate swaps	(3,052)	-9.21%	(4,261)	-16.47%
Net exposure to cashflow interest rate risk	2,763	8.34%	3,571	13.80%

Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2020

Sensitivity analysis - Variable rate borrowing (₹ in lakhs)

Interest rate	Impact on profit before tax	
	31 March 2020	31 March 2019
Increase by 50 basis points	(29)	(39)
Decrease by 50 basis points	29	39

Sensitivity analysis - Interest rate swap (₹ in lakhs)

Interest rate	Impact on profit before tax	
	31 March 2020	31 March 2019
Increase by 50 basis points	15	21
Decrease by 50 basis points	(15)	(21)

(iii) Price Risk

The company is exposed to price risk from its investment in equity instruments measured at fair value through other comprehensive income and mutual fund measured at fair value through profit and loss.

(₹ in lakhs)

Sensitivity	31 March 2020	31 March 2019
Impact on profit after tax for 5% increase in price of underlying shares	11	23
Impact on profit after tax for 5% decrease in price of underlying shares	(11)	(23)

39 Capital Management

A Risk management

The Company's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

The Company monitors its capital by using gearing ratio, which is net debt divided to total equity. Net debt includes non-current and current borrowings net of cash and cash equivalents and total equity comprises of Equity share capital, security premium, general reserve, other comprehensive income and retained earnings.

B The capital composition is as follows:

(₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Gross debt	33,149	25,874
Less: Cash and cash equivalents	(6,551)	(2,156)
Add: Lease liability (including current)	186	-
Net debt (A)	26,784	23,718
Equity (B)	45,897	47,400
Gearing ratio (A / B) %	58.36%	50.04%

Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2020

C Loan covenants

In case of variable rate borrowing facility availed by the Company, there are various financial covenants, i.e. the externally imposed capital requirements, which are standard in nature; mainly relating to leverage, debt service coverage ratio and asset coverage ratio specified in the loan agreements. These covenants are monitored by the Company on a regular basis. The Earnings Before Interest, Tax Depreciation and Amortisation (EBITDA) of the Company has been impacted due to which earnings related financial covenants have not been met. The Company is in the process of obtaining waiver towards such breach of financial covenants. The lender of the Company has not taken any action against such violation, hence borrowings have been classified as per their original contractual terms.

D Dividends

(₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
i) Equity Shares		
Final dividend - ₹ 2.6 per share for each fully paid up share for 31 March 2019 (31 March 2018: ₹ 1.2 per share for each fully paid share)	2,520	1,163
Interim dividend - ₹ 0.80 per share for each fully paid up share for 31 March 2020	775	-
Dividend distribution tax on Final dividend	490	212
Dividend distribution tax on interim dividend	143	-
Dividends not recognised at the end of the reporting period		
In addition to the above dividends, since the year end, the directors have recommended the payment of a final dividend of ₹ Nil (31 March 2019: ₹ 2.6 per fully paid equity share).	-	2,520

E Net debt reconciliation

(₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Short term borrowings	21,733	15,575
Non Current borrowing (including current maturities)	11,416	10,299
Lease Obligation	186	-
Cash and cash equivalents	6,551	2,156
Net debt	26,784	23,718

Particulars	Short term borrowings (A)	Non Current borrowing incl. current maturities (B)	Lease Obligation (C)	Cash and cash equivalents (D)	Total
Net debt as at 01 April 2018	9,228	11,137	-	1,182	19,183
Cash flows	6,396	(838)	-	974	4,584
Finance cost	672	742	-	-	1,414
Interest cost paid	(672)	(742)	-	-	(1,414)
Exchange gain/(loss)	(49)	-	-	-	(49)
Net debt as on 31 March 2019	15,575	10,299	-	2,156	23,718
Recognised on adoption of Ind AS 116 (Refer note 47)	-	-	322	-	322
Cash flows	5,848	853	(161)	4,395	2,145
Finance cost	1,115	921	25	-	2,061
Interest paid	(1,115)	(928)	-	-	(2,043)
Exchange gain/(loss)	310	271	-	-	581
Net debt as on 31 March 2020	21,733	11,416	186	6,551	26,784

Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2020

40 Commitments

Estimated value of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 1,994 lakhs (31 March 2019: ₹ 5,955 lakhs)

41 Related Party Disclosure:

As per Ind AS 24 "Related party Disclosures", disclosure of transactions with the related parties as defined in the Accounting Standard are given below:

I Names of related parties and description of relationship with the Company (where transactions have taken place during the year, except for control relationships where parties are disclosed irrespective of transactions)

Subsidiaries	SNL Bearings Limited NRB Bearings (Thailand) Limited NRB Bearings USA Inc. (with effect from 6 December 2018) NRB Bearings Europe GmbH
Individual having substantial interest in the voting power	(Late) Mr. T. S. Sahney, Chairman (upto 16 October 2018)
Key Management Personnel (KMP)	Ms. Harshbeena Zaveri, Vice Chairman and Managing Director Mr. S. C. Rangani, Executive Director (Late) Mr. T. S. Sahney, Chairman (Deceased on 16th October 2018) Mr. D. S. Sahney Mr. Tashwinder Singh Ms. A. A. Gowariker (upto 30 October 2018) Mr. Ashank D. Desai Mr. Rustom Desai Ms Vishakha Maheshwari
A firm where Ms. Harshbeena Zaveri is a partner A firm where Late Mr. T. S. Sahney was a partner	New Indo Trading Company (with effect from 15 May 2019) New Indo Trading Company (upto 16 October 2018)
Trust in which KMP has significant influence	(Late) Mr. Trilochan Singh Sahney Trust 1
Company over which relatives of KMP are able to exercise significant influence:	NRB Industrial Bearings Limited First Engineering Technologies Private Limited First Technology BV (with effect from 9 August 2019)
Trust	NRB Bearings Limited - Staff Gratuity Fund NRB Bearings Limited - Officer's Gratuity Fund

Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2020
II Transactions with related parties during the year:

(₹ in lakhs)

Name of Related Party	Nature of Transaction	Volume of transactions		Receivable as at		Payable as at	
		31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019
SNL Bearings Limited	Sale of finished goods	56	52	-	-	-	-
	Purchase of raw materials	1,588	1,618	-	-	281	260
	Purchase of property, plant and equipment	-	37	-	-	-	-
	Purchase of special purpose machine spare parts (*)	0	-	-	-	-	-
	Dividend received on equity shares	212	133	-	-	-	-
NRB Bearings (Thailand) Limited (#)	Sale of finished goods	539	1,039	1,243	1,215	-	-
	Purchase of raw materials	3,442	3,978	107	-	-	212
	Purchase of property, plant and equipment	32	220	-	-	-	-
	Inter Corporate deposit repayment received (Including interest received and foreign exchange adjustment)	135	1,102	-	-	-	-
	Interest income on Inter Corporate deposit	112	144	-	-	-	-
	Reimbursement of expenses to the Company	25	24	-	24	-	-
	Investment in shares	-	773	-	-	-	-
	Inter corporate deposit receivable (including interest)	-	-	1,741	1,764	-	-

Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2020

Transactions with related parties during the year (Contd):

(₹ in lakhs)

Name of Related Party	Nature of Transaction	Volume of transactions		Receivable as at		Payable as at	
		31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019
NRB Industrial Bearings Limited	Sale of finished goods	-	117	18	41	-	-
	Purchase of raw materials	-	3	-	-	-	-
NRB Bearings Europe GmbH	Sales promotion expenses	434	266	-	-	99	81
	Reimbursement of expenses to the Company	6	6	-	-	-	-
NRB Bearings USA Inc	Sales promotion expenses	285	-	11	-	-	-
	Investment in shares	15	-	-	-	-	-
First Engineering Technologies Private Limited	Purchase of property, plant and equipment	7	-	-	-	-	-
	Sale of finished goods	-	3	4	4	-	-
	Purchase of raw materials	13	-	9	5	-	-
	Miscellaneous expenses	1	-	-	-	-	-
	Sales promotion expenses	4	-	-	-	-	-
First Technology BV	Legal and professional fees	134	-	-	-	-	-
New Indo Trading Company	Service Charges	5	-	-	-	1	-
(Late) Trilochan Singh Sahney Trust 1 (shares held by a trustee in his individual name)	Dividend paid	1,150	-	-	-	-	-
(Late) Mr. T.S Sahney	Sitting fees and commission (as Non-executive Chairman)	-	44	-	-	-	43
Ms. Harshbeena Zaveri	Dividend paid (*)	0	-	-	-	-	-
	Remuneration and commission	550	544	-	-	29	99
	Sale of flat	-	1,740	-	-	-	-
Mr. S. C. Rangani	Dividend paid	353	-	-	-	-	-
	Remuneration	113	137	-	-	-	-
Mr. D. S. Sahney	Dividend paid (*)	0	-	-	-	-	-
	Sitting fees and commission	2	4	-	-	1	3
Other KMPs (Directors)	Dividend paid	29	-	-	-	-	-
	Sitting fees and commission to non-executive directors	30	32	-	-	13	15
Trust	Contribution to gratuity fund trust	193	73	-	-	-	-

(*) Amount less than ₹ 1 lakh

(#) Also refer note 43 for Stand by letter of credit given to bank on behalf of foreign subsidiary company and renewed during the year with same value.

III Additional disclosure pursuant to Circular CRD/GEN/2003/1 dated February 6, 2003 of The Stock Exchange, Mumbai

(₹ in lakhs)

Name	Balance as at		Maximum amount outstanding during the year ended	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Loans and advances (including interest receivable) in the nature of loans to subsidiary company				
NRB Bearings (Thailand) Limited (Refer note 14)	1,741	1,764	1,817	2,597

No shares are held by the subsidiary in the Company.

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 year.
- The loan given to the subsidiary company was for the purpose of making payment of suppliers and meeting operating expenses of the subsidiary company.
- The guarantee given towards the borrowings availed by the subsidiary company was for the purpose of local sourcing of capital goods.

Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2020

IV Key managerial personnel compensation (₹ in lakhs)

Particulars	31 March 2020	31 March 2019
Short term employee benefits	635	652
Post-employment benefits	28	29
Total compensation*	663	681

* This aforesaid amount does not include benefits determined on actuarial basis as the same is not determinable for individuals.

42 Collateral / Security pledged

The carrying amount of assets pledged as security for current and non-current borrowings of the Company are as follows:

(₹ in lakhs)

Particulars	31 March 2020	31 March 2019
Property, plant and equipment (at gross cost) (specific assets)	6,151	6,151
Current asset	53,534	53,888
Total assets pledged	59,685	60,039

43 Contingent liabilities

(₹ in lakhs)

	Particulars	31 March 2020	31 March 2019
a	Contingent liabilities not provided for		
	Income Tax	2,501	1,209
	Sales Tax and Value Added Tax	222	602
	Stand by letter of credit given to bank on behalf of a subsidiary company	2,528	2,376
	The Company is in further appeal in respect of matters stated in income tax and sales tax matters		
	Provident Fund (Refer footnote below)	Amount not determinable	Amount not determinable

Footnote:

The Honourable Supreme Court, has passed a decision on 28 February 2019 in relation to inclusion of certain allowances within the scope of "Basic wages" for the purpose of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. The Company, has been advised to wait for further clarifications in this matter in order to reasonably assess the impact on its financial statements, if any. Accordingly, the applicability of the judgement to the Company, with respect to the period and the nature of allowances to be covered, and resultant impact on the past provident fund liability, cannot be reasonably ascertained, at present.

Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2020

44 Employee benefits

As per Indian Accounting Standard-19 'Employee Benefits', the disclosure of Employee benefits as defined in the Standard are given below:

(A) Defined Contribution Plan: Amount of ₹ 639 lakhs (31 March 2019: ₹ 627 lakhs) is recognized as expense and included in "Note No. 32 - Employee Benefits Expenses"

(₹ in lakhs)

	31 March 2020	31 March 2019
i) Employer's Contribution to Provident Fund	413	367
ii) Employer's Contribution to Family Pension Fund	122	126
iii) Employer's Contribution to Superannuation Fund	104	134
	639	627

(B) Defined Benefit Plan :

(1) Contribution to Gratuity fund (funded scheme)

In accordance with Indian Accounting Standard 19, actuarial valuation was done in respect of the aforesaid defined benefit plan of gratuity based on the following assumptions:-

i Actuarial assumptions

(₹ in lakhs)

Particulars	31 March 2020	31 March 2019
Expected return on plan assets	6.59% - 6.87%	7.68% - 7.78%
Discount rate (per annum)	6.59% - 6.87%	7.68% - 7.78%
Rate of salary increase	6% - 10%	6% - 10%
Rate of Employee Turnover	2% - 11%	2% - 11%
Mortality rate during employment	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2006-08)
Mortality Rate After Employment	N.A.	N.A.

ii Changes in the present value of defined benefit obligation

(₹ in lakhs)

Particulars	31 March 2020	31 March 2019
Present value of obligation at the beginning of the year	3,046	2,958
Interest cost	231	229
Current service cost	151	148
Actuarial (gain) /loss	139	50
Benefits paid	(241)	(339)
Present Value of obligation at the end of the year	3,326	3,046

iii Changes in the Fair value of Plan Assets

(₹ in lakhs)

Particulars	31 March 2020	31 March 2019
Fair value of plan assets at beginning of the year	2,852	2,885
Interest income	218	223
Contributions	193	73
Benefits paid	(241)	(339)
Return (differential) on plan assets, excluding amount recognised in net interest expense	(250)	10
Fair Value of Plan Assets at the end of the year	2,772	2,852

Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2020
iv Assets and liabilities recognised in the balance sheet (₹ in lakhs)

Particulars	31 March 2020	31 March 2019
Present value of the defined benefit obligation at the end of the year	3,326	3,045
Less: Fair value of plan assets at the end of the year	(2,772)	(2,852)
Net liability recognised	554	194
Recognised under provisions		
Non Current provision	-	-
Current provisions	554	194
(Excludes ₹ Nil (31 March 2019: ₹ 1 lakh) provided on fixed / actual basis)		

v Net interest cost for current period (₹ in lakhs)

Particulars	31 March 2020	31 March 2019
Interest Cost	231	229
Interest Income	(218)	(223)
Net Interest Cost for Current Period	13	6

vi Expenses recognised in the Statement of Profit and Loss (₹ in lakhs)

Particulars	31 March 2020	31 March 2019
Current Service Cost	151	148
Net interest (income)/ expense	13	6
Net gratuity cost recognised in the current year	164	154
Included in note 32 'Employee benefits expense'	164	154

vii Expenses recognised in the Statement of Other comprehensive income (OCI) (₹ in lakhs)

Particulars	31 March 2020	31 March 2019
Actuarial (gains) / losses	139	50
Return on Plan Assets, Excluding Interest Income	250	(10)
Net Expense For the Period Recognized in OCI	389	40

viii Reconciliation of Net asset / (liability) recognised: (₹ in lakhs)

Particulars	31 March 2020	31 March 2019
Net asset liability recognised at the beginning of the period	(194)	(73)
Company contributions	193	73
Benefits paid directly by company	-	-
Amount recognised in other comprehensive income	(389)	(40)
Expenses recognised in statement of profit and loss	(164)	(154)
Mortality charges and taxes	-	-
Net liability recognised at the end of the period	(554)	(194)

ix Categories of Assets (₹ in lakhs)

Particulars	31 March 2020	31 March 2019
Insurance fund	2,772	2,852
Total	2,772	2,852

Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2020

x Sensitivity Analysis:

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

(₹ in lakhs)

Particulars	31 March 2020	31 March 2019
Projected Benefit Obligation on Current Assumptions	3,326	3,045
Delta Effect of +1% Change in Rate of Discounting	(182)	(157)
Delta Effect of -1% Change in Rate of Discounting	207	176
Delta Effect of +1% Change in Rate of Salary Increase	204	175
Delta Effect of -1% Change in Rate of Salary Increase	(183)	(158)
Delta Effect of +1% Change in Rate of Employee Turnover	(4)	6
Delta Effect of -1% Change in Rate of Employee Turnover	4	(7)

xi Maturity Analysis of the Benefit Payments: From the Fund:

(₹ in lakhs)

Projected Benefits Payable in Future Years From the Date of Reporting:	31 March 2020	31 March 2019
1st Following Year	351	539
2nd Following Year	475	281
3rd Following Year	389	292
4th Following Year	359	353
5th Following Year	330	327
Sum of Years 6 To 10	1,391	1,369
Sum of Years 11 and above	2,242	2,153

xii General descriptions of Significant Defined plans:

The Company operates gratuity plan wherein every employee is entitled to the benefit as per scheme of the Company, for each completed year of service. The same is payable on retirement or termination whichever is earlier. The benefit vests only after five years of continuous service. The scheme is funded with an insurance company in the form of qualifying insurance policy.

xiii Other Long Term Benefits:

Compensated absences recognized in the Statement of profit and loss for the current year, under the employee cost in Note 32, is ₹ 171 lakhs (31 March 2019: ₹ 220 lakhs).

45 Segment reporting

In accordance with Ind AS 108- 'Operating Segment', the Company has opted to present segment information as a part of the Consolidated Financial Statements of the Company and its subsidiaries. Therefore, no separate disclosure on segment information is given in these financial statements.

46 Research & Development Expenses:

(₹ in lakhs)

Particulars	31 March 2020	31 March 2019
(i) Charged to the Statement of profit and loss	1,442	1,298
(ii) Capitalized to Property Plant and Equipments	204	317

Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2020

47 Ind AS 116

Transitional Provision- Ind AS 116 Leases

The Company has adopted the new accounting standard i.e. Ind AS 116- Leases, which has become effective from 1 April 2019 (transition date). This new standard replaces earlier standard on leases i.e. Ind AS 17.

The adoption of this new Standard has resulted in the Company recognising a right-of-use asset and related lease liability in connection with all former operating leases except for those identified as low-value or having a remaining lease term of less than 12 months from the date of initial application.

The new Standard has been applied using the modified retrospective approach, with the cumulative effect of adopting Ind AS 116 being recognised in equity as an adjustment to the opening balance of retained earnings for the current period. Prior periods have not been restated. The Company has recognised lease liability on the date of initial application at the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application. The Company has recognised a right-of-use asset on the date of initial application at its carrying amount as if the Standard had been applied since the commencement date of lease but discounted using the incremental borrowing rate at the date of initial application. On transition to Ind AS 116, the weighted average incremental borrowing rate applied to lease liabilities recognised was 10% p.a.

a. Practical expedient opted by Company:

- For contracts in place at the date of transition, the Company has elected to apply the definition of a lease from Ind AS 17 and Appendix C to Ind AS 17 and has not applied Ind AS 116 to arrangements that were previously not identified as lease under Ind AS 17 and Appendix C to Ind AS 17.
- The Company has elected not to include initial direct costs in the measurement of the right-of-use asset for operating leases in existence at the date of transition to Ind AS 116, being 1 April 2019.
- On transition, Company has elected not to apply Ind AS 116 to leases previously accounted for as operating leases, with a remaining lease term of less than 12 months and not recognise right-of-use assets but to account for the lease expense on a straight-line basis over the remaining lease term.

b. Exemptions availed by Company:

The Company has elected not to recognise right-of-use assets in below mentioned cases but to account for the lease expense on a straight-line basis over the remaining lease term or on another systematic basis if that basis is more representative of the pattern of the Company's benefit:

- A lease that, at the commencement date, has a lease term of 12 months or less i.e. short-term leases and
- Leases for which the underlying asset is of low value.

The Company has used hindsight in determining the lease term where the contract contained options to extend or terminate the lease.

The Company has discounted lease payments using the incremental borrowing rate as at 1 April 2019 for measuring lease liabilities at ₹ 322 lakhs and accordingly recognised right-of-use assets at ₹ 259 lakhs by adjusting retained earnings by ₹ 41 lakhs (net of tax), including adjustments for prepaid/accrued rent and lease equalisation reserve, if any, as at the aforesaid date.

Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2020
(i) Right-of-use assets (ROU)

(Included in Property, plant and equipment)

(₹ in lakhs)

Particulars	Buildings and Flats	Vehicles	Total
Gross carrying value			
As at 1 April 2019	252	7	259
Additions	-	-	-
Disposals	-	-	-
As at 31 March 2020	252	7	259
Accumulated depreciation and impairment			
As at 1 April 2019	-	-	-
Charge for the year	116	4	120
Disposal/adjustment	-	-	-
As at 31 March 2020	116	4	120
Net carrying value			
As at 1 April 2019	252	7	259
As at 31 March 2020	136	3	139

(ii) Breakdown of Rent

(₹ in lakhs)

	Year ended 31 March 2020
Short-term lease expense	66
Low value lease expense	190
Total lease expense	256

(iii) Cash outflow from leases

The actual outflow for leases considered under the pervuew of Ind AS 116 have been disclosed in one line as cash outflow from leases in the single note on leases.

(iv) Maturity analysis of lease liabilities

(₹ in lakhs)

Maturity analysis – contractual undiscounted cash flows	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Lease liabilities				
Buildings and Flats	137	32	13	-
Vehicles	4	-	-	-
As at 31 March 2020	141	32	13	-

Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2020

(v) Impact of adoption of new accounting standard

a. Balance Sheet

	As previously disclosed	Adjustments	Current disclosure
As at 1 April 2019			
Right-of-use assets	-	259	259
Lease Liabilities	-	322	322
Retained Earnings (net of deferred tax ₹ 22 lakhs) [Refer note 1.1(f)]	-	41	41
As at 31 March 2020			
Right-of-use assets	-	139	139
Lease liabilities (current)	-	141	141
Lease liabilities (non-current)	-	45	45
Retained Earnings (net of deferred tax ₹ 22 lakhs) [Refer note 1.1(f)]	-	41	41

b. Statement of profit or loss and OCI

	As previously disclosed	Adjustments	Current disclosure
For the year ended 31 March 2020			
Rent	417	(161)	256
Depreciation	-	120	120
Interest expense on lease liabilities	-	25	25
Total	417	(16)	401

(vi) Extract of effect on both basic and diluted earnings per share

	Increase/ (decrease) in profit for the year attributable to owners of the Company	Increase/ (decrease) in basic earnings per share	Increase/ (decrease) in diluted earnings per share
For the year ended 31 March 2020			
Changes in accounting policies relating to:			
- adoption of Ind AS 116	16	0.02	0.02

48 COVID-19 impact

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying values of its property, plant and equipment, investments, inventories and receivables and carried out a detailed assessment of its liquidity position for the next one year including recoverability of carrying value of its assets, as at 31 March 2020. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources on the expected future performance of the Company. The Management believes it has taken into account all the possible impacts of known events arising from COVID 19 pandemic in the preparation of its financial statements and does not foresee any incremental risk towards recoverability of its assets, at present. However, the estimated impact of the global health pandemic might vary from the conditions prevailing on the date of approval of these financial statements, and the Company will continue to monitor any material changes due to future economic conditions.

49 Previous year figures

Previous year figures have been regrouped or rearranged, wherever considered necessary to make them comparable with those of the current year.

50 Earnings per share**(₹ in lakhs)**

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Net Profit after tax for the year	2,945	9,877
Profit attributable to equity share holders	2,945	9,877
Weighted Average Number of equity shares outstanding during the year	96,922,600	96,922,600
Basic and Diluted Earnings Per Share (₹)	3.04	10.19
Face Value per Share (₹)	2	2

Note:

The Company does not have any outstanding dilutive potential equity shares as at 31 March 2020 and 31 March 2019. Consequently, basic and diluted earnings per share of the Company remains the same.

Notes 1 to 50 form an integral part of the standalone financial statements

This is the summary of significant accounting policies and other explanatory information referred to in our audit report of even date.

For Walker Chandiok & Co LLP

Chartered Accountants

Firm Registration No. 001076N / N500013

Adi P. Sethna

Partner

Membership No.: 108840

Place : Mumbai**Date : 28 June 2020****For and on behalf of the Board of Directors****Tashwinder Singh**

Chairman

DIN : 06572282

Harshbeena Zaveri

Vice Chairman and

Managing Director

DIN : 00003948

S. C. Rangani

Executive Director

DIN : 00209069

Ravi Teltia

Chief Financial Officer

Shruti Joshi

Company Secretary

Place: Mumbai**Date: 28 June 2020**

INDEPENDENT AUDITOR'S REPORT

To the Members of NRB Bearings Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of NRB Bearings Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), as listed below, which comprise the Consolidated Balance Sheet as at 31 March 2020, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flow and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

List of subsidiary companies:

1. SNL Bearings Limited
 2. NRB Bearings (Thailand) Limited
 3. NRB Bearings Europe GmbH
 4. NRB Bearings USA Inc.
2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries 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 accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act, of the consolidated state of affairs of the Group, as at 31 March 2020, and their consolidated profit (including other comprehensive loss), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated 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 financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained, and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 17 of the Other Matter section below, is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matters

4. Non-compliance with laws and regulations

We draw attention to Note 12(a) to the accompanying consolidated financial statements, which indicates delay in receipts of foreign currency receivables amounting to ₹ 3,171 lakhs as at 31 March 2020 beyond the timelines stipulated vide FED Master Direction No.16/2015-16, under the Foreign Exchange Management Act, 1999. The management of the Holding Company is in the process of recovering the outstanding dues and regularizing these defaults by filing necessary applications with the appropriate authority for condonation of such delays. The management is of the view that the fines/penalties if any, that may be levied pursuant to delay, are currently unascertainable but would not be material and accordingly, the accompanying consolidated financial statements do not include any consequential adjustments that may arise due to such delay / default. Our opinion is not modified in respect of this matter.

5. Impact of COVID-19

We draw attention to Note 51 of the accompanying consolidated financial statements, which describes the uncertainties relating to the COVID-19 pandemic outbreak and management's evaluation of the impact on the financial statements of the Company as at the balance sheet date. The impact of these uncertainties on the Company's operations is significantly dependent on future developments.

The above matter has also been reported as emphasis of matter in the audit report issued by us on the standalone financial statements of a subsidiary company, SNL Bearings Limited, for the year ended 31 March 2020. Our opinion is not modified in respect of this matter.

Key Audit Matter

6. Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, 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.
7. We have determined the matter described below to be the key audit matter to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
<p>Recoverability of carrying amount of property, plant and equipment of a subsidiary company</p> <p>Refer to Note 1A and 2 in the consolidated financial statements.</p> <p>The Group carries property, plant and equipment ('PPE') amounting to ₹ 2,992 lakhs as at 31 March 2020 in respect of a subsidiary, NRB Bearings (Thailand) Limited, which is engaged in the business of manufacturing and trading of bearings and identified as a separate Cash Generating Unit ('CGU').</p> <p>Due to continued losses in the aforesaid CGU, the Group has carried out an assessment of the recoverability of the carrying amount of its PPE by estimating the value-in-use, based on cash flow projections of such CGU to determine the recoverable amount of the CGU.</p> <p>Based on the value-in-use determined with the help of an independent valuation specialist engaged by the Company, there is no impairment in the carrying amount of the aforesaid CGU as at 31 March 2020. However, there is a risk of impairment, in the event the projections and other assumptions, used in computation of the recoverable amount were to differ from actual results in the future.</p> <p>The Management's assessment of recoverable amount of aforementioned CGU requires estimation and judgement around the key assumptions underpinning management's assessment including, but not limited to, projections of future cash flows, growth rates and future market and economic conditions.</p> <p>Considering the materiality of the amount involved, and significant management judgement required for determining the recoverable amount, the recoverability of aforesaid balance as at 31 March 2020 has been determined to be a key audit matter in the current year audit.</p>	<p>Our audit procedures in relation to assessing the recoverable value of the CGU included but were not limited to, the following:</p> <ul style="list-style-type: none"> • Obtained an understanding of management's processes and controls for determining the CGU and its recoverable value; • Assessed the design of and tested the operating effectiveness of the key controls around identification of impairment indicators and valuation; • Assessed the professional competence, objectivity and capabilities of the valuation specialist engaged by the management; • Assessed the appropriateness of the valuation methodology used to arrive at the recoverable value of the CGU using auditor's valuation specialists; • Evaluated the reasonableness of the assumptions used in cash flow projections such as growth rate, discount rates, etc. based on historical results, current developments including the possible impact of COVID 19 and future plans estimated by the management using expertise of our valuation specialist on required parameters; • Assessed cash flow forecasts to ensure consistency with current operations of the subsidiary company, reconciled the cash flow projections to the business plans approved by the subsidiary company's board of directors and reviewed the sensitivity analysis performed by the management on aforesaid key assumptions and performed further independent sensitivity analysis to determine impact of estimation uncertainty on the valuation; • Tested the mathematical accuracy of the cash flow projections and value-in-use computation; and • Evaluated the appropriateness and adequacy of the related disclosures made in the consolidated financial statements in accordance with the applicable accounting standards.

Information other than the Consolidated Financial Statements and Auditor's Report thereon

8. The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Corporate Governance report, but does not include the consolidated financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the Annual Report, which is expected to be made available to us after that date.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will 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 identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, 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.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

9. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated state of affairs (consolidated financial position), consolidated profit or loss (consolidated financial performance including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Ind AS specified under Section 133 of the Act. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. Further, in terms of the provisions of the Act, the respective Board of Directors / management of the companies included in the Group, are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets 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. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.
10. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective companies in the Group, 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 intend to liquidate the company or to cease operations, or has no realistic alternative but to do so.
11. The respective Board of Directors of the companies included in the Group, are responsible for overseeing the financial reporting process of the companies included in the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

12. 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 Standards on Auditing 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.

13. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the 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 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 Holding Company has adequate internal financial controls with reference to consolidated financial statements 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 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 Group 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 Group 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; and
 - Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the consolidated financial statements, of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
12. 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.
14. 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.
15. 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.
16. 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.

Other Matter

17. We did not audit the financial statements of two subsidiaries, whose financial statements reflects total assets of ₹ 6,497 lakhs and net assets of ₹ 686 lakhs as at 31 March 2020, total revenues of ₹ 5,074 lakhs and net cash outflows amounting to ₹ 108 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and

disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, are based solely on the reports of the other auditors.

Further, both of these subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion on the consolidated financial statements, in so far as it relates to the balances and affairs of such subsidiaries located outside India, are based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

18. As required by Section 197(16) of the Act, we report that the Holding Company and one of its subsidiary company covered under the Act has paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under Section 197 read with Schedule V to the Act.
19. 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 separate financial statements and other financial information of the subsidiaries, 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 purpose of our audit of the aforesaid consolidated financial statements;
 - b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
 - c) the consolidated financial statements 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 Ind AS specified under Section 133 of the Act;
 - e) the matters described in paragraph 4 and 5 of the Emphasis of Matters section, in our opinion, may have an adverse effect on the functioning of the Group and the respective entities mentioned therein;
 - f) on the basis of the written representations received from the directors of the Holding Company and its Indian subsidiary and taken on record by the Board of Directors of the Holding Company and the Indian subsidiary, respectively, none of the directors of these companies, covered under the Act, are disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act;
 - g) with respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company, and its subsidiary company covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure A'; and
 - 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 and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries:
 - i. the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group;
 - ii. the Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2020;

- iii. following are the instances of delays in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;

Name of Company	Status	Amount (₹ in lakhs)	Due date	Date of payment
NRB Bearings Limited	Holding Company	3	8 October 2019	29 November 2019

- iii. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these consolidated financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

UDINo.: 20108840AAAACH3822

Adi P. Sethna

Partner

Membership No.: 108840

Place: Mumbai

Date: 28 June 2020

Annexure A to the Independent Auditor's Report of even date to the members of NRB Bearings Limited on the consolidated financial statements for the year ended 31 March 2020

Annexure A

Independent Auditor's Report on the internal financial controls with reference to consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the consolidated financial statements of **NRB Bearings Limited** ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group') as at and for the year ended 31 March 2020, we have audited the internal financial controls with reference to financial statements of the Holding Company and its one subsidiary company, which are companies covered under the Act, as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The respective Board of Directors of the Holding Company and its one subsidiary company, which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") 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 the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Consolidated Financial Statements

3. Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Holding Company and its one subsidiary company, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. 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 with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, 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.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the Holding Company and its one subsidiary company as aforesaid.

Meaning of Internal Financial Controls with Reference to Consolidated Financial Statements

6. A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements include 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 with Reference to Consolidated Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Holding Company and its one subsidiary company, which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to consolidated financial statements and such controls were operating effectively as at 31 March 2020, based on the internal control over financial reporting criteria established by the Holding Company and its one subsidiary company as aforesaid, considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

per **Adi P. Sethna**

Partner

Membership No.:108840

UDINo.: 20108840AAAACH3822

Place: Mumbai

Date : 28 June 2020

Consolidated Balance Sheet as at 31 March 2020

(₹ in Lakhs)

	Particulars	Note No.	As at 31 March 2020	As at 31 March 2019
I	Assets			
1	Non-current assets			
	Property, plant and equipment	2	36,284	32,104
	Capital work-in-progress		1,607	1,479
	Investment property	3	-	-
	Goodwill		48	48
	Other intangible assets	4	57	70
	Financial Assets			
	Investments	5	224	460
	Loans	6	511	461
	Other financial assets	7	21	6
	Income tax (Current-tax) assets (net)	8	2,613	2,373
	Other non-current assets	9	1,586	1,642
	Total non-current assets		42,951	38,643
2	Current assets			
	Inventories	10	22,700	26,804
	Financial Assets			
	Investments	11	985	809
	Trade receivables	12	20,025	21,505
	Cash and cash equivalents	13	7,646	3,019
	Bank balances other than cash and cash equivalents	14	136	110
	Loans	15	26	61
	Other financial assets	16	544	540
	Other current assets	17	3,309	3,278
	Total current assets		55,371	56,126
	Total Assets		98,322	94,769
II	Equity and Liabilities			
A	Equity			
	Equity share capital	18	1,938	1,938
	Other equity	19	43,751	45,114
	Equity attributable to owners of parent		45,689	47,052
	Non-controlling interest		950	937
	Total equity		46,639	47,989
B	Liabilities			
1	Non-current liabilities			
	Financial Liabilities			
	Borrowings	20	7,324	8,290
	Other financial liabilities	21	53	-
	Deferred tax liabilities (net)	22	1,523	1,234
	Other non-current liabilities	23	168	-
	Total non-current liabilities		9,068	9,524
2	Current liabilities			
	Financial Liabilities			
	Borrowings	24	24,477	17,700
	Trade payables	25		
	Total outstanding dues of micro enterprises and small enterprises		1,208	1,079
	Total outstanding dues of creditors other than micro enterprises and small enterprises		7,167	10,776
	Other financial liabilities	26	7,576	6,104
	Other current liabilities	27	632	461
	Provisions	28	1,555	1,136
	Total current liabilities		42,615	37,256
	Total liabilities		51,683	46,780
	Total equity and liabilities		98,322	94,769

Notes 1 to 54 form an integral part of the consolidated financial statements

This is the Consolidated Balance Sheet referred to in our audit report of even date

 For **Walker Chandio & Co LLP**

Chartered Accountants

Firm Registration No. 001076N / N500013

Adi P. Sethna

Partner

Membership No.: 108840

Place : Mumbai
Date : 28 June 2020

For and on behalf of the Board of Directors

Tashwinder Singh

Chairman

DIN : 06572282

Harshbeena Zaveri

Vice Chairman and

Managing Director

DIN : 00003948

S. C. Rangani

Executive Director

DIN : 00209069

Ravi Teltia

Chief Financial Officer

Shruti Joshi

Company Secretary

Place: Mumbai
Date: 28 June 2020

Consolidated Statement of Profit and Loss for the year ended 31 March 2020 (₹ in Lakhs)

	Particulars	Note No.	For the year ended 31 March 2020	For the year ended 31 March 2019
I	Revenue from Operations	29	77,595	96,502
II	Other Income	30	1,607	550
III	Total Income (I + II)		79,202	97,052
IV	Expenses:			
	Cost of materials consumed	31	29,419	38,798
	Changes in inventories of finished goods and work-in-progress	32	1,101	(3,643)
	Employee benefits expense	33	13,665	13,720
	Finance costs	34	2,177	1,489
	Depreciation and amortisation expense	2 to 4	3,329	3,530
	Other expenses	35	24,829	29,102
	Total expenses (IV)		74,520	82,996
V	Profit before tax and exceptional items (III-IV)		4,682	14,056
VI	Exceptional Items - Gain	33A	-	1,654
VII	Profit before tax (V+VI)		4,682	15,710
VIII	Income tax expense / (credit):	36		
	(i) Current Tax		912	4,049
	(ii) Deferred Tax		452	671
IX	Net profit after tax (VII-VIII)		1,364	4,720
X	Other Comprehensive Income/(loss) (OCI)	37		
	(i) Items that will not be reclassified to profit or loss		(637)	(152)
	(ii) Income tax relating to these items		141	15
	(i) Items that will be reclassified to profit or loss		(59)	(56)
	(ii) Income tax relating to these items		-	-
			(555)	(193)
XI	Total Comprehensive Income for the year (IX+X)		2,763	10,797
	Profit attributable to:			
	-Owners		3,207	10,822
	-Non controlling interest		111	168
	Other comprehensive income attributable to:			
	-Owners		(551)	(193)
	-Non controlling interest (*)		(4)	(0)
	Total comprehensive income attributable to:			
	-Owners		2,656	10,629
	-Non controlling interest		107	168
XII	Earnings per equity share:	54		
	Basic & Diluted (in ₹)		3.31	11.17
	Face value per share (in ₹)		2.00	2.00

(*) Amount lower than ₹ 1 Lakh

Notes 1 to 54 form an integral part of the consolidated financial statements

This is the Consolidated Statement of Profit and Loss referred to in our audit report of even date

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm Registration No. 001076N / N500013

Adi P. Sethna

Partner

Membership No.: 108840

Place : Mumbai

Date : 28 June 2020

For and on behalf of the Board of Directors

Tashwinder Singh

Chairman
DIN : 06572282

Harshbeena Zaveri

Vice Chairman and
Managing Director
DIN : 00003948

S. C. Rangani

Executive Director
DIN : 00209069

Ravi Teltia

Chief Financial Officer

Shruti Joshi

Company Secretary

Place: Mumbai

Date: 28 June 2020

Consolidated Cash Flow Statement for the year ended 31 March 2020

(₹ in Lakhs)

	Particulars	Year ended 31 March 2020	Year ended 31 March 2019
A	Cash Flow From Operating Activities		
	Net Profit before tax as per Statement of Profit and Loss	4,682	15,710
	Adjustments for:		
	Depreciation and amortisation expense	3,329	3,530
	Foreign exchange loss/(gain)	16	(506)
	Fair valuation loss/(gain) on derivative instrument measured at FVTPL	74	(150)
	Finance costs	2,177	1,489
	Interest income	(21)	(35)
	Dividend income	(13)	(10)
	Profit on sale of property plant and equipment	(3)	(49)
	Liabilities no longer required written back	(23)	(27)
	Profit on sale of investment	(16)	-
	Fair valuation gain on financial assets measured at FVTPL (net)	(32)	(14)
	Provision for doubtful debts and bad debts written off	67	760
	Provision for doubtful advances	65	-
	Rental Income	(126)	(127)
	Changes in Foreign currency translation reserve	(59)	(56)
	Operating profit before working capital changes	10,117	20,515
	Adjustment for movements in Changes in working capital:		
	Adjustment for (increase)/ decrease in assets		
	- Trade receivables	1,865	1,416
	- Inventories	4,104	(11,001)
	- Bank balances other than cash and cash equivalents	(13)	145
	- Other non-current financial assets and loans	(65)	(17)
	- Other current financial assets and loans	(56)	(145)
	- Other non-current assets	17	(111)
	- Other current assets	43	969
	Adjustment in increase/ (decrease) in liabilities		
	- Other non-current liabilities	168	-
	- Other financial liabilities	(1,304)	(81)
	- Trade payables	(3,694)	823
	- Provisions	147	155
	- Other current liabilities	194	(373)
	Cash generated from operations before tax adjustments	11,523	12,295
	Direct taxes paid (net of refunds)	(1,315)	(5,227)
	Net cash generated from operating activities	10,208	7,068

Consolidated Cash Flow Statement for the year ended 31 March 2020

(₹ in Lakhs)

	Particulars	Year ended 31 March 2020	Year ended 31 March 2019
B	Cash Flow From Investing Activities		
	Purchase of property, plant and equipment and intangibles (net) (including movement of capital advances, capital work-in-progress and capital creditors)	(6,556)	(9,361)
	Sale proceeds of property, plant and equipment	3	180
	(Purchase of) / Proceeds from sale of current investments (net)	(119)	77
	Rental Income	126	127
	Interest income received	19	35
	Dividend income received	13	10
	Net cash used in investing activities	(6,514)	(8,932)
C	Cash Flow From Financing Activities		
	Proceeds from non-current borrowings	2,500	3,414
	Proceeds from (repayment of) current borrowings (net)	6,468	7,280
	Repayment of non-current borrowings	(1,655)	(4,250)
	Finance costs paid (net)	(2,158)	(1,489)
	Lease Liability	(163)	-
	Dividends paid on equity shares (including unclaimed)	(3,384)	(1,164)
	Dividend distribution tax paid	(693)	(212)
	Net cash generated from financing activities	915	3,579
	Net increase in Cash and Cash Equivalents (A+B+C)	4,609	1,715
	Add: Balance of Cash and Cash Equivalents at the Beginning of the Year	3,019	1,278
	Add: Effects of exchange rate changes on cash and cash equivalents	18	26
	Closing balance of Cash and Cash Equivalents (Refer note 13)	7,646	3,019
	Components of Cash and Cash Equivalents:		
	Cash on Hand	4	4
	Balances with banks in current accounts	5,051	2,975
	Balances with banks in deposits with maturity of less than three months	2,591	40

Notes:

1. The statement of cash flow has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) Statement of cash flows. Also refer note 41.

Notes 1 to 54 form an integral part of the financial statements

This is the Consolidated Statement of Cash Flow referred to in our audit report of even date

For Walker Chandiook & Co LLP

Chartered Accountants

Firm Registration No. 001076N / N500013

Adi P. Sethna

Partner

Membership No.: 108840

Place : Mumbai
Date : 28 June 2020
For and on behalf of the Board of Directors
Tashwinder Singh

 Chairman
 DIN : 06572282

Harshbeena Zaveri

 Vice Chairman and
 Managing Director
 DIN : 00003948

S. C. Rangani

 Executive Director
 DIN : 00209069

Ravi Teltia

Chief Financial Officer

Shruti Joshi

Company Secretary

Place: Mumbai
Date: 28 June 2020

Consolidated statement of changes in equity for the year ended 31 March 2020
A. Equity share capital (Refer note 18)
(₹ in lakhs)

Equity share capital	Number of shares	Amount
As at 01 April 2018	96,922,600	1,938
Changes during the year	-	-
As at 31 March 2019	96,922,600	1,938
Changes during the year	-	-
As at 31 March 2020	96,922,600	1,938

B. Other equity (Refer Note 19)
(₹ in lakhs)

Particulars	Reserves and surplus						Fair Value Gain on Equity Instruments through OCI	Foreign currency translation reserve	Total other equity	Non-controlling interest	Total
	Securities premium	General reserve	Capital reserve	Capital redemption reserve	Debenture redemption reserve	Retained earnings					
Opening balance as at 01 April 2018	848	9,475	15	1,011	3,250	20,893	546	(178)	35,860	769	36,629
Transactions during the year											
Net profit for the year	-	-	-	-	-	10,822	-	-	10,822	168	10,990
Less: Other comprehensive income / (loss) for the year (*) (Refer note 37)	-	-	-	-	-	(27)	(110)	(56)	(193)	(0)	(193)
Less: Interim dividend (₹ 1.2 per equity share)	-	-	-	-	-	(1,163)	-	-	(1,163)	-	(1,163)
Less: Dividend distribution tax on Interim dividend	-	-	-	-	-	(212)	-	-	(212)	-	(212)
Less: Transfer from debenture redemption reserve to general reserve	-	1,000	-	-	(1,000)	-	-	-	-	-	-
Balance as at 31 March 2019	848	10,475	15	1,011	2,250	30,313	436	(234)	45,114	937	46,051
Transactions during the year											
Net profit for the year	-	-	-	-	-	3,207	-	-	3,207	111	3,318
Less: Other comprehensive income / (loss) for the year (Refer note 37)	-	-	-	-	-	(265)	(227)	(59)	(551)	(4)	(555)
Less: Transitional adjustment of Ind AS 116 (Refer note 50)	-	-	-	-	-	(43)	-	-	(43)	-	(43)
Less: Final dividend (₹ 2.6 per equity share)	-	-	-	-	-	(2,520)	-	-	(2,520)	-	(2,520)
Less: Dividend distribution tax on final dividend on Equity shares	-	-	-	-	-	(522)	-	-	(522)	-	(522)
Less: Interim dividend for the year (₹ 0.80 per equity share)	-	-	-	-	-	(775)	-	-	(775)	-	(775)
Less: Dividend distribution tax on interim dividend on Equity shares	-	-	-	-	-	(159)	-	-	(159)	-	(159)
Less: Dividend paid to Non Controlling interest (including Dividend distribution tax)	-	-	-	-	-	-	-	-	-	(94)	(94)
Balance as at 31 March 2020	848	10,475	15	1,011	2,250	29,236	209	(293)	43,751	950	44,701

(*) Amount lower than ₹ 1 Lakh

Notes 1 to 54 form an integral part of the consolidated financial statements

For Walker Chandiok & Co LLP

Chartered Accountants

Firm Registration No. 001076N / N500013

Adi P. Sethna

Partner

Membership No.: 108840

Place : Mumbai
Date : 28 June 2020
For and on behalf of the Board of Directors
Tashwinder Singh

 Chairman
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 Executive Director
 DIN : 00209069

Ravi Teltia

Chief Financial Officer

Shruti Joshi

Company Secretary

Place: Mumbai
Date: 28 June 2020

Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2020

Note 1

1. Company information

NRB Bearings Limited ('the Company' or the 'Parent Company'), and its subsidiaries (collectively referred to as the 'Group') are mainly engaged in the manufacture and marketing of bearing products. The Company is a listed company domiciled in India. The registered and corporate office of the company is situated at Dhannur, 15, Sir P. M. Road, Fort, Mumbai 400 001, Maharashtra.

The consolidated financial statements (hereinafter referred to as "CFS") for the year ended 31 March 2020 were approved by Board of Directors and authorised for issue on 28 June 2020.

Basis of Preparation

The Group has prepared its financial statements to comply in all material respects with the provisions of the Companies Act, 2013 (the Act) and rules framed thereunder and the guidelines issued by Securities and Exchange Board of India. In accordance with the notification issued by the Ministry of Corporate Affairs, the Group has adopted Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 under Section 133 of the Act, with effect from 1 April 2017.

The consolidated financial statements have been prepared on a historical cost convention and accrual basis, except for the following assets and liabilities:

- i) Certain financial assets and liabilities that are measured at fair value
- ii) Defined benefit plans-plan assets measured at fair value

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

1A Significant accounting policies

a. Principles of Consolidation

The CFS incorporates the financial statements of Parent Company and its subsidiaries.

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that the control ceases.

The Group combines the financial statements of the parent and its subsidiaries, line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. The financial statements of the parent company and its subsidiaries have been consolidated using uniform accounting policies. When necessary, adjustments are made to the financial statements of the subsidiaries to bring their accounting policies in line with the Group's accounting policies. The financial statements of the subsidiary companies used in the consolidation are drawn upto the same reporting date as that of the parent i.e. year ended 31 March 2020.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

Refer note 42 for the list of subsidiaries considered in the CFS.

b. Foreign Currency Transactions

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Indian Rupee (₹), which is parent's functional and presentation currency.

Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2020

Transactions denominated in foreign currencies are initially recorded at the exchange rate prevailing at the date of transaction.

Foreign currency monetary items are reported using the closing exchange rates. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

Exchange differences on monetary items are recognised in Statement of Profit and Loss in the period in which they arise except for: exchange difference arising on settlement / restatement of long-term foreign currency monetary items originally recognized in the financial statements upto and for the year ended March 31, 2017 prepared under previous GAAP, are capitalized as a part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets.

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate at the date of that balance sheet
- income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), On consolidation, exchange differences arising from the translation of any net investment in foreign entities are recognised in other comprehensive income and all resulting exchange differences are recognised in other comprehensive income.

c. Revenue Recognition

The Group derives revenues from sale of manufactured goods. Revenue from sale of goods is recognized on satisfaction of performance obligation upon transfer of control of promised products to customers for an amount that reflects the consideration the Group expects to receive in exchange for those products. The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, it is not required to adjust any of the transaction prices for the time value of money.

For performance obligations where the above conditions are not met, revenue is recognised at the point in time in which the performance obligations are satisfied.

Other Income

Interest income for all debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Apart from the above, the subsidiary company recognises interest income on its Security Deposits given to the Jharkhand State Electricity Board, on acknowledgement of credit by the Board.

Dividend are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the group, and the amount of the dividend can be measured reliably.

Insurance claim is recognised as income only on receipt of money.

The Company recognises other incomes on accrual basis. However, where the ultimate collection of the same lacks reasonable certainty, revenue recognition is postponed to the extent revenue is reasonably certain and can be reliably measured.

d. Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2020

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period.

Deferred income tax is provided in full, using the balance sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the group has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

e. Leases

Measurement and recognition of leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A lease is defined as 'a contract, or part of a contract, that convey the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group.
- the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract.
- the Group has the right to direct the use of the identified asset throughout the period of use. The Company assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

As a lessor

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group and any lease payments made in advance of the lease commencement date.

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance, fixed), and payments arising from options reasonably certain to be exercised. Subsequent to

Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2020

initial measurement, the liability will be reduced for payments made and increased for interest expenses. It is remeasured to reflect any reassessment or modification.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset or Statement of profit and loss, as the case may be.

The Group has elected to account for short-term leases and leases of low-value assets using the exemption / practical expedient given under Ind AS 116, Leases. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term or on another systematic basis if that basis is more representative of the pattern of the Group's benefit.

As a lessor

Leases for which the lessor is a lessor classified as finance or operating lease.

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

On the statement of financial position, right-of-use assets have been included in property, plant and equipment and lease liabilities have been included in other financial liabilities (non-current and current).

f. Impairment of non-financial assets

The carrying amount of the non-financial assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal /external factors. An impairment loss is recognised whenever the carrying amount of an asset or a cash generating unit exceeds its recoverable amount. The recoverable amount of the assets (or where applicable, that of the cash generating unit to which the asset belongs) is estimated as the higher of its net selling price and its value in use. Impairment loss is recognised in the statement of profit and loss.

After impairment, depreciation / amortisation is provided on the revised carrying amount of the asset over its remaining useful life.

A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation / amortisation if there were no impairment.

g. Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

h. Inventories

Raw Material and components, work in progress, Finished Goods and Traded goods are stated at "cost or net realisable value whichever is lower". Good in transit are stated at cost. Cost formulae used is weighted average cost. Due allowance is estimated and made for defective and obsolete items, wherever necessary, based on the past experience of the group.

Cost comprises of all cost of purchase, cost of conversion and other cost 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, unless such costs are specifically identifiable, in which case they are included in the valuation at actuals.

Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2020

i. Investments and financial assets

Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The group reclassifies debt investments when and only when its business model for managing those assets changes.

Measurement

At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

j. Measurement of debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the group classifies its debt instruments:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.
- **Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.
- **Fair value through profit or loss:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

k. Measurement of equity instruments

The group subsequently measures all equity investments at fair value. Where the group has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the right to receive payments is established.

Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2020

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/ (losses) in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

i. Impairment of financial assets

The group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, the group applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.”

m. De-recognition of financial assets

A financial asset is derecognised only when

- The group has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the group has transferred an asset, the group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the group has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the group has not retained control of the financial asset. Where the group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

n. Derivatives

The group enters into certain derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through profit or loss and mark to market gains and losses are included in other income expenses respectively.

o. Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the group or the counterparty.

p. Property plant and equipment (including Capital Work-in-Progress)

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost are stated at cost of acquisition inclusive of all attributable cost of bringing the assets to their working condition, less accumulated depreciation and accumulated impairment losses, if any.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is possible that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Schedule II to the Companies Act, 2013 prescribes useful lives for property, plant and equipment's and allows Companies to use higher/lower useful lives and residual values if such useful lives and residual values can be technically supported and justification for difference is disclosed in the financial statements. The management believes that the depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of property, plant and equipment.

Depreciation/ amortisation on fixed assets has been provided on the straight-line method as per the useful life assessed based on technical advice, taking into account the nature of the asset, the estimated use of the asset on

Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2020

the basis of management's best estimation of getting economic benefits from those class of assets. Depreciation is calculated pro-rata from the date of addition upto the date of disposal.

The group uses its external technical expertise along with historical and industry trends for arriving at the economic life of an asset.

Class of asset	Revised useful life based on SLM (Range)
	Parent
Leasehold land	60 - 90 years
Buildings and flats / Building on leasehold land / Building Improvement	15 – 50 years
Plant and equipment	3 – 30 years
Furniture and fixtures	3 – 10 years
Office equipment / Factory equipment	3 – 10 years
Electrical installations	5 – 20 years
Vehicles	5 - 8 years
Intangibles	3 - 5 years

Assets under construction not yet ready for use are recognised as capital work in progress.

On transition to Ind AS, the group has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

q. Investment Properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not used by the group for business purposes, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Investment properties are depreciated using the straight-line method over their estimated useful lives. Investment properties generally have a useful life of 25-40 years. The useful life has been determined based on technical evaluation performed by the management's expert.

On transition to Ind AS, the group has elected to continue with the carrying value of all of its investment properties recognised as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of investment properties.

r. Intangible Assets

Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the intangible assets.

Identifiable intangible assets are recognised when it is probable that future economic benefits attributed to the asset will flow to the group and the cost of the asset can be reliably measured.

Computer softwares are capitalised at the amounts paid to acquire the respective license for use and are amortised over the period of useful lives or period of three years, whichever is less. The assets useful lives are reviewed at each financial year end.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised. Amortisation is calculated pro-rata from the date of addition upto the date of disposal.

On transition to Ind AS, the group has elected to continue with the carrying value of all of its intangible assets as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2020

s. Borrowings and other financial liabilities

Borrowings and other financial liabilities are initially recognised at fair value (net of transaction costs incurred). Difference between the fair value and the transaction proceeds on initial is recognised as an asset / liability based on the underlying reason for the difference.

Subsequently all financial liabilities are measured at amortised cost using the effective interest rate method.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss. The gain / loss is recognised in other equity in case of transaction with shareholders.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

t. Borrowing Costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time the assets are substantially ready for their intended use. All other borrowing costs are recognised as an expense in Profit or Loss in the period in which they are incurred.

u. Provisions, Contingent Liabilities and contingent assets

Provisions are recognised when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using equivalent period government securities interest rate. Unwinding of the discount is recognised in the statement of profit and loss as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the Notes to the Financial Statements. Contingent assets are not recognised, but disclosed in the financial statements. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

v. Employee Benefits

Short term obligations: Short term employee benefits are recognised as an expense at the undiscounted amount in the statement of profit and loss of the year in which the related service is rendered.

Other long term employee benefit obligations:

Compensated absences: The group provides for the encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment/availment. The group makes provision for compensated absences based on an actuarial valuation by actuary. Actuarial gains and losses arising on the measurement of defined benefit obligation is charged/ credited to Profit and loss account.

Post employment obligations:

The group operates the following post employment schemes:

Defined benefit plans:

i) Gratuity: The group has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The group has obtained insurance policies with the Life Insurance Corporation of India (LIC) and makes an annual contribution to LIC. The group makes provision for gratuity based on an actuarial valuation done as per projected unit

Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2020

ii) Provident fund: For certain employees, the monthly contribution for Provident Fund is made to a Trust administered by the group. Both the eligible employees and the group make monthly contributions to the provident fund equal to a specified percentage of the covered employee's salary. The group contributes a portion to the Employees' Provident Fund Trust ('The PF trust'). The PF trust invests in specific designated instruments as permitted by Indian Law. The rate at which the annual interest is payable to the beneficiaries by the PF trust is being administered by the Government. The group has an obligation to make good the shortfall, if any, between the return from the investments of the PF trust and the notified interest rate. The group makes provision for Provident fund based on an actuarial valuation done as per projected unit credit method by an actuary. Actuarial gains and losses on shortfall, if any, arising on the remeasurement of defined benefit obligation is charged/ credited to other comprehensive income.

Defined contribution plans:

i) Provident fund and family pension fund: Defined contribution plans such as Provident Fund and family pension fund are charged to the Statement of Profit and Loss as incurred. The group's contribution to Provident Fund and family pension fund is determined based on a fixed percentage of the eligible employees' salary and charged to the Statement of Profit and Loss on accrual basis. The group's contributions to Defined Contribution Plan are charged to the statement of profit and loss as incurred. The group does not have any obligation other than the contribution made to the fund administered by the government.

Voluntary Retirement Compensation:

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

w. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss (excluding other comprehensive income) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events such as bonus issue, bonus element in a right issue, shares split and reserve share splits (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss (excluding other comprehensive income) for the year attributable to equity share holders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

x. Operating Cycle

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

y. Contributed equity

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

z. Segment Reporting:

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of segments, has been identified as the Board of Directors.

aa. Critical estimates and judgements

The preparation of Consolidated Financial Statements in conformity with Ind AS which requires management to make estimates, assumptions and exercise judgement in applying the accounting policies that affect the reported amount of assets, liabilities and disclosure of contingent liabilities at the date of financial statements and the reported amounts of income and expenses during the year.

The Management believes that these estimates are prudent and reasonable and are based upon the Management's best knowledge of current events and actions. Actual results could differ from these estimates and differences between actual results and estimates are recognised in the periods in which the results are known or materialised.

Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2020

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed.

i) Property, plant and equipment, Investment Properties and Intangible Assets:

The Group reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation to be recorded during any reporting period. The useful lives and residual values as per schedule II of the Companies Act, 2013 or are based on the group's historical experience with similar assets and taking into account anticipated technological changes, whichever is more appropriate.

ii) Income Tax:

The group reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to an adjustment to the amounts reported in the consolidated financial statements.

iii) Contingencies:

The group has estimated the possible outflow of resources at the end of each annual reporting financial year, if any, in respect of contingencies/claim/litigations against the group as it is not possible to predict the outcome of pending matters with accuracy.

iv) Impairment of financial assets:

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss. The group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

v) Impairment of non-financial assets:

The group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Units (CGU) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent to those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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. In determining fair value less cost of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

vi. Defined benefit obligation

The cost of post-employment benefits is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rate of return on assets, future salary increases and mortality rates. Due to the long term nature of these plans such estimates are subject to significant uncertainty. The assumptions used are disclosed in Note 46.

ab. Standard issued but not yet effective

There are no standards that are issued but not yet effective on 31st March, 2020.

Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2020

2 Property, plant and equipment

(₹ in Lakhs)

Particulars	Free Hold Land	Leasehold Land	Buildings and Flats	Plant and equipment	Furniture and Fixtures	Office equipment	Electrical Installation	Vehicles	Total
Gross carrying value									
As at 01 April 2018	278	187	9,650	51,598	999	940	1,290	512	65,454
Additions	-	-	3,081	6,494	46	21	150	25	9,817
Foreign currency translation reserve (**)	9	0	31	135	14	1	9	-	199
Disposals	-	-	120	112	-	-	-	7	239
As at 31 March 2019	287	187	12,642	58,115	1,059	962	1,449	530	75,231
Transition impact of Ind As 116 Lease (Refer note 50)	-	5	251	-	-	-	-	11	267
Additions	-	-	163	6,643	34	42	148	6	7,036
Foreign currency translation reserve	14	1	47	209	23	6	14	-	314
Disposals	-	-	-	15	-	-	-	-	15
As at 31 March 2020	301	193	13,103	64,952	1,116	1,010	1,611	547	82,833
Accumulated Depreciation									
As at 01 April 2018	-	37	2,377	34,582	760	622	999	277	39,654
Charge for the year	-	2	253	2,885	99	106	72	82	3,499
Foreign currency translation reserve (**)	-	0	11	52	12	1	6	-	82
Disposals	-	-	50	52	-	-	-	6	108
As at 31 March 2019	-	39	2,591	37,467	871	729	1,077	353	43,127
Charge for the year (*)	-	2	443	2,542	77	79	68	83	3,294
Foreign currency translation reserve	-	1	19	88	20	4	11	-	143
Disposals	-	-	-	15	-	-	-	-	15
As at 31 March 2020	-	42	3,053	40,082	968	812	1,156	436	46,549
Net Carrying value									
As at 31 March 2019	287	148	10,051	20,648	188	233	372	177	32,104
As at 31 March 2020	301	151	10,050	24,870	148	198	455	111	36,284

Footnotes:

- Buildings and flats include:
 - Shares in respect of residential premises of a cost of ₹ 2 lakhs and WDV of ₹ 0 lakh(**) (31 March 2019: cost of ₹ 2 lakhs and WDV ₹ 0 lakh (**)) in a co-operative society which is in the process of being transferred in the name of the Holding Company.
 - Cost of shares of an aggregate face value of ₹ 750 (31 March 2019: ₹ 750) in co-operative housing societies viz. 5 shares of ₹ 50 each in Vile Parle Vatika Cooperative Housing Society Limited, 5 shares of ₹ 50 each in The Ganesh Villa Co-operative Housing Society Limited and 5 shares of ₹ 50 each in Vinayak Bhavan Cooperative Housing Society Limited.
- The title deeds/ leasehold right of Land and Buildings, having gross carrying amount aggregating ₹ 61 lakhs (31 March 2019: ₹ 61 lakhs) and net carrying amount aggregating ₹ 59 lakhs (31 March 2019: ₹ 59 lakhs), have been transferred to and vested in the Company, pursuant to the Schemes of Amalgamation/Arrangement and the procedural formalities for changing the name of the Holding Company is in process.
- The above amounts includes adjustment of foreign exchange loss aggregating to ₹ 271 lakhs (31 March 2019: ₹ 319 lakhs) against the carrying value of plant and equipment. The balance amount, based on aforesaid adjustments, of plant and equipment to be amortised, as at the year-end, aggregates ₹ 1,231 lakhs (31 March 2019: ₹ 1,358 lakhs).
- Refer Note 45 for information on property, plant and equipment pledged as security by the Group.
- For the purpose of impairment testing, property, plant and equipment ("PPE") of the subsidiary company NRB Bearings (Thailand) Limited is identified as a Cash generating unit (CGU) representing the lowest level within the group at which the PPE is monitored for internal management purposes, and which is not higher than the group operating segment. PPE is tested for impairment at least annually or whenever there is an indication that PPE may be impaired. For PPE impairment testing, the carrying amount of CGU's (including allocated goodwill) is compared with its recoverable amount by the Group. The recoverable amount of a CGU is the higher of its fair value less cost to sell or its value in use both of which are calculated by Group using a discounted cashflow analysis. These calculations use pre-tax cash flow projections over a period of five years, based on financial estimates and growth rate approved by management. Total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU, if any and then to other assets of the CGU pro rata on the basis of the carrying amount of such assets in CGU. During the current year the Group has performed impairment testing in respect of one of its wholly owned subsidiary Company namely NRB Bearings (Thailand) Limited using a discounted cashflow analysis. The Group has concluded that no adjustment shall be required to the carrying value of the PPE in relation to the CGU basis opinion of an expert.

(*) Charge for the year includes charge created on Right-of-use ("ROU") assets of ₹ 116 lakhs for building on leasehold land and ₹ 5 lakhs for vehicles (Also refer note 50).

(**) Amount lower than ₹ 1 Lakh

Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2020

3 Investment Properties

(₹ in Lakhs)

Particulars	Buildings and flats	Total
Gross carrying value (*)		
As at 01 April 2018	41	41
As at 31 March 2019	41	41
As at 31 March 2020	41	41
Accumulated Depreciation (*)		
As at 01 April 2018	41	41
As at 31 March 2019	41	41
As at 31 March 2020	41	41
Net carrying value		
As at 31 March 2019	-	-
As at 31 March 2020	-	-

(*) There is no addition and disposal to the gross block and depreciation charge for the year ended 31 March 2020 and 31 March 2019.

3.1 Fair value of Investment Property

(₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Buildings and flats	1,729	1,729
Total	1,729	1,729

3.2 Income from Investment property generating Rental Income

(₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Rental Income derived from investment properties	126	127
Direct Operating expenses from property (including repairs and maintenance) that generated rental income	1	1
Direct Operating expenses from property (including repairs and maintenance) that did not generate rental income	-	-
Income arising from investment properties before depreciation	125	126
Depreciation	-	-
Income from Investment properties (net)	125	126

3.3 Estimation of fair value of investment properties:

The fair valuation is based on current prices in the active market for similar properties. The main inputs used are quantum, area, location, demand, age of building and trend of fair market rent, ready reckoner rate etc. This fair value is based on valuations performed by an accredited independent valuer. The fair value measurement is categorised in Level 2 fair value hierarchy.

3.4 The carrying value as at 1 April 2016 as per previous GAAP of the Investment Properties is considered as a deemed cost on the date of transition.

Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2020
4 Intangible assets

(₹ in Lakhs)

Particulars	Software	Total
Gross carrying value		
As at 01 April 2018	730	730
Additions	25	25
Foreign currency translation reserve	1	1
Disposals	-	-
As at 31 March 2019	756	756
Additions	20	20
Foreign currency translation reserve	4	4
Disposals	-	-
As at 31 March 2020	780	780
Accumulated Amortisation		
As at 01 April 2018	654	654
Amortisation charge for the year	31	31
Foreign currency translation reserve	1	1
Disposals	-	-
As at 31 March 2019	686	686
Amortisation charge for the year	35	35
Foreign currency translation reserve	2	2
Disposals	-	-
As at 31 March 2020	723	723
Net carrying value		
As at 31 March 2019	70	70
As at 31 March 2020	57	57

Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2020
5 Investments

(₹ in Lakhs)

Particulars	As at 31 March 2020		As at 31 March 2019	
	Quantity (Nos.)	Amount	Quantity (Nos.)	Amount
(i) Investment in Equity shares (fully paid-up)				
Equity investment measured at fair value through other comprehensive income				
a. Quoted				
Indusind Bank Limited (face value ₹ 10 each)	8,541	29	8,541	152
Eicher Motors Limited (face value ₹ 10 each)	600	79	600	123
Hero Motocorp Limited (formerly known as Hero Honda Motors Limited (face value ₹ 2 each)	6,250	100	6,250	160
b. Unquoted				
21st Century Battery Limited (face value ₹ 10 each)	10,000	1	10,000	1
Less: Provision for impairment in value		(1)		(1)
Total investment in equity shares		208		435
(ii) Investment in mutual funds measured at fair value through profit and loss (Unquoted)				
DSP Black Rock Equity Fund	50,000	16	50,000	25
Total non-current investments		224		460

Notes:

Aggregate amount of quoted investments	208	435
Aggregate market value of quoted investments	208	435
Aggregate amount of unquoted investments (gross)	17	26
Aggregate amount of impairment in the value of investments	(1)	(1)

Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2020

		(₹ in Lakhs)	
		As at 31 March 2020	As at 31 March 2019
NON-CURRENT			
6	Loans		
	Unsecured, considered good		
	Security deposits	510	461
	Loans to employees	1	-
	Total	511	461
	Break up of security details		
	Loans receivables considered good - secured	-	-
	Loans receivables considered good - unsecured	511	461
	Loans receivables which have significant increase in credit risk	-	-
	Loans receivables - credit impaired	-	-
	Total	511	461
	Loss allowance	-	-
	Total loans	511	461
7	Other financial assets		
	Margin money deposits with the maturity of more than 12 months (Refer footnote below)	21	6
	Total	21	6
	Footnote		
	Held as lien by bank against bank guarantees amounting to ₹ 15 lakhs (31 March 2019: ₹ 6 lakhs)		
8	Income tax (current-tax) assets (net)		
	Advance taxes paid [net of provision for tax ₹ 27,400 lakhs (31 March 2019: ₹ 26,488 lakhs)]	2,613	2,373
	Total income tax (current-tax) assets	2,613	2,373
9	Other non-current assets		
	Capital advances	1,012	1,001
	Less: Loss allowance	(50)	-
	Prepayments	14	15
	Balance with government authorities	610	609
	Others	-	17
	Total	1,586	1,642
	Current		
10	Inventories		
	Raw materials and components [Including Goods-in-transit ₹ 6 lakhs (31 March 2019 ₹ 39 lakhs)]	7,246	10,306
	Work-in-progress	5,963	6,072
	Finished goods [Including Goods-in-transit ₹ 621 lakhs (31 March 2019 ₹ 1,043 lakhs)]	4,577	5,569
	Stores and spares	4,914	4,857
	Total	22,700	26,804
	Footnote		
	Inventory amounting to ₹ 190 lakhs (31 March 2019: ₹ 135 lakhs) written-down to net realisable value recognised during the year as an expense.		

Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2020

11 Investments (Current)

	(₹ in Lakhs)			
	As at 31 March 2020		As at 31 March 2019	
	Quantity (Nos.)	Amount	Quantity (Nos.)	Amount
A. Investment in Mutual Funds Measured at fair value through profit and loss (unquoted):				
HDFC Ultra Short Term Fund - Direct Growth	6,054,066	682	2,794,655	293
DSP Ultra Short Term Fund - Direct Plan - Growth	11,142	303	-	-
Aditya Birla Sun Life Floating Rate Fund - Growth	-	-	7,867	20
B. Investment in Commercial Paper Measured at amortised cost (unquoted):				
IIFL Wealth Finance Limited	-	-	100	496
Total (A + B)		985		809
Breakup of total current investments				
Aggregate amount of quoted investments		-		-
Aggregate market value of quoted investments		985		809
Aggregate amount of unquoted investments		-		-
Aggregate amount of impairment in value of investments				

	(₹ in Lakhs)	
	As at 31 March 2020	As at 31 March 2019
	12 Trade receivables	
Receivable from:		
- Related parties (Refer note 44)	22	45
- Others	23,452	24,946
Less: Loss allowance	(3,449)	(3,486)
Total receivables	20,025	21,505
Current portion	20,025	21,505
Non-current portion	-	-
Break up of security details		
Trade receivables considered good - secured	101	180
Trade receivables considered good - unsecured	19,924	21,325
Trade receivables which have significant increase in credit risk	-	-
Loss allowance	3,449	3,486
Total	23,474	24,991
Loss allowance	(3,449)	(3,486)
Total trade receivables	20,025	21,505

Footnote :

No trade or other receivable are due from directors or other officers of the Group either severally or jointly with any other person. Refer note 39 for information about credit risk and market risk of trade receivables.

Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2020

- a) The outstanding balances as at 31 March 2020 includes trade receivables of the Holding Company amounting to ₹ 3,171 lakhs, from customers situated outside India. There are delays in receipt of remittance pending settlement beyond the timeline stipulated by the FED Master Direction No. 16/2015-16, under the Foreign Exchange Management Act, 1999. The Holding Company is in the process of recovering these outstanding dues, however provision wherever required has been made in the books. Further the Holding company is in the process of regularizing these delays by filing necessary applications with the appropriate authority for condonation of delays/ penalties, if any. Pending conclusion of the aforesaid matter, the amount of penalty, if any, that may be levied, is not ascertainable. However, management believes that the exposure would not be material. Accordingly, the accompanying consolidated financial statement do not include any adjustments that may arise due to such delay.

13 Cash and cash equivalents

(₹ in Lakhs)

	As at 31 March 2020	As at 31 March 2019
Balances with banks		
- Current Accounts	3,267	2,591
- EEFC Account	1,784	384
- Deposit accounts with the original maturity of less than three months (Refer footnote below)	2,591	40
Cash on Hand	4	4
Total	7,646	3,019

Footnote:

Held as lien by bank against bank guarantees amounting to ₹ 29 lakhs (31 March 2019: ₹ 28 lakhs).

14 Bank balances other than cash and cash equivalents

Margin money deposits (fixed deposit pledged with banks) [Refer footnote (a) below]	86	73
Unpaid dividend [Refer footnote (b) below]	50	37
Total	136	110

Footnote:

(a) Held as lien by bank against bank guarantees amounting to ₹ 59 lakhs (31 March 2019: ₹ 52 lakhs).ss

(b) Unpaid dividend account includes amount of ₹ 42 lakhs pertaining to previous years (31 March 2019 : ₹ 29 lakhs).

15 Loans

Unsecured, considered good

Loans to employees	35	61
Less: Loss allowance	(15)	-
Recoverable from trust	6	-
Total	26	61

Break up of security details

Loans receivables considered good - secured	-	-
Loans receivables considered good - unsecured	41	61
Loans receivables which have significant increase in credit risk	-	-
Loans receivables - credit impaired	(15)	-
Total	26	61
Loss allowance	-	-
Total loans	26	61

Footnote:

No loans or other receivable are due from directors or other officers of the Group either severally or jointly with any other person.

Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2020

		(₹ in Lakhs)			
		As at 31 March 2020	As at 31 March 2019		
16	Other financial assets				
	Interest receivable	6	4		
	Derivative assets	221	530		
	Rent receivable	317	6		
	Total	544	540		
17	Other current assets				
	Advances to suppliers:				
	- Related Parties (Refer note 44)	9	-		
	- Others	817	1,158		
	Advances for expenses	52	89		
	Export incentive and duty drawback receivable	32	-		
	Balance with government authorities	1,886	1,471		
	Prepayments	500	550		
	Gratuity (Refer note 47)	13	10		
	Total	3,309	3,278		
18	Equity share capital				
	Authorised:				
	100,000,000 (31 March 2019 : 100,000,000) Equity Shares of face value ₹ 2 each.	2,000	2,000		
	Total	2,000	2,000		
	Issued, Subscribed and Paid-Up:				
	96,922,600 (31 March 2019 : 96,922,600) Equity Shares of face value ₹ 2 each fully paid up.	1,938	1,938		
	Total	1,938	1,938		
(i)	Reconciliation of number of Equity Shares outstanding at the beginning and at the end of the year:				
		2019-20		2018-19	
	Particulars	(In Nos.)	(₹ in lakhs)	(In Nos.)	(₹ in lakhs)
	Shares outstanding at the beginning of the year	96,922,600	1,938	96,922,600	1,938
	Shares outstanding at the end of the year	96,922,600	1,938	96,922,600	1,938
(ii)	Rights attached to equity shares:				
	a) Right to receive dividend as may be approved by the Board / Annual General Meeting.				
	b) The equity shares are not repayable except in the case of a buy back, reduction of capital or winding up in terms of the provisions of the Companies Act, 2013.				
	c) The Holding Company has one class of equity shares having a par value of ₹ 2 each. Every member of the Company holding equity shares has a right to attend the General Meeting of the Company and has a right to speak and on a show of hands, has one vote if he is present in person and on a poll shall have the right to vote in proportion to his share of the paid-up capital of the Company.				

Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2020

(iii) Details of shareholders holding more than 5% shares in the holding company:

Name of Shareholder	As at 31 March 2020		As at 31 March 2019	
	Number of shares held	% of Holding	Number of shares held	% of Holding
(Late) Trilochan Singh Sahney Trust 1 (held by a trustee in his individual name)	33,809,300	34.88%	33,809,300	34.88%
Harshbeena Sahney Zaveri	10,384,936	10.71%	8,568,704	8.84%
Nalanda India Equity Fund Limited	9,682,667	9.99%	9,682,667	9.99%
HDFC Small Cap fund	8,748,982	9.03%	8,425,182	8.69%

(iv) Details of allotment of shares for consideration other than cash, allotments of bonus shares and shares bought back during past five years

- Aggregate number and class of shares allotted as fully paid up pursuant to contracts without payment being received in cash - Nil
- Aggregate number and class of shares allotted as fully paid up by way of bonus shares - Nil
- Aggregate number and class of shares bought back - Nil

19 Other equity

(₹ in Lakhs)

Reserves and surplus	As at	As at
	31 March 2020	31 March 2019
Securities Premium Reserve	848	848
General Reserve	10,475	10,475
Capital Reserve	15	15
Capital Redemption Reserve	1,011	1,011
Debenture Redemption Reserve	2,250	2,250
Retained Earnings	29,236	30,313
Fair Value Gain on Equity Instruments through OCI	209	436
Foreign currency translation reserve	(293)	(234)
Total	43,751	45,114

i) Securities Premium Reserve

Opening balance	848	848
Add: Transaction during the year	-	-
Closing balance	848	848

ii) General Reserve

Opening balance	10,475	9,475
Add: Transferred from debenture redemption reserve	-	1,000
Closing balance	10,475	10,475

Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2020

	(₹ in Lakhs)	
	As at 31 March 2020	As at 31 March 2019
iii) Capital Reserve		
Opening balance	15	15
Add: Transaction during the year	-	-
Closing balance	15	15
iv) Capital Redemption Reserve		
Opening Balance	1,011	1,011
Add: Transaction during the year	-	-
Closing balance	1,011	1,011
v) Debenture Redemption Reserve		
Opening balance	2,250	3,250
Add: Transfer to general reserve	-	(1,000)
Closing balance	2,250	2,250
vi) Retained Earnings		
Opening Balance	30,313	20,893
Less: Transition impact of Ind AS 116 (net of deferred tax) [Refer note 50]	(43)	-
Add: Profit for the year	3,207	10,822
Less: Other comprehensive income / (loss) for the year (Refer note 37)	(265)	(27)
Less: Final dividend for the year ₹ 2.6 per fully paid up share for 31 March 2019 (31 March 2019: ₹1.2 per fully paid up share for 31 March 2018)	(2,520)	(1,163)
Less: Interim dividend for the year ₹ 0.80 per fully paid up share for 31 March 2020 (31 March 2019: ₹ Nil per fully paid up share)	(775)	-
Less: Dividend distribution tax on final dividend	(522)	(212)
Less: Dividend distribution tax on interim dividend	(159)	-
Closing balance	29,236	30,313
vii) Fair Value Gain on Equity Instruments through OCI		
Opening balance	436	546
Change in Fair value of FVOCI equity instrument (Refer note 37)	(227)	(110)
Closing balance	209	436
viii) Other comprehensive income (items which will be reclassified to profit and loss):		
Foreign currency translation reserve		
Opening balance	(234)	(178)
Add: Addition during the year	(59)	(56)
Closing balance	(293)	(234)

Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2020

Nature and purpose of reserves

i) Securities Premium Reserve

Securities premium is used to record the premium received on issue of shares. The amount will be utilised in accordance with the provisions of the Companies Act, 2013

ii) General Reserve

General Reserve is created from time to time by way of transfer of profits from retained earnings for appropriation purpose. This reserve is a distributable reserve.

iii) Capital Redemption Reserve

It is created on account of merger and the same will be utilised in accordance with the provision of Companies Act 2013

iv) Debenture Redemption Reserve

The Holding Company had issued non-convertible debentures and accordingly Debenture redemption reserve was required to be created in accordance with the Companies (Share capital and debentures) Rules 2014. Pursuant to the Companies (Share Capital and Debentures) Amendment Rules, 2019, relaxation has been provided to certain companies from creation of Debenture redemption reserve. Thus, basis such amendment, the Holding Company is no longer required to create debenture redemption reserve.

v) Retained Earnings

Retained earnings represents the accumulated profits / losses made by the Group over the years.

vi) Fair Value of Equity Instruments through OCI

The Group has elected to recognise changes in the fair value of equity investments in Other Comprehensive Income. These changes are accumulated within the FVOCI equity investment reserves within equity and will be transferred to retained earnings on derecognition of these equity instruments.

vii) Foreign currency translation reserve

The exchange differences arising on translation of foreign operations are recognised in other comprehensive income and accumulated in a separate reserve within equity. The same will be cumulatively reclassified to profit or loss when the foreign operation is disposed off.

20 Borrowings (Non-Current)

(₹ in lakhs)

	As at 31 March 2020	As at 31 March 2019
Non convertible Debentures - Unsecured (Refer note (a) below)	2,992	4,974
External commercial borrowings from bank - Secured (Refer note (b) below)	862	1,573
Foreign Currency Term Loan from banks - Secured (Refer note (c) below)	560	1,192
Term Loan from banks - Secured (Refer note (d) below) (*)	2,500	-
Deferred sales tax loan - Unsecured (Refer note (e) below)	410	551
Total	7,324	8,290

(*) Per the terms of the sanction letter, the Holding Company must create security mortgage in respect of the aforesaid loan. However, the Company was unable to create the security mortgage on account of procedural delays and practical difficulties faced on account of nationwide lockdown. The Company is committed towards the creation of security mortgage and has thus classified such borrowings as secured in accordance with the terms of the borrowing.

Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2020

(₹ in Lakhs)

	Particulars	Security	Terms of repayment of principal	No: of installment o/s	Rate of interest	As at 31 March 2020	As at 31 March 2019s
a	Non-convertible Debentures						
	300 Non convertible debentures of face value of ₹ 1,000,000 each	Unsecured	Redeemable at par, on 12 September 2023	1	9.60%	3,150	3,149
	200 Non convertible debentures of face value of ₹ 1,000,000 each	Unsecured	Redeemable at par, on 12 June 2020	1	9.49%	2,152	2,155
	Comprises of				Total	5,302	5,304
	Long Term Borrowings					2,992	4,974
Current maturities of long term debt (*)					2,310	330	
						5,302	5,304
b	External commercial borrowings from bank						
	External commercial borrowings	Secured by hypothecation of charge on specified moveable assets as and by way of first exclusive charge with borrower to have a minimum Fixed Asset Coverage Ratio(FACR) of 1.1x	Quarterly installments starting from 4 February 2019 to be completed in 4 February 2022	8	6.40%	1,743	2,381
	Comprises of				Total	1,743	2,381
	Long Term Borrowings					862	1,573
	Current maturities of long term debit (*)					881	808
						1,743	2,381
c	Foreign Currency Term Loan from banks						
	Term Loan	Secured by first exclusive charge by way of a hypothecation over the specified moveable properties both present and future	Quarterly installments starting from 14 June 2018 to be completed in 14 December 2021	7	3.95% to 6.00%	1,309	1,880
	Comprises of				Total	1,309	1,880
	Long Term Borrowings					560	1,192
	Current maturities of long term debt (*)					749	688
						1,309	1,880
d	Term Loan from others						
	Term Loan	Secured by exclusive charge by way of Mortgage of a residential property of the Company situated in Mumbai.	Annual installments starting from 08 April 2021 to be completed in 08 April 2023	3	9.25%	2,500	-
	Comprises of				Total	2,500	-
	Long Term Borrowings					2,500	-
							2,500
e	Deferred sales tax loan						
	Deferred sales tax loan	Unsecured	Annual installments to be completed by May 2025	6	-	562	735
	Comprises of				Total	562	735
	Long Term Borrowings					410	551
	Current maturities of long term debt (*)					152	184
						562	735

* Includes interest/instalments payable, recognised as part of carrying value of financial liabilities at amortised cost.

Refer note 39 for contractual cash flow

Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2020
21 Other financial liabilities (₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Lease liability	53	-
Total	53	-

22 Deferred tax liabilities (net) (₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Deferred tax liability on account of :		
Depreciation and amortisation expense	(3,256)	(2,740)
IND AS 116 (Right of Use Asset)	(84)	-
Outside basis tax	(182)	(182)
Financial liability measured at amortised cost	(5)	(5)
Fair valuation of derivative contracts	(50)	(23)
Others	(18)	(1)
	(3,595)	(2,951)
Deferred tax assets on account of :		
Provision for Gratuity	202	76
Provident fund contribution	23	-
Provision for doubtful debts	1,206	1,220
Voluntary retirement compensation	-	14
Provision for compensated absence	345	345
Lease liability (*)	106	-
Minimum alternate tax credit entitlement	128	-
Unrealised profits on intercompany transactions	62	62
	2,072	1,717
Total	1,523	1,234

23 Other non-current liabilities (₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Advance received	168	-
Total	168	-

Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2020
24 Short Term Borrowings

(₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Secured		
Loans from banks - Repayable on demand	11,260	6,504
Cash credit - Repayable on demand	2,443	2,125
Loans in foreign currency from banks - Repayable on demand	2,763	3,571
Unsecured		
Loans from banks	2,511	2,500
Commercial papers [Maximum balance outstanding during the year ₹ 5,500 lakhs (31 March 2019 ₹ 3,500 lakhs)]	5,500	3,000
Total	24,477	17,700

Footnote:

The Carrying amount of assets given as security for secured borrowings are disclosed in note 45

(₹ in lakhs)

Particulars	Security	As at 31 March 2020	As at 31 March 2019
Loans from banks			
Working capital demand loans	Secured by first pari passu hypothecation charge on all the existing and future current assets of the holding company	9,460	6,495
Packing credit loan	Secured by first pari passu hypothecation charge on all the existing and future current assets of the holding company.	1,500	-
Cash credit - repayable on demand	Secured by first pari passu charge on current assets and control by Holding company to remain at present level during the tenure of facility	300	9
		11,260	6,504
Cash credit - repayable on demand	Secured by Irrevocable Standby Letter of Credit (SBLC) issued by Citibank N.A, India.	2,443	2,125
		2,443	2,125
Loans in foreign currency from banks			
Packing credit loan	Secured by first pari passu charge on current assets of the Holding Company	2,763	3,571
		2,763	3,571

Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2020

25 Trade payables

(₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Micro and small enterprises [Refer footnote below]	1,208	1,079
Amounts due to related parties (Refer note 44)	19	73
Trade payables: others	7,148	10,703
Total	8,375	11,855

Footnotes:

The Group has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:

a) The principal amount remaining unpaid to any supplier at the end of the year	1,172	1,064
b) Interest due remaining unpaid to any supplier at the end of the year	36	15
c) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-
d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	36	15
e) The amount of interest accrued and remaining unpaid at the end of each accounting year	36	15
f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act, 2006	-	-

Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the group regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the Group.

26 Other financial liabilities

(₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Current Maturities of Long-Term Borrowings (Refer note 20)		
- Non Convertible debentures	2,310	330
- External commercial borrowings from bank	881	808
- Foreign currency term loan from banks	749	688
- Deferred sales tax loan (Refer footnote iii)	152	184
Derivative liability	77	313
Security deposits	293	865
Book overdraft	1	-
Unpaid dividends (unclaimed) (Refer footnote i and ii)	50	27
Lease liability	142	-
Other Payables		
- Property plant and equipment	2,068	1,529
- Employee related liability	853	1,350
- Others	-	10
Total	7,576	6,104

Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2020

Footnotes:

- i. There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as 31 March 2020 (31 March 2019: ₹ Nil).
- ii. Current year number includes interim dividend declared by the board of directors at their meeting dated 11 February 2020.
- iii. During the current year, the Holding Company has made payment of the installment due towards Deferred sales tax borrowing after suo-moto adjusting refund due to the Holding Company pertaining to earlier years amounting to ₹ 11 lakhs, which the Company has been following up since a long time. The Company is awaiting the refund adjustment order from the Department of sales tax.

27 Other current liabilities

(₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Statutory dues	389	296
Advances received	243	165
Total	632	461

28 Provisions

(₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Provision for employee benefits		
- Compensated Absences	992	935
- Gratuity	554	195
Others	9	6
Total	1,555	1,136

29 Revenue from Operations

(₹ in Lakhs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Sale of Products		
Finished goods - Bearings	76,510	94,908
Other operating revenues		
Sale of Raw Materials	27	18
Sale of Machine	11	37
Scrap Sales	664	1,045
Liabilities no longer required, written back	23	27
Sale of tools	16	-
Export incentives	302	424
Other operating income	42	43
Total	77,595	96,502

Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2020
30 Other Income

(₹ in Lakhs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Dividend Income on financial assets measured at FVOCI	8	7
Dividend Income on financial assets measured at FVTPL	5	3
Interest Income on financial assets measured at amortised cost		
- From banks on deposits	17	35
- On commercial paper	4	20
Fair value changes on financial assets measured at FVTPL	41	14
Fair valuation gain on derivative instrument measured at FVTPL	76	150
Profit on sale of property plant and equipment (net)	3	49
Rent	126	127
Net gain on foreign currency transactions and translation	1,259	67
Profit on sale of investment	16	-
Interest on electricity deposit	21	17
Insurance claim received	24	-
Others	7	61
Total	1,607	550

31 Cost of materials consumed

(₹ in Lakhs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Raw material, components and packing material consumed		
Opening stock	10,306	4,478
Add: Purchases	26,359	44,626
Less: Closing stock	(7,246)	(10,306)
Total	29,419	38,798

32 Changes in inventories of finished goods and work-in-progress

(₹ in Lakhs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
At the beginning of the Year		
Work-in-progress	6,072	4,421
Finished goods	5,569	3,577
	11,641	7,998
At the end of the Year		
Work-in-progress	5,963	6,072
Finished goods	4,577	5,569
	10,540	11,641
Total	1,101	(3,643)

33 Employee benefits expense

(₹ in Lakhs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Salaries, allowances and other benefits	12,028	12,082
Contribution to provident and other funds (Refer note 47)	750	1,012
Staff welfare expenses	887	626
Total	13,665	13,720

Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2020
34 Finance costs (₹ in Lakhs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Interest Expense on financial liabilities measured at amortised cost		
- Long term borrowings	922	819
- Short term borrowings	1,068	664
Interest on lease liability (Refer note 50)	26	-
Exchange difference regarded as an adjustment to borrowing cost	154	-
Other borrowing costs	7	6
Total	2,177	1,489

35 Other Expenses (₹ in Lakhs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Consumption of stores and spare parts	7,031	7,594
Processing charges	1,773	2,636
Power and fuel	3,256	3,479
Repairs and maintenance -		
Buildings	239	251
Plant and machinery	564	555
Others	124	117
Insurance	215	210
Rent [Refer note 50(ii)]	304	438
Rates and taxes	169	125
Legal and professional fees	1,142	1,174
Directors' fees and commission (Refer note 44)	48	105
Commission on sales	877	1,022
Travelling and conveyance	867	980
Postage, telephone and fax	64	73
Bank charges	68	82
Advertisement and sales promotion expenses	312	399
Forwarding charges	2,810	3,966
Bad debts written off [net of amounts provided thereagainst ₹ 41 lakhs (31 March 2019 ₹ Nil lakhs)]	63	-
Provision for doubtful debts [net of amount reversed thereagainst ₹ 15 lakhs (31 March 2019 ₹ Nil lakhs)]	4	760
Information technology expenses	365	436
Provision for doubtful advances	65	-
Fair valuation loss on Derivative contracts	150	-
Fair valuation loss on financial assets measured at FVTPL	9	-
Auditors' remuneration (Refer note 35.1 below)	102	69
Expenditure on Corporate Social Responsibility	239	203
Contract Labour	2,327	2,674
Sanitation and housekeeping expenses	263	258
Export expenses	320	259
Security charges	310	254
Miscellaneous expenses	749	983
Total	24,829	29,102

Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2020
35.1 Auditors' (of the Parent) remuneration (excluding service tax / Goods and service tax) (₹ in Lakhs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
For statutory audit (including limited review)	66	56
For tax audit	5	4
For GST audit	19	-
For other services	9	7
For reimbursement of expenses	3	2
Total	102	69

35.2 Exceptional gain during the year ended 31 March 2019 represents surplus on sale of property.

36 Tax expense in statement of profit and loss (including OCI) (₹ in Lakhs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Current tax expense		
Current tax for the year	912	4,049
Total current tax expense	912	4,049
Deferred taxes		
Deferred tax expense for the year	311	656
Net deferred tax expense / (credit)	311	656
Total	1,223	4,705

36.1 Tax reconciliation (for profit and loss) (₹ in Lakhs)

Profit before income tax expense	4,682	15,710
Tax at the rate of 34.944% (for 31 March 2019 - 34.944%) (*)	1,636	5,490
<u>Tax effect of amounts which are not deductible / not taxable in calculating taxable income</u>		
Non deductible expenses for tax purpose	34	33
Fair value of current investment	9	(9)
Exempt income	(79)	(50)
Additional allowances for tax purpose	(359)	(393)
Adjustment due to change in tax rates	(50)	(170)
Tax adjustment of prior years	-	(218)
Adjustment on account of Ind As 116 transition	22	-
Others	10	22
Income tax expense	1,223	4,705

(*) The tax rate used for reconciliation above is the Corporate tax rate of 34.944% payable by parent entity in India on taxable profits under Indian tax law.

Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2020

36.2 Deferred tax related to the following:

(₹ in Lakhs)

Deferred tax liability (Net)	As at 31 March 2020	Recognised through profit and loss, retained earnings and OCI	As at 31 March 2019	Recognised through profit and loss through OCI	As at 31 March 2018
Deferred tax liabilities on account of:					
Difference between book and tax depreciation	(3,256)	(516)	(2,740)	(840)	(1,900)
IND AS 116 (Right of Use Asset) (*)	(84)	(84)	-	-	-
Outside basis tax	(182)	-	(182)	-	(182)
Financial liability measured at amortised cost	(5)	-	(5)	-	(5)
Fair valuation of derivative contracts	(50)	(27)	(23)	(23)	-
Others	(18)	(17)	(1)	-	(1)
Total deferred tax liabilities	(3,595)	(644)	(2,951)	(863)	(2,088)
Deferred tax assets on account of:					
Provision for gratuity (#)	202	126	76	49	27
Provident fund contribution	23	23	-	-	-
Provision for doubtful debts	1,206	(14)	1,220	184	1,036
Voluntary retirement compensation	-	(14)	14	(15)	29
Provision for compensated absence (**)	345	0	345	46	299
Lease liability (*)	106	106	-	-	-
Minimum alternate tax credit entitlement	128	128	-	-	-
Unrealised profits on intercompany transactions	62	-	62	-	62
Fair valuation of derivative contracts	-	-	-	(56)	56
Total deferred tax assets	2,072	355	1,717	208	1,509
Total deferred tax liability (Net)	1,523	289	1,234	655	579

(*) Amount of deferred tax recognised through retained earnings is on account of the implication of Ind AS 116 [Refer note 50]

(**) Amount lower than ₹ 1 Lakh

(#) Includes credit of ₹ 140 lakhs (31 March 2019: ₹ 15 lakhs) recognised in OCI.

37 Other Comprehensive Income (OCI)

(₹ in Lakhs)

	Year ended 31 March 2020	Year ended 31 March 2019
Items that will not be reclassified to profit or loss		
Actuarial gain/(loss) on remeasurements of the net defined benefit plans	(410)	(42)
Fair value changes on equity instruments through other comprehensive income	(227)	(110)
Tax on above	141	15
	(496)	(137)
Items that will be reclassified to profit or loss		
Exchange differences in translating the financial statements of a foreign operation	(59)	(56)
Tax on above	-	-
	(59)	(56)
Total	(555)	(193)

Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2020
38 Fair value measurements

(₹ in lakhs)

Financial instruments by category:

Particulars	31 March 2020			31 March 2019		
	FVOCI	FVTPL	Amortised cost	FVOCI	FVTPL	Amortised cost
Financial Assets - Non-current						
Investments	208	16	-	435	25	-
Loans	-	-	511	-	-	461
Other financial assets	-	-	21	-	-	6
Financial Assets - Current						
Investments	-	985	-	-	313	496
Trade receivables	-	-	20,025	-	-	21,505
Cash and cash equivalents	-	-	7,646	-	-	3,019
Bank balances other than cash and cash equivalents	-	-	136	-	-	110
Loans	-	-	26	-	-	61
Other financial assets	-	221	323	-	530	10
Financial Liabilities - Non-Current						
Borrowings (including current maturities)	-	-	11,416	-	-	10,300
Other financial liabilities	-	-	53	-	-	-
Financial Liabilities - Current						
Short term borrowings	-	-	24,477	-	-	17,700
Trade payables	-	-	8,375	-	-	11,855
Other financial liabilities	-	77	3,407	-	313	3,781

I. Fair value hierarchy

The fair values of the financial assets and liabilities are included at the amount 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.

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. For example, listed equity instruments that have quoted market price.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

During the periods mentioned above, there have been no transfers amongst the levels of hierarchy.

Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2020

II. Valuation techniques used to determine fair value

Significant valuation techniques used to value financial instruments include:

The fair values for investment in equity instrument and mutual fund are based on the quoted market prices. Fair values of security deposits, loans are based on discounted cash flows using a discount rate determined considering incremental borrowing rate. Non current borrowings are fair valued using effective interest rates.

Fair valuation of interest rate swap and foreign currency option contracts are calculated on the basis of estimated mid-market levels, estimated bid-side or offer side levels, or on the basis of indicative bid or offer or unwind prices or on such other appropriate basis. It is derived from other proprietary or other pricing models based on certain assumptions.

Fair valuation of forward exchange contracts are determined using forward exchange rates at the balance sheet date.

The carrying amounts of trade receivables, cash and cash equivalent, other bank balances, current loans, other current financial assets, other non-current financial liabilities, short term borrowings, trade payables, other current financial liabilities are considered to be approximately equal to the fair value.

III. Valuation Process

The finance department performs the calculations of financial assets and liabilities required for financial reporting purposes. This team reports directly to the chief financial officer (CFO). Discussions of valuation processes and results are held between the CFO and the finance team at least once every three months, in line with the quarterly reporting periods.

IV. Financial assets and liabilities measured at fair value - recurring fair value measurement:

(₹ in lakhs)

Particulars	31 March 2020			31 March 2019		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Assets						
Mutual fund investments measured at FVTPL	1,001	-	-	338	-	-
Investments in equity instrument measured at FVOCI	208	-	-	435	-	-
Interest rate swap and foreign currency option	-	221	-	-	345	-
Forward contract	-	-	-	-	185	-
Financial Liability						
Interest rate swap and foreign currency option	-	77	-	-	278	-
Forward contract	-	-	-	-	35	-

V. Fair value of financial assets measured at amortised cost (It is categorised under Level 2 of fair value hierarchy)

(₹ in lakhs)

Particulars	31 March 2020		31 March 2019	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets				
Security deposits	511	511	461	461
Other non current financial assets	21	21	6	6
Financial Liabilities				
Non-current borrowings (including current maturities)	11,416	11,416	10,300	10,300

Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2020

39 Financial risk management

The Group's principal financial liabilities comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include loans, trade and other receivables, investments and cash and cash equivalents that derive directly from its operations.

The Group is exposed to credit risk, market risk and liquidity risk. The senior management of the respective entities are responsible for and oversee the management of the risks of each entity separately. The group management and the Board is apprised of the status and decisions made at each of these entities separately.

A Credit risk

The Group is exposed to credit risk from its operating activities (primarily for trade receivables) and from its financing activities (deposits with banks and other financial instruments).

Credit risk management

To manage credit risk, the Group follows a policy of providing 0-90 days credit on the basis of nature of customers. The credit limit policy is established considering the current economic trends of the industry in which the Group is operating.

However, the trade receivables are monitored on a periodic basis for assessing any significant risk of non-recoverability of dues and provision is created accordingly.

Bank balances and deposits are held with only high rated banks and majority of other security deposits are placed majorly with government agencies/public sector undertakings.

Age of receivables that are past due:

(₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Upto 3 months	16,190	17,527
3 - 6 months	1,821	1,484
6 - 12 months	2,474	1,117
More than one year	2,989	4,863
Total	23,474	24,991
Provision for expected credit loss created	(3,449)	(3,486)

B Liquidity risk

Liquidity risk is defined as the risk that the Group will not be able to settle or meet its obligations on time or at a reasonable price. For the Group, liquidity risk arises from obligations on account of financial liabilities – borrowings, trade payables and other financial liabilities.

Liquidity risk management

The Group's corporate finance department is responsible for liquidity and funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Group's net liquidity position through rolling forecasts on the basis of expected cash flows.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments at each reporting date:

Maturities of financial liabilities

(₹ in lakhs)

As at 31 March 2020	Within 1 year	Between 1 and 2 years	Beyond 2 years	Total
Non-derivative				
Non-current borrowings (including current maturities)	4,092	2,401	4,923	11,416
Other non current financial liabilities	-	33	20	53
Short term borrowings	24,477	-	-	24,477
Trade payables	8,375	-	-	8,375
Other current financial liabilities	3,407	-	-	3,407
Derivative				
Interest rate swap and foreign currency option	77	-	-	77
Total	40,428	2,434	4,943	47,805

Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2020

(₹ in lakhs)

As at 31 March 2019	Within 1 year	Between 1 and 2 years	Beyond 2 years	Total
Non-derivative				
Non-current borrowings (including current maturities)	2,010	3,603	4,687	10,300
Short term borrowings	17,700	-	-	17,700
Trade payables	11,855	-	-	11,855
Other current financial liabilities	3,781	-	-	3,781
Derivative				
Interest rate swap, foreign currency option and forward contract	313	-	-	313
Total	35,659	3,603	4,687	43,949

C Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: Foreign currency risk, interest rate risk and price risk.

(i) Foreign currency risk

The Group is exposed to foreign exchange risk on their receivables, payables which are held in USD, EUR, CHF and JPY. The fluctuation in the exchange rate of INR relative to these currencies may have a material impact on the Group's assets and liabilities.

Foreign currency risk management

In respect of the foreign currency transactions, the Group hedge substantial exposure via forward contracts and foreign currency options, remaining exposures are unhedged since the management believes that the same is insignificant in nature and also it will be offset by the corresponding receivables and payables which will be in the nature of natural hedge.

The group's exposure to foreign currency risk at the end of reporting period are as under:

(₹ in lakhs)

Particulars	31 March 2020			
	USD	EURO	CHF	JPY
Financial liabilities				
Trade payables	218	377	13	233
Capital creditors	222	-	-	1,553
Loans payable	3,052	2,763	-	-
Forward contract payable	-	-	-	-
Foreign currency option contracts	(2,120)	-	-	-
Financial assets				
Trade receivables	5,836	10,321	-	-
Balance with government authorities	-	1,113	-	-
Bank balance in EEFC account	500	1,284	-	-
Net exposure to foreign currency assets / (liabilities)	4,964	9,578	(13)	(1,786)

Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2020

(₹ in lakhs)

Particulars	31 March 2019			
	USD	EURO	CHF	JPY
Financial liabilities				
Trade payables	128	630	12	895
Capital creditors	-	1,127	-	320
Loans payable	4,261	3,571	-	-
Forward contract payable	(129)	(139)	-	(107)
Foreign currency option contracts	(2,962)	-	-	-
Financial assets				
Trade receivables	6,783	8,534	-	-
Balance with government authorities	-	471	-	-
Bank balance in EEFC account	52	332	-	-
Forward contract receivable	(674)	(223)	-	-
Net exposure to foreign currency assets / (liabilities)	4,863	3,925	(12)	(1,108)

Sensitivity to foreign currency risk

The following table demonstrates the sensitivity in above currencies with all other variables held constant. The below impact on the Group's profit before tax is based on changes in the fair value of unhedged foreign currency monetary assets and liabilities at balance sheet date:

(₹ in lakhs)

Currencies	31 March 2020		31 March 2019	
	Increase by 2%	Decrease by 2%	Increase by 2%	Decrease by 2%
USD	99	(99)	97	(97)
EUR	192	(192)	79	(79)
CHF (*)	(0)	0	(0)	0
JPY	(36)	36	(22)	22

(*) Amount lower than ₹ 1 Lakh

Sensitivity analysis to foreign currency risk includes an exposure to foreign exchange fluctuations on long term foreign currency loans of \$40 lakhs equivalent to ₹ 3,029 lakhs (31 March 2019 - \$61 lakhs equivalent to ₹ 4,232 lakhs) that have been capitalised into the cost of the related assets and are expected to impact profit or loss over a period of 6 to 15 years in the form of adjustment to the depreciation charge.

(ii) Cash flow and fair value interest rate risk

The Group's interest rate risk is mainly due to the long term borrowing acquired at floating interest rate. The Group's policy is to maintain most of its borrowing at fixed rate using interest rate swaps to achieve this when necessary. During 31 March 2020 and 31 March 2019, the Group's borrowing at variable rate were mainly denominated in INR and USD.

The fixed rate borrowing are carried at amortised cost, hence they are not subject to interest rate risk since the carrying amount and future cash flows will not fluctuate because of change in market interest rates.

The group's borrowing structure at the end of reporting period are as follows:

(₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Variable rate borrowings	8,558	9,966
Fixed rate borrowings	26,773	17,299
Interest free borrowings	562	735
Total	35,893	28,000

Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2020

As at the end of the reporting period, the group had the following variable rate borrowings and interest rate swap contracts outstanding: (₹ in lakhs)

Particulars	31 March 2020		31 March 2019	
	Balance	% of total loans	Balance	% of total loans
Variable rate loan	8,558	23.84%	9,966	35.59%
Interest rate swaps	(3,052)	-8.50%	(4,261)	-15.22%
Net exposure to cashflow interest rate risk	5,506	15.34%	5,705	20.37%

Sensitivity analysis - Variable rate borrowing (₹ in lakhs)

Interest rate	Impact on profit before tax	
	31 March 2020	31 March 2019
Increase by 50 basis points	(43)	(50)
Decrease by 50 basis points	43	50

Sensitivity analysis - Interest rate swap (₹ in lakhs)

Interest rate	Impact on profit before tax	
	31 March 2020	31 March 2019
Increase by 50 basis points	15	21
Decrease by 50 basis points	(15)	(21)

(iii) Price Risk

The Group is exposed to price risk from its investment in equity instruments measured at fair value through other comprehensive income and mutual fund measured at fair value through profit and loss.

(₹ in lakhs)

Sensitivity	31 March 2020	31 March 2019
Impact on profit before tax for 5% increase in value	11	23
Impact on profit before tax for 5% decrease in value	(11)	(23)

40 Capital Management

A. Risk management

The Group's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

The Group monitors its capital by using gearing ratio, which is net debt divided to total equity. Net debt includes non-current and current borrowings net of cash and cash equivalents and total equity comprises of Equity share capital, security premium, general reserve, other comprehensive income and retained earnings.

B. The capital composition is as follows:

(₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Gross debt	35,893	28,000
Less: Cash and cash equivalents	(7,646)	(3,019)
Add: lease liability (including current)	195	-
Net debt (A)	28,442	24,981
Equity (B)	46,639	47,989
Gearing ratio (A / B) (%)	60.98%	52.06%

Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2020

C. Loan covenants

In case of variable rate borrowing facility availed by the Holding Company, there are various financial covenants, i.e. the externally imposed capital requirements, which are standard in nature; mainly relating to leverage, debt service coverage ratio and asset coverage ratio specified in the loan agreements. These covenants are monitored by the Holding Company on a regular basis. The Earnings Before Interest, Tax Depreciation and Amortisation (EBITDA) of the Holding Company has been impacted due to which earnings related financial covenants have not been met. The Holding Company is in the process of obtaining waiver towards such breach of financial covenants. The lender of the Holding Company has not taken any action against such violation, hence borrowings have been classified as per their original contractual terms.

D. Dividends

(₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Equity Shares (Face value of Rs. 2 each)		
Final dividend - ₹ 2.6 per share for each fully paid up share for financial year ended 31 March 2019 (31 March 2018: ₹ 1.2 per share for each fully paid share)	2,520	1,163
Interim dividend - ₹ 0.80 per share for each fully paid up share for 31 March 2020	775	-
Dividend distribution tax on Final dividend	522	212
Dividend distribution tax on interim dividend	159	-
Dividends not recognised at the end of the reporting period		
In addition to the above dividends, since the year end, the directors have recommended the payment of a final dividend of ₹ Nil (31 March 2019 – ₹ 2.60 per fully paid equity share).	-	2,520

41 Net debt reconciliation

(₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Short term borrowings	24,477	17,700
Non Current borrowing including current maturities	11,416	10,300
Lease Obligation	195	-
Cash and cash equivalents	7,646	3,019
Net debt	28,442	24,981

Particulars	Short term borrowings (A)	Non Current borrowing including current maturities (B)	Lease Obligation (C)	Cash and cash equivalents (D)	Total
Net debt as on 1 April 2018	10,468	11,136	-	1,278	20,326
Cash flows	7,280	(836)	-	1,715	4,729
Interest paid	(664)	(825)	-	-	(1,489)
Finance cost	664	825	-	-	1,489
Exchange gain/(loss)	(48)	-	-	26	(74)
Net debt as on 31 March 2019	17,700	10,300	-	3,019	24,981
Recognized on adoption of Ind AS 116 (refer note 50)	-	-	332	-	332
Cash flows	6,468	845	(163)	4,609	2,541
Interest paid	(1,229)	(929)	-	-	(2,158)
Finance cost	1,229	922	26	-	2,177
Exchange gain/(loss)	309	278	-	18	569
Net debt as on 31 March 2020	24,477	11,416	195	7,646	28,442

Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2020

42 Interest in other entities

The Consolidated Financial Statements present the Consolidated Accounts of NRB Bearings Limited with its following subsidiaries (₹ in lakhs)

Sr. No	Name of the Subsidiaries	Principal place of business and country of incorporation	Activities	Proportion of ownership interest 31 March 2020	Proportion of ownership interest 31 March 2019
1	SNL Bearings Limited	India	Manufacture and marketing of bearing products	73.45%	73.45%
2	NRB Bearings Europe GmbH	Europe	Marketing of bearing products and customer support services	100%	100%
3	NRB Bearings (Thailand) Limited	Thailand	Manufacture and marketing of bearing products	100%	100%
4	NRB Bearings USA Inc. (*)	USA	Marketing of bearing products and customer support services	100%	-

(*) The Company was incorporated on 06 December 2018; the equity investment was done only during the current year.

43 Non controlling interests (NCI)

(₹ in lakhs)

Below is the summarised financial information for SNL Bearings Limited as it has non controlling interests that are material to the Group. The amount disclosed is before inter-company elimination:

Summarised balance sheet	As at 31 March 2020	As at 31 March 2019
Current assets	2,785	2,807
Current liabilities	572	395
Net current assets	2,213	2,412
Non - Current assets	1,393	1,141
Non - Current liabilities	132	129
Net non-current assets	1,261	1,012
Net assets	3,474	3,424
Accumulated NCI	950	937

(₹ in lakhs)

Summarised statement of profit and loss	Year ended 31 March 2020	Year ended 31 March 2019
Revenue	3,414	4,064
Profit for the year	417	814
Other comprehensive income	(16)	(2)
Total comprehensive income	401	812
Profit allocated to NCI	111	168
Other comprehensive income allocated to NCI (*)	(4)	(0)

(*) Amount lower than ₹ 1 lakh

Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2020

(₹ in lakhs)

Summarised cash flows	Year ended 31 March 2020	Year ended 31 March 2019
Cash flow from operating activities	763	228
Cash flow from investing activities	(456)	(10)
Cash flow from financing activities	(59)	(210)
Net increase in cash and cash equivalents	248	8

44 Related Party Disclosure:

As per Ind AS 24 "Related party Disclosures", disclosure of transactions with the related parties as defined in the Accounting Standard are given below:

(I) Names of related parties and description of relationship with the Company (where transactions have taken place during the year, except for control relationships where parties are disclosed irrespective of transactions)

Individual having substantial interest in the voting power	Late Mr. T. S. Sahney, Chairman (Deceased on 16 October 2018)
Key Management Personnel	Ms. Harshbeena Zaveri, Vice Chairman and Managing Director Mr. S. C. Rangani, Executive Director Mr. A.S. Kohli [Executive director in NRB Bearings (Thailand), Limited] Mr. D. S. Sahney Mr. Tashwinder Singh Ms. A. A. Gowariker (upto 30 October 2018) Mr. Ashank D Desai Ms. Vishakha Maheshwari Mr. J. D. Diwan Mr. Vivek Sahai Mr. Ravi Teltia (w.e.f 6 April 2020) Mr. Rustom Desai Mr. Claude D'Gama Rose Mr. Kishore Ochani (with effect from 6 December 2018)
Trust	SNL Employee Provident Fund Trust SNL Officer's Provident Fund Trust NRB Bearings Limited - Staff Gratuity Fund NRB Bearings Limited - Officer's Gratuity Fund
A firm where Late Mr. T. S. Sahney was a partner	New Indo Trading Company (upto 16 October 2018)
A firm where Ms. Harshbeena Zaveri is a partner	New Indo Trading Company (with effect from 15 May 2019)
Trust in which KMP has significant influence	(Late) Trilochan Singh Sahney Trust 1
Company over which relative of KMP are able to exercise significant influence	NRB Industrial Bearings Limited First Engineering Technologies Pvt Ltd First Technology BV (with effect from 9 August 2019)

Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2020

(II) Transactions with related parties during the year: (₹ in lakhs)

Name of Related Party	Nature of Transaction	Volume of transaction		Receivable as at		Payable as at	
		31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019
NRB Industrial Bearings Limited	Sale of Finished Goods	-	119	18	41	-	-
	Purchase of raw materials	-	3	-	-	-	-
First Engineering Technologies Private Limited	Purchase of property, plant and equipment	7	-	-	-	-	-
	Sale of Finished Goods	3	-	4	4	-	-
	Purchase of raw materials	13	-	9	-	-	-
	Miscellaneous expenses	1	-	-	-	-	-
	Sales promotion expenses	4	-	-	-	-	-
First Technology BV	Purchase of Services	134	-	-	-	-	-
New Indo trading	Service Charges	5	-	-	-	1	-

Transactions with related parties during the year (contd.): (₹ in lakhs)

Name of Related Party	Nature of Transaction	Volume of transaction		Receivable as at		Payable as at	
		31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Trilochan Singh Sahney Trust 1 (shares held by a trustee in his individual name)	Final Dividend paid	1,150	-	-	-	-	-
Mr. T.S Sahney	Sitting fees and commission (as Non-executive Chairman)	-	44	-	-	-	43
Ms. Harshbeena Zaveri	Dividend paid (*)	0	-	-	-	-	-
	Remuneration	521	445	-	-	-	-
	Dividend paid	356	2	-	-	-	-
	Sale of Flat	-	1,740	-	-	-	-
Mr. S. C. Rangani	Sitting fee and commission	29	99	-	-	30	99
	Remuneration	113	137	-	-	-	-
	Commission, sitting fees and dividend	-	-	-	-	1	-
Mr. D. S. Sahney	Sitting Fees and Commission	3	4	-	-	1	3
	Dividend paid	29	-	-	-	-	-
Mr. Kishore Ochani (with effect from 6 December 2018)	Remuneration	242	-	-	-	-	-
Mr. A. S. Kohli	Remuneration	26	28	-	-	-	-
	Sitting Fees and Commission	-	3	-	-	-	-
	Dividend Paid (*)	0	-	-	-	-	-
Other KMPs (Directors)	Sitting fees and commission to non-executive directors	45	57	-	-	16	27
Trust	Contribution to provident fund trust - Employer's Contribution	5	5	-	-	-	-
	Contribution to provident fund trust - Employee's Contribution	9	9	-	-	-	-
	Contribution to gratuity fund trust	193	73	-	-	-	-

* Amount lower than ₹ 1 Lakhs

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 year.

Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2020

(III) Key managerial personnel compensation

(₹ in lakhs)

Particulars	31 March 2020	31 March 2019
Short term employee benefits	903	680
Post-employment benefits	28	29
Total compensation (*)	931	709

(*) This aforesaid amount does not include benefits determined on actuarial basis as the same is not determinable for individuals.

45 Collateral / Security pledged

The carrying amount of assets pledged as security for current and non-current borrowings of the group are as follows:

(₹ in lakhs)

Particulars	31 March 2020	31 March 2019
Property, plant and equipment (at gross cost) (specific assets)	6,151	6,151
Current asset	56,319	56,695
Stand by letter of Credit	2,528	2,376
Total assets pledged	64,998	65,222

46 Contingent liabilities, Capital and other commitments

(₹ in lakhs)

	Particulars	31 March 2020	31 March 2019
a	<u>Contingent liabilities not provided for</u>		
	Income Tax	2,534	1,209
	Sales Tax and Value Added Tax	237	618
	Provident Fund (Refer footnote below)	Amount not determinable	Amount not determinable

The Indian subsidiary had received an Order dated 6 September, 2004 from the Employees Provident Fund Organisation raising a demand of ₹ 161 lakhs including interest of ₹ 47 lakhs for default in making payment of Employees Provident Fund and allied dues for the period April, 1986 to February, 2003. The subsidiary company had been making contributions to the 'SNL Officers Provident Fund Trust' and 'SNL Employee's Provident Fund Trust', being Trusts formed by the Company in earlier years; these Trusts have net assets of ₹ 208 lakhs and ₹ 87 lakhs respectively as at 31 March 2019 as reflected in their latest audited balance sheet. As per the order, the existence of the said Trusts and the act of switching over from Employees trust to the Officers trust on salary exceeding the statutory limit fixed by the Employees Provident Fund and Miscellaneous Act, 1952, have been considered violative of the Act. The authorities had attached one of the subsidiary company's bank accounts and had recovered an amount of ₹ 3 lakhs in an earlier year. The Indian subsidiary company has contested the above demand and on a writ petition filed by the subsidiary company in the High Court of Jharkhand, Ranchi, the High Court has directed the authorities not to take coercive steps till the disposal of the petition. The Indian subsidiary company denies all the allegations made against it since the subsidiary company had made the necessary applications to grant exemption to the Trusts which was neither granted nor rejected in spite of several reminders from time to time. In view of the facts of the case, the Group does not expect any liability in this regard.

For Assessment years 1998-99, 2008-09 and 2011-12: - Amount unascertainable

During the year, the subsidiary company has received reminder from Income tax department for above assessment years towards outstanding demands under Section 220(2) of the Income Tax Act (the 'IT Act') raised, as per the reminder, during the financial years 2016-17 and 2017-18. The subsidiary company has not received these demands and hence is in the process of reaching out to the department for obtaining these demands mentioned in the reminder letter. In absence of any details of such demands from the department, the subsidiary company is unable to ascertain liability, if any, towards the same.

Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2020

Footnote:

The Honourable Supreme Court, has passed a decision on 28 February 2019 in relation to inclusion of certain allowances within the scope of "Basic wages" for the purpose of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. The Group, has been advised to wait for further clarifications in this matter in order to reasonably assess the impact on its financial statements, if any. Accordingly, the applicability of the judgement to the Group, with respect to the period and the nature of allowances to be covered, and resultant impact on the past provident fund liability, cannot be reasonably ascertained, at present.

b	Commitments	2,499	7,593
	Estimated value of contracts remaining to be executed on capital account and not provided for (net of advances)		

47 Employee benefits

As per Indian Accounting Standard-19 'Employee Benefits', the disclosure of Employee benefits as defined in the Standard are given below:

(A) Defined Contribution Plan:

Amount of ₹ 750 (P.Y. ₹ 1,012) lakhs is recognized as expense and included in "Note No. 33 - Employee Benefits Expenses"

(₹ in lakhs)

Particulars	31 March 2020	31 March 2019
i) Employer's Contribution to Provident Fund	441	381
ii) Employer's Contribution to Family Pension Fund	139	144
iii) Employer's Contribution to Superannuation Fund	104	134
iv) Employer's Contribution to Social Security Fund	66	353
	750	1,012

(B) Defined Benefit Plan :

The group has the following defined benefits plans:

Particulars	Remarks
Gratuity	Funded through LIC
Provident Fund (PF)	Funded through Trust

(1) Gratuity (funded scheme)

In accordance with Indian Accounting Standard 19, actuarial valuation was done in respect of the aforesaid defined benefit plan of gratuity based on the following assumptions:-

i Actuarial assumptions

(₹ in lakhs)

Particulars	31 March 2020	31 March 2019
Expected return on plan assets	6.59% - 6.87%	7.68% - 7.78%
Discount rate (per annum)	6.59% - 6.87%	7.68% - 7.78%
Rate of salary increase	6% - 10%	6% - 10%
Rate of Employee Turnover	2% - 11%	2% - 11%
Mortality rate during employment	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2006-08)
Mortality rate after employment	N.A.	N.A.

Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2020
ii Changes in the present value of defined benefit obligation (₹ in lakhs)

Particulars	31 March 2020	31 March 2019
Present value of obligation at the beginning of the year	3,334	3,235
Interest cost	254	250
Current service cost	165	160
Actuarial (gain) /loss	159	50
Benefits paid	(295)	(361)
Present Value of obligation at the end of the year	3,617	3,334

iii Changes in the Fair value of Plan Assets (₹ in lakhs)

Particulars	31 March 2020	31 March 2019
Fair value of plan assets at beginning of the year	3,150	3,184
Interest income	241	246
Contributions	231	73
Benefits paid	(295)	(361)
Return on plan assets, excluding amount recognised in net interest expense	(251)	8
Fair Value of Plan Assets at the end of the year	3,076	3,150

iv Assets and liabilities recognised in the balance sheet (₹ in lakhs)

Particulars	31 March 2020	31 March 2019
Present value of the defined benefit obligation at the end of the year	3,617	3,334
Less: Fair value of plan assets at the end of the year	(3,076)	(3,150)
Net liability recognised	541	184
Recognised under provisions		
Current assets	(13)	(10)
Current provisions (*)	554	194

(*) (Excludes ₹ Nil (31 March 2019: ₹ 1 lakh) provided on fixed / actual basis)

v Expenses recognised in the Statement of Profit and Loss (₹ in lakhs)

Particulars	31 March 2020	31 March 2019
Current Service Cost	165	160
Net interest (income)/ expense	13	4
Net gratuity cost recognised in the current year	178	164
Included in note 33 'Employee benefits expense'	178	164

vi Expenses recognised in the Statement of Other comprehensive income (OCI) (₹ in lakhs)

Particulars	31 March 2020	31 March 2019
Actuarial (gains) / losses	159	50
Return (differential) on plan assets, excluding interest income	251	(8)
Net (Income)/Expense For the Period Recognized in OCI (Refer note 37)	410	42

Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2020

vii Reconciliation of Net asset / (liability) recognised: (₹ in lakhs)

Particulars	31 March 2020	31 March 2019
Net asset / (liability) recognised at the beginning of the period	(184)	(51)
Company contributions	231	73
Benefits paid directly by company	-	-
Loss recognised in OCI	(410)	(42)
Expenses recognised in the statement of profit and loss	(178)	(164)
Net asset / (liability) recognised at the end of the period	(541)	(184)

viii Categories of Assets (₹ in lakhs)

Particulars	31 March 2020	31 March 2019
Insurance fund	100%	100%
Total	100%	100%

ix Sensitivity Analysis:

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

(₹ in lakhs)

Particulars	31 March 2020	31 March 2019
Delta Effect of +1% Change in Rate of Discounting	(461)	(434)
Delta Effect of -1% Change in Rate of Discounting	511	479
Delta Effect of +1% Change in Rate of Salary Increase	508	477
Delta Effect of -1% Change in Rate of Salary Increase	(462)	(436)
Delta Effect of +1% Change in Rate of Employee Turnover	(292)	(296)
Delta Effect of -1% Change in Rate of Employee Turnover	298	297

x Maturity Analysis of the Benefit Payments: From the Fund: (₹ in lakhs)

Projected benefits payable in future years from the date of reporting:

	31 March 2020	31 March 2019
1 year	413	605
2 to 5 years	1,724	1,407
6 to 10 years	1,521	1,518
More than 10 years	2,290	2,153

xi General descriptions of Significant Defined plans:

The Indian entities in the Group operate separate gratuity plans wherein every employee is entitled to the benefit for each completed year of service as per the respective scheme. The same is payable on retirement or termination whichever is earlier. The benefit vests only after five years of continuous service. The scheme is funded with an insurance company in the form of qualifying insurance policy.

(2) Provident Fund (PF) :

In accordance with Indian Accounting Standard 19, actuarial valuation was done in respect of the defined benefit plan of Provident fund for the Indian subsidiary based on the following assumptions:-

Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2020

i Actuarial assumptions (₹ in lakhs)

Particulars	31 March 2020	31 March 2019
Mortality rate	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2006-08)
Discount rate (per annum)	5.66%	6.94%
Interest rate guarantee (per annum)	8.50%	8.65%
Attrition rate based on ages :		
Upto 30 years	3.00%	3.00%
31 to 40 years	2.00%	2.00%
Above 40 years	1.00%	1.00%

ii Assets and liabilities recognised in the balance sheet (₹ in lakhs)

Particulars	31 March 2020	31 March 2019
Present value of the defined benefit obligation at the end of the year	269	289
Less: Fair value of plan assets at the end of the year	(276)	(295)
Net (asset) / liability recognised by the Trust	(7)	(6)

Note:

A Group cannot offset the asset relating to the above plan against the liability relating to another plan as the entity does not have a legally enforceable right to use a surplus in one plan to settle obligations under the other plan.

iii Major categories of Plan Assets (as percentage of Total Plan Assets) (₹ in lakhs)

Particulars	31 March 2020	31 March 2019
Government of India securities	8%	7%
State Government securities	23%	21%
High quality corporate bonds	27%	29%
Equity shares of listed companies	10%	9%
Special Deposit Scheme	26%	24%
Funds managed by Insurer	1%	2%
Bank balance and others	5%	8%
Total	100%	100%

iv Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

(₹ in lakhs)

Particulars	31 March 2020		31 March 2019	
	Decrease	Increase	Decrease	Increase
Change in Discount Rate by - / + 1%	270	269	290	288
Change in Interest Rate guarantee by - / + 1%	265	275	284	294

v General descriptions of Significant Defined plans:

The subsidiary company operates provident fund plan wherein every employee is entitled to the benefit of interest etc. as per scheme of the subsidiary company. The same is determined based on a fixed percentage of the eligible employees' salary and charged to the Statement of Profit and Loss on accrual basis. The scheme is funded in various securities as mentioned in note (iii) above.

Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2020

vi Maturity Profile of Defined Benefit Obligation:

Particulars	31 March 2020	31 March 2019
Weighted average duration (based on discounted cash flows)	4 years	5 years

(C) Other Long Term Benefits:

Compensated absences recognized in the Statement of profit and loss for the current year, under the employee cost in Note 33, is ₹ 181 lakhs (31 March 2019: ₹ 234 lakhs).

48 Segment reporting

a) Primary segment: Business segment

The Group is primarily engaged in manufacturing of bearings and other activities having similar economic characteristics, primarily operated out of India and regularly reviewed by the Chief Operating Decision Maker for assessment of Group's performance and resource allocation. For the purpose of disclosure of segment information, the Group considers these operations as a single business segment as all the product Groups are mainly having similar risks and returns.

The information relating to revenue from external customers and location of non-current assets of its single reportable segment has been disclosed as below:

Geographical non-current assets (property, plant and equipment, other intangible assets, CWIP, Income tax (Current-tax) assets (net), other non-current assets) are allocated based on the location of the assets.

b) Secondary segment: Geographical segment

Secondary segments have been identified with reference to geographical areas in which Group operates. Composition of secondary segments is as follows:

- i) within India
- ii) outside India

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
1) Segment revenue		
- Within India	61,179	76,491
- Outside India	16,416	20,011
2) Carrying amount of segment Non current assets		
- Within India	35,909	32,315
- Outside India	3,673	3,028

None of the customer contribute materially to the revenue of the Group.

49 Research and development expenses of the Holding Company:

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
(i) Charged to the Statement of profit and loss	1,442	1,298
(ii) Capitalized to property plant and equipment	204	317

Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2020

50 Ind AS 116**Transitional Provision- Ind AS 116 Leases**

The Group has adopted the new accounting standard i.e. Ind AS 116- Leases, which has become effective from 1 April 2019 (transition date). This new standard replaces earlier standard on leases i.e. Ind AS 17.

The adoption of this new Standard has resulted in the Company recognising a right-of-use asset and related lease liability in connection with all former operating leases except for those identified as low-value or having a remaining lease term of less than 12 months from the date of initial application.s

The Group has opted to apply the new standard using the modified retrospective approach, with the cumulative effect of adopting Ind AS 116 being recognised in equity as an adjustment to the opening balance of retained earnings for the current period. Prior periods have not been restated. The Group has recognised lease liability on the date of initial application at the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application. The Group has recognised a right-of-use asset on the date of initial application at its carrying amount as if the Standard had been applied since the commencement date of lease but discounted using the incremental borrowing rate at the date of initial application. On transition to Ind AS 116, the weighted average incremental borrowing rate applied to lease liabilities recognised was 10% p.a.

a. Practical expedient opted by Group:

- For contracts in place at the date of transition, the Group has elected to apply the definition of a lease from Ind AS 17 and Appendix C to Ind AS 17 and has not applied Ind AS 116 to arrangements that were previously not identified as lease under Ind AS 17 and Appendix C to Ind AS 17.
- The Group has elected not to include initial direct costs in the measurement of the right-of-use asset for operating leases in existence at the date of transition to Ind AS 116, being 1 April 2019.
- On transition, Group has elected not to apply Ind AS 116 to leases previously accounted for as operating leases, with a remaining lease term of less than 12 months and not recognise right-of-use assets but to account for the lease expense on a straight-line basis over the remaining lease term.

b. Exemptions availed by Group:

The Group has elected not to recognise right-of-use assets in below mentioned cases but to account for the lease expense on a straight-line basis over the remaining lease term or on another systematic basis if that basis is more representative of the pattern of the group's benefit:

- A lease that, at the commencement date, has a lease term of 12 months or less i.e. short-term leases and
- Leases for which the underlying asset is of low value.

The Group has used hindsight in determining the lease term where the contract contained options to extend or terminate the lease.

The Group has discounted lease payments using the incremental borrowing rate as at 1 April 2019 for measuring lease liabilities at ₹ 332 lakhs and accordingly recognised right-of-use assets at ₹ 267 lakhs by adjusting retained earnings by ₹ 43 lakhs (net of tax), including adjustments for prepaid/accrued rent and lease equalisation reserve, if any, as at the aforesaid date.

Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2020
(i) Right-of-use assets (ROU)

(Included in Property, plant and equipment)

(₹ in lakhs)

Right-of-use assets	Leasehold land	Buildings and Flats	Vehicle	Total
Cost				
As at 1 April 2019	5	251	11	267
Additions	-	-	-	-
Disposals	-	-	-	-
Balance at 31 March 2020	5	251	11	267
Accumulated depreciation and impairment				
As at 1 April 2019	-	-	-	-
Charge for the year (*)	0	116	5	121
Disposal/adjustment	-	-	-	-
Balance at 31 March 2020	-	116	5	121
Net carrying value				
As at 1 April 2019	5	251	11	267
Balance at 31 March 2020	5	135	6	146

(*) Amount lower than ₹ 1 Lakh

(ii) Breakdown of rent

Particulars	Year ended 31 March 2020
Short-term lease expense	71
Low value lease expense	233
Total lease expense	304

(iii) Cash outflow from leases

The actual outflow for leases considered under the purview of Ind AS 116 have been disclosed one line as cash outflow from leases in the single note on leases.

(iv) Maturity analysis of lease liabilities

(₹ in lakhs)

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Lease liabilities				
Land and Buildings	137	32	14	6
Vehicles	5	1	-	-
As at 31 March 2020	142	33	14	6

Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2020
(v) Impact of changes in accounting policies
a. Balance Sheet

(₹ in lakhs)

	As previously disclosed	Adjustments	Current disclosure
As at 1 April 2019			
Right-of-use assets	-	267	267
Lease Liabilities	-	332	332
Retained Earnings (Net off deferred tax ₹ 22 lakhs)	-	(43)	(43)
As at 31 March 2020			
Right-of-use assets	-	146	146
Lease Liabilities	-	195	195
Retained Earnings (Net off deferred tax ₹ 22 lakhs)	-	(43)	(43)

b. Statement of profit or loss and OCI

	As previously disclosed	Adjustments	Current disclosure
For the year ended 31 March 2020			
Rent	467	(163)	304
Depreciation	-	121	121
Interest on lease liability	-	26	26
(Profit) / loss	467	(16)	451

(vi) Extract of effect on both basic and diluted earnings per share

	Increase/ (decrease) in profit for the year attributable to owners of the Company	Increase/ (decrease) in basic earnings per share	Increase/ (decrease) in diluted earnings per share
For the year ended 31 March 2020			
Changes in accounting policies relating to:			
- Adoption of Ind AS 116	16	0.02	0.02

51 COVID-19 impact

The Group has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying values of its property, plant and equipment, investments, inventories and receivables and carried out a detailed assessment of its liquidity position for the next one year including recoverability of carrying value of its assets, as at 31 March 2020. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Group, as at the date of approval of these consolidated financial statement has used internal and external sources on the expected future performance of the Group. The Management believes it has taken into account all the possible impacts of known events arising from COVID 19 pandemic in the preparation of its financial statements and does not foresee any incremental risk towards recoverability of its assets, at present. However, the estimated impact of the global health pandemic might vary from the conditions prevailing on the date of approval of these consolidated financial statements, and the Group will continue to monitor any material changes due to future economic conditions.

Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2020

52 Previous year figures

Previous year figures have been regrouped or rearranged, wherever considered necessary to make them comparable with those of the current year.

53 For Disclosures mandated by Schedule III to Companies Act 2013, by way of additional information, refer below:

(₹ in lakhs)

Name of Entity	2019-2020							
	Net Assets (Total Assets - Total Liabilities)		Share in Profit or Loss		Share in comprehensive income		Share in total comprehensive income	
	Amount	As % of Consolidated Net Asset (%)	Amount	As % of Consolidated profit and loss	Amount	As % of Consolidated other comprehensive income	Amount	As % of Consolidated total comprehensive income
Parent company								
NRB Bearings Limited	45,897	98.41%	2,945	88.76%	(479)	86.31%	2,466	89.25%
Indian Subsidiary Company								
SNL Bearings Limited	2,524	5.41%	306	9.22%	(13)	2.34%	293	10.60%
Foreign Subsidiary Companies								
NRB Bearings (Thailand) Limited	617	1.32%	-	0.00%	(65)	11.71%	(65)	-2.35%
NRB Bearings Europe GmbH	69	0.15%	13	0.39%	4	-0.72%	17	0.62%
NRB Bearings USA Inc.	29	0.06%	13	0.39%	2	-0.36%	15	0.54%
Minority interest in subsidiary	950	2.04%	111	3.35%	(4)	0.72%	107	3.87%
	50,086		3,388		(555)		2,833	
Less: Elimination	(3,447)	-7.39%	(70)	-2.11%	-	-	(70)	-2.53%
	46,639	100.00%	3,318	100.00%	(555)	100.00%	2,763	100.00%

(₹ in lakhs)

Name of Entity	2018-2019							
	Net Assets (Total Assets - Total Liabilities)		Share in Profit or Loss		Share in comprehensive income		Share in total comprehensive income	
	Amount	As % of Consolidated Net Asset (%)	Amount	As % of Consolidated profit and loss	Amount	As % of Consolidated other comprehensive income	Amount	As % of Consolidated total comprehensive income
Parent company								
NRB Bearings Limited	47,400	98.77%	9,877	89.87%	(136)	70.47%	9,741	90.22%
Indian Subsidiary Company								
SNL Bearings Limited	2,487	5.18%	646	5.88%	(2)	1.04%	644	5.96%
Foreign Subsidiary Companies								
NRB Bearings (Thailand) Limited	485	1.01%	424	3.86%	(53)	27.46%	371	3.44%
NRB Bearings Europe GmbH	53	0.11%	10	0.09%	(2)	1.04%	8	0.07%
Minority interest in subsidiary (*)	937	1.95%	168	1.53%	0	0.00%	168	1.56%
	51,362		11,125		(193)		10,932	
Less: Elimination	(3,373)	-7.03%	(135)	-1.23%	-	0.00%	(135)	-1.25%
	47,989	100.00%	10,990	100.00%	(193)	100.00%	10,797	100.00%

(*) Amount lower than ₹ 1 Lakh

Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2020**54 Earnings per share**

(₹ in lakhs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Net Profit after tax for the year attributable to owners	3,207	10,822
Weighted Average Number of equity shares outstanding during the year	96,922,600	96,922,600
Basic and Diluted Earnings Per Share (₹)	3.31	11.17
Face Value per Share (₹)	2.00	2.00

Note:

The Group does not have any outstanding dilutive potential equity shares as at 31 March 2020 and 31 March 2019. Consequently, basic and diluted earnings per share of the Company remains the same.

Notes 1 to 54 form an integral part of the consolidated financial statements

This is the summary of significant accounting policies and other explanatory information referred to in our audit report of even dates

For Walker Chandiok & Co LLP

Chartered Accountants

Firm Registration No. 001076N / N500013

Adi P. Sethna

Partner

Membership No.: 108840

Place : Mumbai**Date : 28 June 2020****For and on behalf of the Board of Directors****Tashwinder Singh**

Chairman

DIN : 06572282

Harshbeena Zaveri

Vice Chairman and

Managing Director

DIN : 00003948

S. C. Rangani

Executive Director

DIN : 00209069

Ravi Teltia

Chief Financial Officer

Shruti Joshi

Company Secretary

Place: Mumbai**Date: 28 June 2020**

FINANCIAL HIGHLIGHTS

Rs. in lakhs

Year Ended	31.03.16	31.03.17	31.03.18	31.03.19	31.03.20
Sales (Net)					
Domestic	51,667	57,377	64,990	72,701	58,473
Exports	13,484	13,292	16,957	19,889	15,757
Sales Total	65,151	70,669	81,947	92,590	74,230
Operating Profit	10,743	10,193	15,096	16,535	7,258
Profit Before Tax	6,382	6,758	12,031	14,268	4,163
Tax (Net)	1,784	1,825	3,840	4,391	1,218
Profit After Tax	4,598	5,122	8,315	9,741	2,466
Retained Earnings	2,965	3,516	6,682	8,366	-1,462
Dividend	1,357	1,357	1,357	1,163	3,295
Tax on dividend	276	250	276	212	633
Earnings per share (FV Rs.2)	5	5	8	10	3
Dividend %	70	70	70	130	40
Shareholders' Funds	30,135	32,353	39,035	47,400	45,897
Funds Employed	42,481	40,751	59,399	73,276	79,047
Fixed Assets (Gross)	54,528	55,845	60,178	68,849	75,388
Fixed Assets (Net)	22,737	21,849	23,602	28,506	32,100
Fixed Asset Turnover (times)	3	3	3	3	2
Net Current Assets	10,864	14,043	17,229	19,486	19,485
Working Capital Turnover (times)	6	5	5	5	4
Shareholder Nos	9,706	11,273	22,141	25,264	23,343
Employee Nos	1,670	1,613	1,557	1,515	1,456

Fixed Asset Turnover - Net sales/Net Fixed Assets at year end

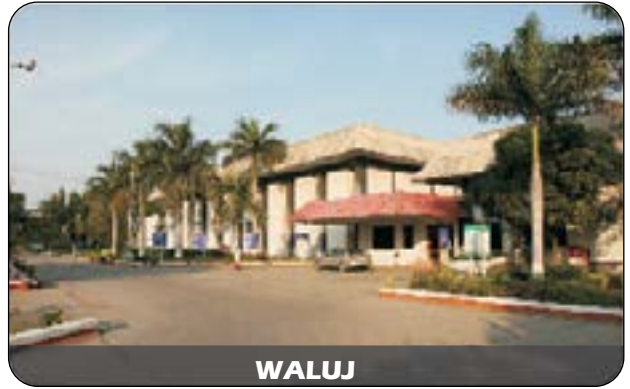
Working capital Turnover - Net sales/Net current assets as at year end

Final Dividend not provided as per INDAS, resulting in Retained Earnings, Dividend amount & %, Tax on dividend not being comparable.

NRB PLANTS



THANE



WALUJ



JALNA



AURANGABAD



HYDERABAD



RANCHI



THAILAND



PANTNAGAR