NRB BEARINGS LIMITED
Dhannur, 15, Sir P.M. Road, Fort, Mumbai- 400001, India.
T : (91) 22-2266 4570 / 2266 4160
F : (91) 22-2266 0412 / 2267 9850
W: www.nrbbearings.com
CIN: L29130MH1965PLC013251

September 1, 2021

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

Code No. 530367/ NRBBEARING

Sub: Notice of the 56th Annual General Meeting and Annual Report for FY 2020-21

Dear Sir/Madam,

This is to inform you that the 56th Annual General Meeting (AGM) of NRB Bearings Limited is scheduled to be held on Friday, September 24, 2021 at 3:30 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 2020-21, including the Notice of the 56th AGM of the Company, which is being sent through electronic mode 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,

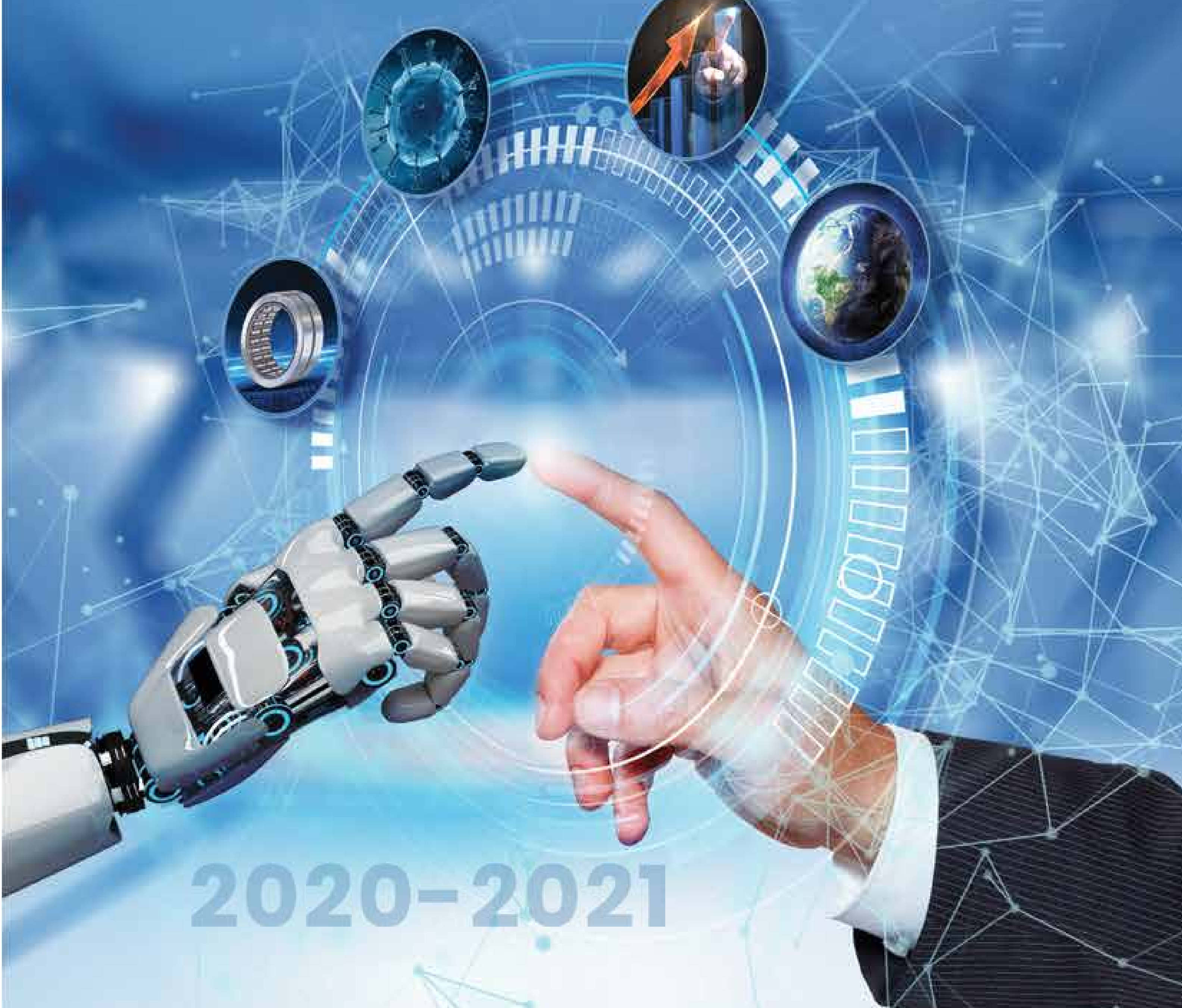
Sincerely,
For NRB Bearings Limited

S R Joshi

Shruti Joshi
Company Secretary

56th Annual Report

• NRB • A MOVEMENT • A REVOLUTION



2020-2021

CIN : L29130MH1965PLC013251

Directors	:	Tashwinder Singh - Chairman Harshbeena Zaveri - Vice Chairman & Managing Director Satish 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	:	2nd Pokhran Road, Majiwade Thane 400 610 E-40, M.I.D.C. Industrial Area, Chikalthana Aurangabad 431 006 C-6, M.I.D.C. Additional Industrial Area Jalna 431 213 E-72, (1), M.I.D.C., Waluj, Taluka Gangapur, Aurangabad 431 136 A-5, Uppal Industrial Estate Hyderabad 500 039 Plot No.33, Sector – 11, Mint Road, Tata Vendor Park Sidcul, Pantnagar,Rudrapur Udham Singh Nagar 263 153
Website	:	www.nrbbearings.com
Investorcare	:	investorcare@nrbbearings.co.in
Registrar & Share Transfer Agent	:	Universal Capital Securities Private Limited (100% subsidiary of Link Intime Private Limited) C 101, 247 Park, LBS Road, Vikhroli West, Mumbai 400 083 Tel Nos: 022 28207203-05 Fax : 022 28207207

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NOTICE

The Members,

NRB BEARINGS LIMITED

NOTICE is hereby given that the fifty-sixth Annual General Meeting of the members of NRB Bearings Limited ("the Company") will be held on Friday, September 24, 2021 at 3:30 p.m. (IST). 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, 2021 and the Audited Consolidated Financial Statements for the financial year ended March 31, 2021, together with the reports of the Board of Directors and the Auditors thereon.
2. To declare final dividend on equity shares for the financial year ended March 31, 2021.
3. To appoint a director in place of Mr. Devesh Singh 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 R. 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, 2022, be and is hereby ratified and confirmed."

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

   "RESOLVED THAT pursuant to the provisions of Sections 149 and 152, Schedule IV and other applicable provisions of the Companies Act, 2013 and the Rules framed there under, including any statutory modification or re-enactment thereof for the time being in force (hereinafter referred to as "the Act") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Rustom Desai (DIN 02448175), who has submitted a declaration that he meets the criteria for independence as provided in Section 149 (6) of the Act and in respect of whom the Company has received a notice in writing under Section 160 proposing his candidature for the office of the Director (Independent) of the Act and who is eligible for re-appointment be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, for a second term of 5 (five) consecutive years from January 23, 2022 to January 22, 2027."

6. 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 there under, including any statutory modification or re-enactment thereof, for the time being in force (hereinafter referred to as "the Act") subject to all approvals, permissions and sanctions as may be necessary, the approval of the Company be and is hereby accorded for FY 2020-21, for increase of the limits of remuneration payable to the directors in whole time employment of the Company viz. the managing director(s)and/or whole-time director(s), 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 upon recommendation of the Nomination and Remuneration Committee, exceeding 10 (ten) per cent but not exceeding 11 (eleven) per cent of the net profits of the Company computed pursuant to Section 198 of the Act for FY 2020-21 such that the total managerial remuneration (remuneration payable to the directors including the managing director and the wholetime director) payable for FY 2020-21 shall be within the overall limits specified in Section 197 of the Act.

   RESOLVED FURTHER THAT the Board be and is hereby authorised 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 2, 2021

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 Saturday, September 18, 2021 to Friday, September 24, 2021 (both days inclusive).
3. The Members whose names appear in the Register of Members of the Company on Friday, September 17, 2021 shall be entitled to participate in remote e-voting / e-voting at the AGM.
4. The dividend after declaration, will be paid to those Members whose names appear in the Register of Members of the Company on Friday, September 17, 2021 and to the Members holding shares in demat form whose names appear in the Register of Members beneficiary position with National Securities Depository Limited (NSDL) and Central Depository Securities Limited (CDSL) as on Friday, September 17, 2021.
5. 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, (100% subsidiary of Link Intime Private Limited), situated at, C 101, 247 Park, LBS Road, Vikhroli West, Mumbai 400083 or email at info@unisec.in.
6. Pursuant to the Income-tax Act, 1961, as amended, dividend income is taxable in the hands of the Members with effect from April 1, 2020 and the Company is required to deduct tax at source from such dividend at the prescribed rates. A communication providing information and detailed instructions with respect to tax on the Final Dividend for the financial year ended March 31, 2021 has been sent separately to the Members.
7. 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.
8. The Company has transferred on due dates, the unpaid/unclaimed final dividend for the financial year ended March 31, 2013 to the Investor Education and Protection Fund (IEPF). The Company has uploaded such details as on September 15, 2020 (date of last AGM) on the website of the Company.
9. 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 2020-21, 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.
10. 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.
11. SEBI has decided that securities of listed companies can be transferred only in dematerialised form with effect from April 1, 2019. Further, SEBI has fixed March 31, 2021 as the cut-off date for relodgement of transfer deeds and the shares that are re-lodged for transfer shall be issued only in demat mode. In view of the above and to avail various benefits of dematerialisation, members are advised to dematerialise shares held by them in physical form.
12. E-voting facility to all Members has been provided through the e-voting platform of 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.
13. In view of the prevailing circumstances due to COVID-19 pandemic, and also in conformity with the applicable regulatory requirements, the Notice of this AGM and the Annual Report is being sent only through electronic mode

to those Members who have registered their e-mail addresses with the Company or with the Depositories, inter alia indicating the process and manner of e-voting along with instructions to attend the AGM through video conferencing / other audio visual means. For Members who have not registered their email addresses, kindly send an email at 56thagm@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.

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 Friday, September 24, 2021 from 3:30 p.m. (IST) 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.

14. 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), Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended) and Ministry of Corporate Affairs (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.

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

16. 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 at least 1000 members on first come first served basis. This will not include large shareholders (Members holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairman 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.

17. 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.

18. In view of the prevailing circumstances due to the COVID-19 pandemic, and also in conformity with the applicable regulatory requirements, 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.

19. The Notice calling the AGM has been uploaded on the website of the Company at www.nrbbearings.com and 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.

20. 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, MCA Circular No. 17/2020 dated April 13, 2020, MCA Circular No. 20/2020 dated May 5, 2020 and MCA Circular No. 02/2021 dated January 13, 2021.

INTRUCTIONS FOR MEMBERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:

(i) The voting period begins on Tuesday, September 21, 2021 at 9:00 a.m. (IST) and ends on Thursday, September 23, 2021 at 5:00 p.m. (IST). During this period Members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Friday, September 17, 2021, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

Electronic Voting Sequence Number (EVSN) : 210827056

(ii) Members who have already voted prior to the meeting date would not be entitled to vote at the meeting.

(iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its Members, in respect of all Members' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

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

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

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

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for individual Members holding securities in Demat mode CDSL/NSDL is given below:

Type of Members	**Login Method**
Individual Members holding securities in Demat mode with CDSL	1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by the Company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, links are also provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration. 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and will also be able to directly access the system of all e-Voting Service Providers.
Individual Members holding securities in demat mode with NSDL	1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp.

	3) Visit the e-Voting website of NSDL open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Member/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Members (holding securities in demat mode) login through their Depository Participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on Company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

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

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

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

1) The Members should log on to the e-voting website www.evotingindia.com.
2) Click on "Members" module.
3) Now enter your User ID
   a. For CDSL: 16 digits beneficiary ID,
   b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
   c. Members holding shares in physical form should enter folio number registered with the Company.
4) Next enter the Image Verification as displayed and Click on Login.
5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
6) If you are a first-time user follow the steps given below:

	For Physical Members and other than individual Members holding shares in Demat.
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat Members as well as physical Members) • Members 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.

(vi) After entering these details appropriately, click on "SUBMIT" tab.

(vii) Members holding shares in physical form will then directly reach the Company selection screen. However, Members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(viii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(ix) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

(x) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

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

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

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

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

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

(xvi) Additional Facility for Non – Individual Members and Custodians –For Remote Voting only.

- Non-Individual Members (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.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual Members 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; 56thagm@nrbbearings.co.in, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR MEMBERS ATTENDING THE AGM THROUGH VC/OAVM AND E-VOTING DURING THE MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Members who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Members are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Members who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 7 (seven) days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at 56thagm@nrbbearings.co.in. The Members who do not wish to speak during the AGM but have queries may send their queries in advance 7 (seven) days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at 56thagm@nrbbearings.co.in. These queries will be replied to by the company suitably by email.

8. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those Members, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Votes are cast by the Members through the e-voting available during the AGM and if the same Members have not participated in the meeting through VC/OAVM facility, then the votes cast by such Members shall be considered invalid as the facility of e-voting during the meeting is available only to the Members attending the meeting.

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

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

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

   All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com 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 2, 2021, appointed M/s R. Nanabhoy & Co, Cost Accountants (Firm Registration No: 7464) as the Cost Auditor of the Company for the financial year ending March 31, 2022 at a remuneration of Rs. 98,000/- (Rupees Ninety Eight Thousand only), excluding taxes and reimbursement of out of pocket expenses. M/s R. Nanabhoy & Co., have vide their letter dated March 31, 2021 confirmed their eligibility and granted consent to act as the Cost Auditors of the Company for FY 2021-22. 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

At the 52nd Annual General Meeting of the Members of the Company held on August 11, 2017, Mr. Rustom Desai was appointed as an Independent Director for a period of 5 (five) years with effect from January 23, 2017. His existing term expires on January 22, 2022. Mr. Rustom Desai, age 50 (fifty) years, is the Chairman of the Business Strategy Committee and a Member of the Nomination & Remuneration Committee of the Company. Mr. Desai has given his consent for re-appointment as an Independent Director of the Company for the second term beginning from January 23, 2022 to January 22, 2027 i.e. 5 (five) consecutive years. Pursuant to the provisions of sections 149 and 152 and other applicable provisions of the Companies Act, 2013, an Independent Director can be re-appointed for a second term up to 5 (five) consecutive years after obtaining the approval of the Members by passing a special resolution.

Mr. Rustom Desai, Bachelor of Engineering (Mechanical), Master in Business Administration (Cornell, USA), is an accomplished technology executive who has successfully built and restructured businesses to profit across multiple technologies and geographies. He is a powerful leader who has led his teams to success through complex regulatory frameworks, cultures, and customer needs in both domestic and international markets. Mr. Desai is also an expert negotiator-across supply contracts, JV agreements and M&A transactions. He is a global citizen who has lived and worked in the US, China, Taiwan, and India. During his 25-year career with Corning, Mr. Desai had roles of increasing impact across a variety of industries including Semiconductors, Consumer Electronics, and Telecommunications. He has successfully conducted business across functions, technologies and geographies. And he has delivered success in both established and startup businesses.

As an executive in a Fortune 500 company and through 20 years of service in public and private boards, Mr. Desai has developed expertise in the following areas:

- Setting companies on the path to international growth.
- Deep understanding of technology and what it takes to win in high-tech environments.
- Adept navigation of complex governance topics in family enterprises.
- Building global, diverse teams.
- Ability to envision, negotiate and govern alliances.

More recently, Mr. Desai returned to his alma mater as visiting faculty at Cornell's Johnson Graduate School of Business, where he teaches an extremely popular course called Strategic Alliances. Built around his many experiences and learnings, the course arms his students with real-world weapons to effectively negotiate, manage and govern alliances.

Mr. Desai does not hold any shares in the Company and is not related to any Director or Key Managerial Personnel of the Company. He was first appointed as an Independent Director of the Company w.e.f. January 23, 2017. During his second term as Independent Director, Mr. Desai will be entitled to receive Sitting Fees for attending meetings of the Board of Directors and the Committees thereof, of which he is a member and commission, as may be decided by the Board of Directors every year. In the opinion of the Board of Directors of the Company, Mr. Desai continues to fulfill the conditions specified in the Companies Act, 2013 and Rules made thereunder for re-appointment as an Independent Director. The Nomination and Remuneration Committee of the Board has considered and recommended the re-appointment. Having regard to his qualifications, knowledge and vast business experience, his re-appointment on the Board of the Company as an Independent Director will be in the interest of the Company. Mr. Desai 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 Independent Director will be beneficial and in the interest of the Company. The Company has received a notice pursuant to Section 160 of the Companies Act, 2013 from one of the Members proposing the candidature of Mr. Desai as the Director (Independent) of the Company. The relevant documents and the draft letter of appointment setting out terms and conditions relating to the appointment of Mr. Rustom Desai as Independent 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 on any working day, except Saturdays, Sundays and public holidays, between 11:00 a.m. to 5:00 p.m. upto the date of the Annual General Meeting. The Board recommends passing of the resolution set out at Item No.5 of the accompanying notice as a Special Resolution. None of the directors and key managerial personnel and their relatives except Mr. Rustom Desai (being re-appointed), are in anyway, concerned or interested, financially or otherwise in the Special Resolution set out at Item No. 5 of the Notice.

Item No. 6:

Pursuant to Section 197 of the Companies Act, 2013 (the Act), the total managerial remuneration payable by a Company to its directors, including managing director and whole-time director shall not exceed 11 (eleven) per cent of the net profits of any particular financial year, computed in a manner as laid down in Section 198 of the Act. Further, it is also provided that individual remuneration to the managing director or whole time director shall not exceed 5 (five) per cent of the net profits of that particular financial year, computed in a manner as laid down in Section 198 of the Act and taken together the remuneration shall not exceed 10 (ten) per cent of the net profits so calculated except with the approval of the Company by a special resolution.

The previous two financial years 2019-20 and 2020-21 have been difficult years for the automotive industry and consequently for the auto components industry, which saw a double digit de-growth in the sector. Coupled with the slowdown of the Indian economy, and the onslaught of the COVID-19 pandemic, the industry has been severely impacted. The Company also suffered negatively with loss in revenue in the second half of FY 2019-20 and first half of FY 2020-21 and has not been able to achieve the budgeted top line and profit growth. However, with the special efforts of the motivated employees and management team, the Company was able to make up during the second half of FY 2020-21 and achieve a creditable performance overcoming the negative impact of the pandemic.

The net profits for FY 2020-21 computed as per Section 198 of the Act result in the overall limit of remuneration payable to the managing director and the whole-time director @10.22 per cent which exceeds the limit of 10 (ten) per cent mentioned in Section 197 of the Act; although there has been no enhancement or increase in the remuneration or any change in the terms and conditions of their appointment. The total managerial remuneration (remuneration payable to the directors including the managing director and the whole-time director) payable for FY 2020-21 remains within 11 (eleven) per cent of the net profits computed as per Section 198 of the Act. Therefore, the Board at its meeting held on June 2, 2021, upon the recommendation of the Nomination and Remuneration Committee, approved (subject to the approval of the Members vide a special resolution) increase of the limits of remuneration payable for FY 2020-21 to the managing director and whole-time director not exceeding 11 (eleven) per cent of the net profits computed as per Section 198 of the Act for FY 2020-21. Hence the approval of the Members by way of Special Resolution has been sought for increase of the limits of remuneration payable to the managing director and the whole-time director for FY 2020-21.

The Board recommends the Special Resolution set out in Item no. 6 of the Notice. The managing director and the whole-time director and their relatives are concerned or interested in the Special Resolution at Item No. 6, to the extent of the remuneration that may be received by each of them.

As required by SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 , the statement below gives the relevant details of the Directors being appointed/ re-appointed as per the accompanying Notice.

Name of Director	Mr. Devesh Singh Sahney	Mr. Rustom Desai
DIN	00003956	02448175
Date of Birth	November 17, 1968	April 1, 1971
Nationality	Indian	Indian
Date of appointment on Board	May 25, 2001	January 23, 2017
Brief Resume and Expertise in specific functional areas	Please refer below	Please refer Item No. 5 above
Shareholding in the Company as on March 31, 2021	8,50,089	Nil
List of Directorships held in other companies	NRB Industrial Bearings Limited NRB-IBC Bearings Private Limited NIBL-Korta Engineering Private Limited Sant Sahney Private Limited	Steriplast Private Limited Steri Mould Private Limited Steriplate Private Limited Gulmarg Holdings Private Limited Tropicana Enterprises Private Limited Steri Sheets Private Limited Falshajam Investment and Finance Company Private Limited Expo Leasing Private Limited Ranpharm Investments Private Limited
Memberships/ Chairmanships of Audit and Stakeholders Relationship Committees across public companies	NRB Industrial Bearings Limited-Audit Committee, Member	Nil
Disclosure of relationships with Directors inter se	Mr. Sahney is the brother of Ms. Harshbeena Zaveri	None

Brief Resume and Expertise in specific functional areas for Mr. Devesh Singh 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 2, 2021

Shruti Joshi
Company Secretary
Membership No. A19112

BOARD'S REPORT

To
The Members
NRB BEARINGS LIMITED

Your Directors have pleasure in presenting their fifty-sixth Report together with the standalone and consolidated Audited Financial Statements for the year ended March 31, 2021.

1. Financial Results

Particulars	Consolidated		Standalone	
	31.03.2021 Rs. Lakhs	31.03.2020 Rs. Lakhs	31.03.2021 Rs. Lakhs	31.03.2020 Rs. Lakhs
Revenue from operations (Net)	76,240	77,595	73,589	75,196
Profit before tax	6,643	4,683	5,211	4,163
Provision for taxation				
Current tax (net)	1,122	912	889	766
Deferred tax	(49)	452	(51)	452
Profit after taxation	5,570	3,319	4,373	2,945
Add: Balance brought forward	29,237	30,313	30,121	31,398
Add: Other Comprehensive Income for the year	348	(265)	342	(253)
Appropriation:				
Dividend	-	3,295	-	3,295
Tax on distributed profits	-	681	-	633
General Reserve	-	-	-	-
Debenture Redemption Reserve	-	-	-	-
Capital Redemption Reserve	-	-	-	-
Ind AS-116	-	43	-	41
Profit & Loss Account	34,991	29,237	34,836	30,121

2. Dividend

Considering the profits for the year under review your directors are pleased to recommend a dividend of 25 per cent (twenty five percent) i.e. Re. 0.50 (fifty paise only) per equity share of face value Rs. 2.00 each, which shall be payable to the members/beneficial owners as applicable aggregating to Rs. 485 Lakhs.

Transfer to Reserves:

During the year under review, an amount of Rs. 1,500 Lakhs was transferred from the Debenture Redemption Reserve to the General Reserve.

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, 2021 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, the economy and the business. During the first wave of the pandemic, the government announced a stringent nation wide lockdown from March 25, 2020, to control the spread of COVID-19. The operations of the Company across manufacturing sites and supply chain locations were severely disrupted. The Company moved with speed to support its stakeholders and maintain operations through crisis and prepare for business in a new normal. Operations were severely disrupted for the months of April 2020 and May 2020 and stablised during the second half of the year. As at the end of the year under review the Company was operating at almost full capacity. Even as the economy had started its recovery, the second wave of the pandemic hit the country in the most lethal and unexpected manner, leading to lockdown and stoppage of manufacturing operations. 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 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 work force. 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 two fiscal and the lockdown has hit the sector very badly. While we are seeing demand revival in the farm equipment and off- highway categories and some demand in the export segment, the over all 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 the economy and industry sentiments, the revenue from operations for your Company decreased by approx. 1.75 per cent. The increase/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. 76,240 lakhs as against Rs. 77,595 lakhs for the last fiscal. The Company recorded a net profit of Rs. 5,570 lakhs, an increase of 67.82 per cent over Rs. 3,319 lakhs for the last fiscal.

On a standalone basis your Company recorded net revenue from operations (net of taxes and incentives) of Rs. 73,589 lakhs a decrease of 2.14 per cent over Rs. 75,196 lakhs of the last fiscal. The Company recorded a net profit of Rs. 4,373 lakhs, with an increase of 48.49 per cent over the net profit of Rs. 2,945 lakhs for the last fiscal.

The COVID -19 pandemic has inflicted high and rising human costs worldwide, and the necessary protection measures have severely impacted economic activity. As a result of the pandemic, the global economy has contracted sharply at an estimated average 4.9 per cent during the year under review, much worse than during the 2008-09 financial crisis. As countries implemented necessary quarantines and social distancing practices to contain the pandemic, the world was put in a Great Lockdown. The magnitude and speed of collapse in activity that followed is unlike anything experienced in our lifetimes. After having battled one of the biggest recessions it faced in recent memory, there was some cheer for India's economy that recorded a positive-albeit marginal-growth in Q3 FY 2021. The overall economy declined in FY 2021 as COVID-19 containment measures hampered domestic activity and external demand. Moreover, the ongoing spread of the virus and snap-back of lockdown measures, coupled with fiscal stimulus measures falling well short of the mark, continue to pose a downside risk to the outlook. India's economic growth has fallen from 4.7 per cent in 2019 to -9.6 per cent in 2020, as lockdowns and other containment efforts slashed domestic consumption without halting the spread of the disease, despite drastic fiscal and monetary stimulus. Till recently, economic activity seemed to be gathering momentum at a sustainable pace with people demonstrating greater confidence in stepping out and spending. Despite a quicker rebound the output levels will remain far below the potential GDP, the levels that we would have seen had there been no COVID-19. When compared to FY 2020, GDP growth in the next fiscal year will be a mere 3.5 per cent, well below the potential GDP. It will likely take a while for the trajectory to reach the potential. Clearly, the scars left by the pandemic on the economy are deep.

Weak domestic demand and a drop in demand from export destinations is likely to hit auto-component manufacturers for the second consecutive year. Replacement demand fell for the first time in over a decade in FY 2021. This can be attributed to lower movement of vehicles in the initial few months of the year under review. Over the period between FY 2016 to FY 2020, automotive components industry registered a CAGR of 6 per cent, reaching US$ 49.3 billion in FY 2020, with exports growing at a CAGR of 7.6 per cent during FY16-FY20 to reach US$ 14.5 billion in FY20. The auto components industry accounted for 2.3 per cent of India's Gross Domestic Product (GDP) and 25 per cent of its manufacturing GDP in 2018-19. As per Automobile Component Manufacturers Association (ACMA), automobile component export from India is expected to reach US$ 80 billion by 2026. The Indian auto component industry aims to achieve US$ 200 billion in revenue by 2026. Turnover of the automotive components industry stood at Rs. 1.19 lakhs crore (US$ 15.9 billion) during the first half of FY 2021, registering a decline of 34 per cent over the first half of the previous year.

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 CAGR of 15 per cent from its current revenue of $74 billion. 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 onwards. As per 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.

We are gearing up for the 'next normal' as new product lines and industry dynamics get redefined-

- Focus on component categories that could contribute more to vehicle costs as these provide higher margins,
- Components which are not likely not be replaced with the advent of electric vehicle (EV) and new products for EV, and
- Expanding our portfolio to serve adjacent industries.

5. Finance

The Company has been rated AA- (negative) for both short term and long term borrowings and A1+ for commercial paper.

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. 2,87,21,311/- on September 11, 2020. In respect of the issue of Non-convertible Debentures of Rs. 20,00,00,000/- (Rupees Twenty Crores only) the Company has made timely payment of interest amounting to Rs. 1,88,76,000/- and duly redeemed the Non-convertible Debentures amounting to Rs. 20,00,00,000/- (Rupees Twenty Crores only) on June 12, 2020.

c. Particulars loans, guarantees or investments

As on March 31, 2021, the outstanding principal amount from its wholly owned subsidiary NRB Bearings (Thailand) Limited is THB 65.35 million and there is no outstanding interest as on March 31, 2021.

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 and Key Managerial Personnel

During the year under review, Mr. Satish Rangani was appointed as a whole-time Director designated as Executive Director of the Company for a period of 1 (one) year with effect from January 24, 2021, vide a special resolution passed by the Members through postal ballot on March 24, 2021 (approved by the Board of Directors at its meeting held on November 12, 2020, upon the recommendation of the Nomination and Remuneration Committee).

Mr. Ashank Desai was appointed as an Independent Director of the Company on March 30, 2016. His first term as an Independent Director ended on March 29, 2021. Considering his active participation and invaluable advice at the board / committee meetings, Mr. Desai has been appointed as an Independent Director for a second term of 5 (five) consecutive years vide a special resolution passed by the Members through postal ballot on March 24, 2021 (approved by the Board of Directors at its meeting held on November 12, 2020, upon the recommendation of the Nomination and Remuneration Committee).

Mr. Rustom Desai was appointed as an Independent Director of the Company on January 23, 2017. His first term as an Independent Director shall end on January 22, 2022. Considering his active participation and invaluable advice at the board / committee meetings, the Nomination and Remuneration Committee has recommended and the Board has approved his appointment as an Independent Director for a second term of 5 (five) consecutive years. Accordingly, it is proposed to appoint Mr. Desai as an Independent Director for a second term of 5 (five) consecutive years with effect from January 23, 2022 and the same has been included in the Notice for the forthcoming Annual General Meeting. The Company has received a notice under Section 160 of the Companies Act, 2013, proposing the name of Mr. Desai as a Director of the Company.

Mr. Ravi Teltia was appointed as the Chief Financial Officer of the Company with effect from April 6, 2020.

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. Devesh Singh 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 the 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 March 12, 2021.

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 website of the Company 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 4 (four) Board Meetings were convened and held (details in Corporate Governance Report). In view of the COVID-19 pandemic, the Ministry of Corporate Affairs (MCA) vide its notification dated March 24, 2020, had provided a one-time relaxation by extending the gap between two board meetings from 120 (one hundred twenty) days to 180 (one hundred eighty) days. Similarly, Securities Exchange Board of India (SEBI) vide its circular dated March 19, 2020, had provided relaxation by extending the due date of holding board meeting for finalization of financial results within 60 (sixty) days from the end of the financial year by 1 (one) month, i.e., from May 30, 2020 to June 30, 2020. Accordingly, the Board Meeting of the Company was held on June 28, 2020, there being a gap of 137 (one hundred thirty seven) days from the last board meeting which was held on February 11, 2020.

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, 2021, 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. 619 lakhs (previous year Rs. 415 lakhs), higher by 49.16 per cent. Net Sales during the year at Rs. 3,647 lakhs are higher by approx. 6.82 per cent over the previous year. SNL is working on projects to improve its financial results in 2021-22 by enhancing operational efficiencies and scaling up manufacturing capacities.

NRB Bearings (Thailand) Limited (NRBT), a wholly owned subsidiary, has recorded higher sales by 4.43 per cent to THB 210 million (approx. Rs. 50 crores) (previous year THB 201 million – approx. Rs. 46 crores). The share of manufacturing revenues out of total revenues have marginally decreased to THB 177 million (approx. Rs. 42 crores) (previous year at THB 178 million) and trading revenues are at THB 33 million (previous year at THB 23 million). Consequently, the Company's EBITDA has grown from THB 27 million to THB 38 million (approx. Rs. 9 crores). The Company has recorded an increase in profit of almost 248 per cent for the year at THB 16 million (approx. Rs.4 crores) from THB 5 million (approx. Rs. 1 crore) in previous year.

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 500,581 (approx. Rs. 4 crores) and the resultant profit after tax is EURO 18,460 (Rs.16 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 497,332 (Rs. 4 crores) and the resultant profit after tax is USD 29,635 (approx. Rs. 22 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** (AOC 1) 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. The Company has also constituted a Risk Management Committee which is responsible for timely identification and mitigation of business and operational risks.

9. Internal Financial Control Systems and Adequacy

The Company's internal control systems are commensurate with the nature of business, the size and complexity of its operations and such internal finance controls with reference to the Financial Statements are adequate.

10. 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.

11. 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, and also are posted on the website of the Company, www.nrbbearings.com.

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

12. 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 14001:2015 to identify and control environmental impact and constantly improve the environmental performance; ISO 45001:2018 occupational health and safety management system; and IATF16949:2016 for Quality Management System.

The commitment towards the environment preservation extends beyond regulatory compliances; ambient air, 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 the Company 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 in 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. The Company 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 16 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 gives 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 3.06 crore litres rain water every year to increase ground water levels.
6. The Company has followed complete Covid safety protocol by:
   - Strict compliance to S-M-S Rule, i.e., Social Distancing – Face Mask – Hand Sanitisation
   - On-Line Safety Training against COVID-19 given to employees
   - As a part of the Company's Safety Guidelines - NRB 'No-Panic Help Guide', NRB 'Office Resumption Guidelines', and NRB 'Safety Protocol for Back to Work Guidelines' issued to employees
   - Self-Declaration Form collected from individual employees through online system
   - Employees were asked to return home on any flu like symptoms and were advised to take rest and medical consultation
   - Sufficient availability of Sanitisers and Masks at workplace
   - Arranging RAT & RTPCR Tests at workplace to ensure continuity of work at plants/EC and regular monitoring of SPO2 level and body temperature
7. 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.

13. 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 including ensuring environmental sustainability;

In terms of the above the Company has been contributing for primary education, secondary education (study of sciences, maths and engineering) and also for impactful social projects like Antim Prasthan (to redevelop the Worli Smashan Bhumi to provide dignified funeral and cremation community service).

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 learning needs of tribal children, 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 2 (two) 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, prestige and motivation events. The Company also continued its support to the Apprenticeship Project (TAP) which is an education and skilling project which aims to empower all children in India to realise who they are and achieve what they want to be.

The Company supported Gyan Prakash Foundation which is involved in providing quality education to children studying in municipal schools in cities and Zilla Parishad run schools in rural areas, to fulfill the need of transformation of rural government schools following the guiding principles of systematic approach, being a facilitator and using technology and analytics as an enabler. The Company also supported Rotary Club of Bombay (RCB) which contributes substantially to the community by supporting a number of medical, educational, environmental and vocational activities that impact the lives of the underprivileged and disadvantaged people in and around Mumbai.The Company contributed to Goonj, through a project which supports many families affected by Cyclones like Amphan, Nisarga and the massive floods across India.

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. 191.58 lakhs on CSR projects.

14. Corporate Governance

Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Management Discussion and Analysis, Business Responsibility Report, 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. Devesh Singh 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 website of the Company viz.www.nrbbearings.com.

15. 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, 2021 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.

16. 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 RPT 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.**

17. Auditors

Statutory Auditors

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

The cost accounts and records of the Company are duly prepared and maintained as required under Section 148(1) of the Act.

Secretarial Auditors

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.

18. 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**.

19. 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.

20. Significant and Material Orders passed by the Regulators or the Courts or the Tribunal

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

21. 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.

22. 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 6 (six) Internal Complaints Committees (ICC) to redress complaints. During the year under review no complaint was received.

23. 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 Members, 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	**Satish Rangani**
Vice Chairman & Managing Director	Executive Director

Place : Mumbai
Date : June 2, 2021

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 Lakhs)
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 =31.265 THB	EURO EURO = Rs. 85.865	Dollar Dollar = Rs. 73.17	INR
5. Share capital	THB 147 million	EURO 25,000	USD 20,000	361
6. Reserves & surplus	THB (104) million	EURO 77,049	USD 47,545	3,740
7. Total assets	THB 285 million	EURO 2,12,008	USD 1,36,897	4,687
8. Total liabilities	THB 242 million	EURO 1,09,959	USD 69,352	5,86
9. Investments	Nil	Nil	Nil	803
10. Turnover	THB 210 million	EURO 500,581	USD 497,332	3,647
11. Profit before taxation	THB 16 million	EURO 23,837	USD 47,454	836
12. Provision for taxation	Nil	EURO 5,377	USD 17,819	217
13. Profit after taxation	THB 16 million	EURO 18,460	USD 29,635	619
14. Proposed Dividend	Nil	Nil	Nil	Nil
15. Extent of shareholding (in percentage)	100	100	100	73.45

The following information shall be furnished:-

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

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 2, 2021

ANNEXURE 2

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings 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:-

- Safed-2 & 3 Control Panel Cabin– Compressor moved closer from 50 ft to 12 ft leading to reduction in on time from 21.5 hrs. to 18 hrs.
- Office on Mezzanine Floor at Waluj- All DX coils of Split AC converted to Trane Chiller system leading to reduction in electrical energy from 2269.98 Units/Month to 1172.34 Units/Month.
- HTF Cool water circulation line connected to Ipsen SQF Cooling Tower leading to saving of 5018 Units/Day.
- Installed new SCR controller unit on TRR-1 & 2, Annealing-1 furnace which improved life of heating element.
- Installation of new Hybrid APFC solution which is IGBT based switching for capacitor: This improved power factor of the system closed to unity i.e. 1.00 and also reduced the difference between KVAH & KWH units consumption in monthly electricity bill.
- Installed the energy efficient IE-3 motors on 3 M HB-31 barrel to save electricity consumption.
- Installed new VFD panel for HB-25.
- Installed transparent polycarbonate sheet in Wire Drawing coil storage area to avoid use of lights during daytime.
- Total replacement of HPSV lamps and conventional tube lights with LED lights completed in Plant.
- MO-62 Filling 3 machines provided with VFDs.
- Motor Auto stop timers provide for hydraulic calibration machines to stop the motor when the machine is idle for more than 5 minutes without operation.
- Timer provided to Polishing barrel machine motor to stop the motor after cycle completion.
- Maintaining power factor of 0.99 through continuous energy monitoring.
- ELPN Hydraulic press motor replaced with energy efficient motor to reduce power consumption.
- Installation of VFD for Rigimax-25T Press in DC cage.
- Eliminated 1hp motors of 4 ID de-flash machines and replaced with pneumatic grinding machines in FS cage post operation lines.

- Installation of Ammeter controller in all filling machine to void overload during filling.
- EMD Bushing CRBA (JCT Line) - Control logic modification of its hydraulic power pack operation in such a way power pack unit motor run in no-load at idle condition of machine.
- Shrink packing machine (FGS) belt conveyor DC motor (obsolete) replaced by three phase EE induction motor with VFD.
- Overhead TTL light (28Wx4) replaced by 100W LED over head lamp at Roller & Turning line. (Total 20 no.)
- 40 Watt twin tube replaced by 18W twin type LED tube light at inspection table. (Total 50 no.)
- Conservation of Consumable resources is done by replacing Turpentine with natural Corn cob cleaning of Blackened cage components. The Corn cob are filled in Vibro Bowl, and reused 25 to 30 times.
- Human fatigue is reduced by automatic feeder to replace manual loading and unloading of Cage components in Grinding process.
- Outdated MRP Packing material is saved by replacing Pre-printed MRP Stickers with On-spot printing of ERP linked data.
- Packing standard are optimized along with customers to reduce weight and cost of packing.
- Inter connected end-to-end manufacturing lines have saved electrical and mechanical energy for loading and unloading of parts on each machine. Multiple storage containers are also done away.

(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 on productivity improvement through core competency development based on employee strengths, engineering and manufacturing infrastructure. Engineering services have made remarkable progress CAE techniques, material testing, benchmarking and validation. The Company has very effectively converted the Covid threat to automate engineering business processes through various enhancements in engineering simulations.

Your Company has continued its sustained focus on technology development of light weight, fuel efficient, reduced noise and ceramic bearings with enhanced product performance. The development is primarily motivated by the Company's desire to be in Electric Vehicles and IC engine vehicles with more efficient bearing products for high speeds, high loads, low friction, improved durability and NVH performance.

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. In its journey to make drawn CRB a highly dependable product line, the Company has made remarkable progress in achieving high precision standards and thus became a preferred product line promoting light weighting.
2. The Company's engineering centre has developed and used advanced CAE techniques for minimizing the NVH from bearing in previous years. With a huge success, engineering centre has emerged as a strong institution with customers for system level NVH and friction reduction.
3. The Company's engineering centre has started a technology development program for estimation of residual useful life of the bearing product after the product is put into service. This will be first stepping stone for artificial intelligence equipped bearings.
4. The journey of friction reduction has historically been an incremental journey and on its path of continual improvement, engineering centre has included bearing seals as well for friction reduction. In the past, traditionally, only the materials, surfaces, loads were considered for friction estimation and reduction. The Company has now included time as the fourth dimension for friction reduction journey. Bearing design for friction reduction now focusses on minimization of relative velocity alongwith material, surfaces and loads. This technique has been mastered by engineering center through advanced CAE simulations and testing.
5. The Company developed pieces of software which account for product parameter variations and their effect on product performance. This approach has been successful in identifying the most important parameters for quality control in product manufacturing.
6. The Company identified physical testing needs which only tell about the end result but does not tell about how the end result is achieved. Such tests are effectively simulated through CAE simulations and thus helped the Company to increase productivity and usefulness of test lab.

7. Development of prototype models using 3D printing techniques to understand bearing kinematics has been taken up this year for first time right product launch.
8. Thrust washers from sheet metal on high speed press. This has resulted in reduced through put time and reduced cost of manufacturing.

(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.
- Following enhancements are carried out in-house developed software
  - Failure analysis of engine bearing due to connecting rod wear
  - Program development for PV values of M section cages
  - Program development for cage stress analysis considering cage mass, impact forces due to acceleration of engine
  - Wankel engine study and program development for bearing simulations of Wankel engine
  - Neural network technique for regression
  - Upgraded the noise analysis program
  - Needle bush fitment correlation between gauging and housing developed
  - Kinematic study of cages developed
  - Effect of roller diameter grading and individual roller crowning on bearing life, stresses and lubrication effectiveness
  - Remaining Useful Life (RUL) estimation by reference training data
  - 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 by following a systematic process
- Range Expansion
- Expansion of services beyond friction solutions
- Effective utilization of resources
- Productivity and quality improvement

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. 1,405 Lakhs has been incurred on revenue and capital account for R & D expenses.

C. Foreign exchange earnings and outgo

Foreign exchange earnings	Rs. 18,397 Lakhs
Foreign exchange outgo	Rs. 3,141 Lakhs

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 2, 2021

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 wrong doing 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 wrong doing, 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 mal practice
- 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 improperconduct

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	**Satish Rangani**
Vice Chairman & Managing Director	Executive Director

Place : Mumbai
Date : June 2, 2021

ANNEXURE 4

Annual Report on Corporate Social Responsibility 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]

1. Brief outline on Corporate Social Responsibility (CSR) Policy of the Company.

   As a responsible corporate citizen the Company takes pride in taking effective CSR initiatives which are vital towards fulfilling critical societal 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:

   - Promotion of education,
   - Promoting gender equality and empowering women,
   - Employment enhancing vocational skills,
   - Promoting social business projects including ensuring environmental sustainability.

2. Composition of CSR Committee:

<table>
<tr><th>Sl. No.</th><th>Name of Director</th><th>Designation / Nature of Directorship</th><th>Number of meetings of CSR Committee held during the year</th><th>Number of meetings of CSR Committee attended during the year</th></tr>
<tr><td>1.</td><td>Ms. Harshbeena Zaveri</td><td>Chairman, (Executive Director/ Vice Chairman & Managing Director)</td><td rowspan="3">1</td><td>1</td></tr>
<tr><td>2.</td><td>Mr. Ashank Desai</td><td>Member (Non- Executive / Independent Director)</td><td>1</td></tr>
<tr><td>3.</td><td>Mr. Satish Rangani</td><td>Member (Executive Director/ Whole Time Director)</td><td>1</td></tr>
</table>

3. Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

   Link : www.nrbbearings.com

4. Details of impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).

   Not Applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any.

   Not Applicable

6. Average Net Profit of the Company as per Section135(5) : Rs. 9,577 Lakhs

7. (a) Two percent of average Net Profit of the Company as per Section135(5): Rs. 191.55 Lakhs

   (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years : Not Applicable

   (c) Amount required to be set off for the financial year, if any : Not Applicable

   (d) Total CSR obligation for the financial year (7a+7b- 7c) : Rs. 191.55 Lakhs

8. (a) CSR amount spent or unspent for the financial year:

<table>
<tr><th rowspan="2">Total Amount Spent for the Financial Year. (Rs. In Lakhs)</th><th colspan="5">Amount Unspent (in Rs.)</th></tr>
<tr><th colspan="2">Total Amount transferred to Unspent CSR Account as per section 135(6).</th><th colspan="3">Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).</th></tr>
<tr><th></th><th>Amount.</th><th>Date of transfer.</th><th>Name of the Fund</th><th>Amount.</th><th>Date of transfer.</th></tr>
<tr><td>191.58</td><td>Nil</td><td>Not Applicable</td><td>Not Applicable</td><td>Nil</td><td>Not Applicable</td></tr>
</table>

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sr. No	Name of the Project	Item from the list of activities in Schedule VII of the Act	Local Area (Yes / No)	Location of the Project		Project Duration	Amount allocated for the project (Rs. In Lakhs)	Amount spent in the current financial year (Rs. In Lakhs)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (Rs. In Lakhs)	Mode of implementation – Direct (Yes / No)	Mode of Implementation – Through Implementing Agency	
				State	District						Name	CSR Registration Number
-	-	-	-	-	-	-	-	-	-	-	-	-

(c) Details of CSR amount spent against **other than ongoing projects** for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sr. No	Name of the Project	Item from the list of activities in schedule VII to the Act	Local Area (Yes / No)	Location of the Project		Amount spent for the project (Rs. In lakhs	Mode of implementation – Direct (Yes / No)	Mode of Implementation – Through Implementing Agency	
				State	District			Name	CSR Registration Number
1	Promotion of education	Yes	No	Haryana	National Capital Region	75.00	Yes	Ashoka University	CSR00000712
2	Promoting education and vocational training projects	Yes	Yes	Maharashtra, Telangana, Karnataka	Mumbai, Hyderabad, Bangalore	35.00	No	321 Education Foundation	CSR00000739
3	Promoting education & employment, enhancing vocational skills	Yes	Yes	Maharashtra	Mumbai	25.00	No	ASSEMA Charitable Trust	CSR00004000
4	Promotion of rural education projects	Yes	Yes	Maharashtra	Jalna	5.00	No	GYAN Prakash Foundation	CSR00006310
5	Vocational development projects	Yes	Yes	Maharashtra	Mumbai	7.00	No	The Apperenticeship Project	CSR00001497
6	Promotion of social business projects	Yes	Yes	Maharashtra	Mumbai	25.00	No	Hiralal Parikh Parivar Charitable Trust	CSR00000249
7	Promotion of social business projects	Yes	Yes	Maharashtra	Mumbai	13.00	No	GOONJ	Not Applicable
8	Healthcare projects	Yes	Yes	Maharashtra	Mumbai	6.40	No	Rotary Club oF India	Not Applicable
9	Promotion of education projects	Yes	No	Delhi	Delhi	0.18	No	Dream Charitable Foundation	Not Applicable

(d) Amount spent in Administrative Overheads : Nil

(e) Amount spent on Impact Assessment, if applicable : Not Applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) : Rs. 191.58 Lakhs

(g) Excess amount for set off, if any :

Sl. No.	Particular	Amount (Rs. in Lakhs)
(i)	Two percent of average net profit of the company as per section135(5)	191.55
(ii)	Total amount spent for the Financial Year	191.58
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.03
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	0.03

9. (a) Details of Unspent CSR amount for the preceding three financial years: Not Applicable

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135(6) (Rs. In Lakhs)	Amount spent in the reporting Financial Year (Rs. In Lakhs)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding Financial Year (Rs. In Lakhs)
				Name of the Fund	Amount (Rs. In Lakhs)	Date of transfer	
-	-	-	-	-	-	-	-

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Not Applicble

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (Rs. In Lakhs)	Amount spent on the project in the reporting financial year (Rs. In Lakhs)	Cumulative amount spent at the end of the reporting financial year (Rs. In Lakhs)	Status of the project – Completed / Ongoing
-	-	-	-	-	-	-	-	-

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year : Not Applicable

(Asset-wise details)

(a) Date of creation or acquisition of the capital asset(s). Not Applicable

(b) Amount of CSR spent for creation or acquisition of capital asset. Not Applicable

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. Not Applicable

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). Not Applicable

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section135(5): Not Applicable

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

Harshbeena Zaveri	**Satish Rangani**
Vice Chairman & Managing Director	Executive Director

Place : Mumbai
Date : June 2, 2021

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	-	A Company in which Director of the Company is also a Director and holds along with his relatives, more than two percent of its paid-up share capital
vi)	First Technologies BV	-	Body Corporate in which relative of Director is a Member / Director
vii)	First Engineering Technologies Private Limited	-	Private Company in which a Director is a Director
viii)	New Indo Trading	-	Firm in which Director is a Partner
ix)	Trilochan Singh Sahney Trust 1	-	Trust in which Director has significant influence

x)	Ms. Hanwantbir Kaur Sahney	-	Relative of Key Managerial Personnel
xi)	Ms. Harshbeena Zaveri	-	Key Managerial Personnel
	Mr. Satish Rangani	-	Key Managerial Personnel
	Mr. Devesh Singh Sahney	-	Key Managerial Personnel
	Mr. Tashwinder Singh	-	Independent Director
	Mr. Ashank Desai	-	Independent Director
	Mr. Rustom Desai	-	Independent Director
	Ms. Vishakha R. M.	-	Independent Director
xii)	NRB Bearings Limited Staff Gratuity Fund	-	Trust
	NRB Bearings Limited Officers Gratuity Fund	-	Trust

(b) Nature of contracts/arrangements/transactions:

i)	NRB Bearings (Thailand) Limited	-	Sale of Finished Goods Purchase of Raw Materials/Component Sale of Property, Plant & Equipment Development charges Inter Corporate Deposit repayment received Interest income on Inter Corporate Deposit Reimbursement of Expenses
ii)	NRB Bearings Europe GmbH	-	Sales Promotion Expenses Reimbursement of Expenses
iii)	NRB Bearings, USA Inc	-	Sales Promotion Expenses
iv)	SNL Bearings Limited	-	Sale of Finished Goods Purchase of Raw Materials/Component Sale of Property, Plant & Equipment Service Charge
v)	NRB Industrial Bearings Limited	-	Sale of Finished Goods
vi)	First Technologies BV	-	Consultancy fees
vii)	First Engineering Technologies Private Limited	-	Purchase of Raw Materials/Component
viii)	New Indo Trading	-	Service Charges
ix)	Trilochan Singh Sahney Trust 1	-	Dividend on Shares
x)	Ms. Hanwantbir Kaur Sahney	-	Lease Agreement
xi)	Ms. Harshbeena Zaveri	-	Remuneration and commission
	Mr. Satish Rangani	-	Remuneration
	Mr. Devesh Singh Sahney	-	Sitting fees and commission
	Mr. Tashwinder Singh	-	Sitting fees and commission
	Mr. Ashank Desai	-	Sitting fees and commission
	Mr. Rustom Desai	-	Sitting fees and commission
	Ms. Vishakha R. M.	-	Sitting fees and commission
xii)	NRB Bearings Limited Staff Gratuity Fund	-	Contribution to Gratuity Fund
	NRB Bearings Limited Officers Gratuity Fund	-	Contribution to Gratuity Fund

(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 of Service & Business Development)	As per terms and conditions of inter-company agreement
3.	NRB Bearings, USA Inc	- Equity - Business Support Activities (Sale of 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.	First Technologies BV	Consultancy fees	As per terms and conditions of agreement
6.	First Engineering Technologies Private Limited	Purchase of Goods, Miscellaneous expenses and Sales promotion	As per Purchase Orders placed for their requirements of Components and Finished Products and services
7.	New Indo Trading	Service Charges	As per terms and conditions of agreement
8.	Ms. Hanwantbir Kaur Sahney	Lease Agreement	As per terms and conditions of agreement
9.	Key Managerial Persons Ms. Harshbeena Zaveri , Vice Chairman & Managing Director, Mr. Satish Rangani, Executive Director Mr. Devesh Singh Sahney, Director Others (Independent Directors)	Remuneration, Commission and Sitting Fees	As per terms and conditions on appointment / re-appointment
10.	NRB Bearings Limited Staff Gratuity Fund NRB Bearings Limited Officers Gratuity Fund	Contribution to Gratuity Fund	As per statutory provisions

2) Value of the transactions with the related parties: As mentioned below: **(Rupees in lakhs)**

i) NRB Bearings (Thailand) Limited	- Sale of finished goods	709
	- Sale of Property, Plant & Equipment	2
	- Purchase of raw materials	3,788
	- Reimbursement of expense	26
	- Inter Corporate Deposit repayment received (Including interest received and foreign exchange adjustment)	326
	- Interest income on Inter Corporate Deposit	113
	- Development charges during the year	46
ii) NRB Bearings Europe GmbH	- Sales promotion expenses	434
	- Reimbursement of expense	2
iii) NRB Bearings, USA Inc	- Sales promotion expenses	367

iv) SNL Bearings Limited	- Sales of finished goods	117
	- Purchase of raw materials	1,339
	- Sales of property, plant and equipment	15
	- Service Charge	10
v) First Technologies BV	- Consultancy fees	247
vi) First Engineering Technologies Private Limited	- Purchase of raw materials / components	3
vii) New Indo Trading	- Service charges	5
viii) Mrs. Hanwantbir Kaur Sahney	- Rental Income	1
ix) Key Managerial Personnels		
Ms. Harshbeena Zaveri	- Remuneration and Commission	479
Mr. Satish Rangani	- Remuneration	109
Mr. Devesh Singh Sahney	- Sitting Fees and Commission	7
Others (Independent Directors)	- Sitting Fees and Commission to Independent Directors	39
x) NRB Bearings Limited Staff Gratuity Fund NRB Bearings Limited Officers Gratuity Fund	- Contribution to Gratuity Fund	180

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

i) June 28, 2020

ii) July 20, 2020

iii) November 12, 2020

iv) February 7,2021

(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 2, 2021

ANNEXURE 6

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March, 2021

[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. **I have conducted online verification and examination of records as facilitated by the Company due to Covid 19 and subsequent lockdown situation for the purpose of issuing this Report.**

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, 2021 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, 2021 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 Overseas Direct Investment and External Commercial borrowing. There is **no Foreign Direct Investment**;

(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 (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 (Issue and Listing of Debts Securities) Regulations, 2008;

   e) 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.

   f) 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 Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned.

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, 2021. 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 the 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 exits 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.

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

UDIN : F002727C000409311
Place : Mumbai
Date : June 2, 2021

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 Company 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
Date : June 2, 2021

ANNEXURE 7

Form No. MGT-9

EXTRACT OF ANNUAL RETURN as on March 31, 2021

[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. : investorcare@nrbbearings.co.in 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 (100% subsidiary of Link Intime Private Limited) Unit: NRB Bearings Limited C 101, 247 Park, LBS Road, Vikhroli West, Mumbai 400 083, Maharashtra Email id. : info@unisec.in Web address : www.unisec.in Telephone No. : 022 28207203 Fax No. : 022 28207207

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	56
2.	Ball & roller bearings	2913	27
3.	Automobile components	2913	17

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 Limited Dhannur,15 Sir P.M.Road, Fort,Mumbai 400 001	L99999MH1979PLC134191	Subsidiary	73.45	2(46)
2.	NRB Bearings (Thailand) Limited 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	Physi-cal	Total	% of Total Shares	Demat	Physi-cal	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	11978100	0	**11978100**	12.36	12506024	0	**12506024**	12.90	0.54
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
Sub-total (A) (1)	**45787400**	**0**	**45787400**	**47.24**	**46315324**	**0**	**46315324**	**47.79**	**0.54**
(2) Foreign									
a) NRIs - Individuals	1450344	0	**1450344**	1.50	1779543	0	**1779543**	1.84	0.34
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)	**1450344**	**0**	**1450344**	**1.50**	**1779543**	0	**1779543**	**1.84**	**0.34**
Total Shareholding of Promoters (A) = (A)(1)+(A)(2)	**47237744**	**0**	**47237744**	**48.74**	**48094867**	0	**48094867**	**49.62**	**0.88**
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	19803005	6000	**19809005**	20.44	13213588	6000	**13219588**	13.63	-6.80
b) Banks/ FI	31327	0	**31327**	0.03	0	0	**0**	0	-0.03
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	856839	0	**856839**	0.88	0	0	**0**	0	-0.88
g) FIIs / FPIs	18879995	0	**18879995**	19.48	19518545	0	**19518545**	20.14	0.66
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	
Alternate Investment Fund	33778	0	**33778**	0.03	83778	0	**83778**	0.09	0.06
Sub-total (B) (1)	**39604944**	**6000**	**39610944**	**40.87**	**32815911**	**6000**	**32821911**	**33.86**	**-7.00**
(2) Non-Institutions									
a) Bodies Corporate									
i) Indian	587140	4000	**591140**	0.61	560439	4000	**564439**	0.58	0.03
ii) Overseas	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	Physi-cal	Total	% of Total Shares	Demat	Physi-cal	Total	% of Total Shares	
b) Individuals									
i) Individual Shareholders holding nominal sharecapital upto Rs.1 Lakh	6384407	322060	**6706467**	6.92	11800204	312560	**12112764**	12.50	5.58
ii) Individual Shareholders holding nominal share capital in excess of Rs.1 Lakh	1453492	0	**1453492**	1.50	1939914	0	**1939914**	2.00	0.50
c) Any Other						0			
i) Non Resident Indians (Non Repat)	196552	0	**196552**	0.20	268208	0	**268208**	0.28	0.08
ii) Non Resident Indians (Repat)	231569	0	**231569**	0.24	371167	0	**371167**	0.38	0.14
iii) Clearing Members	47493	0	**47493**	0.05	217780	0	**217780**	0.22	0.17
iv) Foreign Nationals	0	0	**0**	0.00		0	**0**	0	
v) Trusts	0	0	**0**	0.00	17997	0	**17997**	0.02	0.02
vi) Foreign Portfolio Invest- ment Corporation	0	0	**0**	0		0	**0**	0	
vii) LLP/ Partnership firm	530344	0	**530344**	0.55	3744	0	**3744**	0.00	-0.55
viii) NBFC	0	0	**0**	0.00		0	**0**	0	
ix) HUF	242810	0	**242810**	0.25	433228	0	**433228**	0.45	0.20
x) IEPF Authority	62045	0	**62045**	0.06	64581	0	**64581**	0.07	0.01
(xi) Director's Relatives	12000	0.00	**12000**	0.01	12000	0.00	**12000**	0.01	0.00
Sub-total (B) (2)	**9747852**	**326060**	**10073912**	**10.29**	**15689262**	**316560**	**16005822**	**16.51**	**6.12**
Total Public Shareholding (B) = (B)(1) + (B) (2)	**49352796**	**332060**	**49684856**	**51.26**	**48505173**	**322560**	**48827733**	**50.38**	**-0.88**
C. Shares held by Custodian for GDRs & ADRs	0	0	**0**	0	0	0	**0**	0	0
Grand Total (A+B+C)	**96590540**	**332060**	**96922600**	**100.00**	**9600040**	**322560**	**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	411900	0.42	0	411900	0.42	0	0.00
2	Bhupinder Singh Sahney	26680	0.03	0	26680	0.03	0	0.00
3	Devesh Singh Sahney	850089	0.88	5.09	850089	0.88	0	0.00
4	Hanwantbir Kaur Sahney	0	0.00	0	0	0.00	0	0.00
5	Harshbeena Zaveri	10384936	10.71	0	10907940	11.25	0	0.54
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	683571	0.71	0	1012770	1.04	0	0.33
12.	Mallika Sahney	0	0.00	0	4920	0.01	0	0.01
	Total	**47237744**	**48.74**	**0.62**	**48094867**	**49.62**	**0**	**0.88**

(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	411900	0.42		
	Date wise Increase/ Decrease	Nil	Nil	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 Singh Sahney				
	At the beginning of the Year	850089	0.88		
	Date wise Increase/ Decrease	Nil	Nil	850089	0.88
	At the End of the year			850089	0.88
4.	Hanwantbir Kaur Sahney				
	At the beginning of the Year	0	0		
	Date wise Increase/ Decrease	Nil	Nil	0	0
	At the End of the Year			0	0
5.	Harshbeena Zaveri				
	At the beginning of the Year	10384936	10.71		
	03-04-2020 Purchase 10-04-2020 Purchase 31-07-2020 Purchase 07-08-2020 Purchase 14-08-2020 Purchase 21-08-2020 Purchase 11-09-2020 Purchase 18-09-2020 Purchase 25-09-2020 Purchase 30-09-2020 Purchase 09-10-2020 Purchase 11-12-2020 Purchase 18-12-2020 Purchase 25-12-2020 Purchase 31-12-2020 Purchase 01-01-2021 Purchase 08-01-2021 Purchase 26-03-2020 Purchase	8207 10491 53294 101995 60407 8928 13585 1250 11500 24320 18095 103209 6000 27642 41391 18320 9800 4570	0.01 0.01 0.06 0.10 0.07 0.01 0.01 0.00 0.01 0.03 0.02 0.10 0.01 0.03 0.04 0.02 0.01 0.00	10393143 10403634 10456928 10558923 10619330 10628258 10641843 10643093 10654593 10678913 10697008 10800217 10806217 10833859 10875250 10893570 10903370 10907940	10.72 10.73 10.79 10.89 10.96 10.97 10.98 10.98 10.99 11.02 11.04 11.14 11.15 11.18 11.22 11.24 11.25 11.25
	At End of the Year			10907940	11.25

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	683571	0.71		
	27-11-2020 Purchase	42976	0.04	726547	0.75
	04-12-2020 Purchase	24345	0.02	750892	0.77
	11-12-2020 Purchase	121839	0.13	872731	0.90
	18-12-2020 Purchase	9125	0.01	881856	0.91
	25-12-2020 Purchase	31367	0.03	913223	0.94
	31-12-2020 Purchase	32989	0.04	946212	0.98
	08-01-2021 Purchase	54145	0.05	1000357	1.03
	26-02-2021 Purchase	3179	0.01	1003536	1.04
	05-03-2021 Purchase	334	0.00	1003870	1.04
	26-03-2021 Purchase	8900	0.00	1012770	1.04
	At the End of the Year			1012770	1.04
12.	Mallika Sahney				
	At the beginning of the Year	0	0.00		
	Increase/ Decrease	4920	0.01	4920	0.01
	At the End of the Year			4920	0.01

(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	8748982	9.03		
	Date wise Increase/ Decrease	Nil	Nil	8748982	9.03
	At the End of the Year			8748982	9.03
3	Acacia Partners, LP				
	At the beginning of the Year	2067800	2.13		
	Date wise Increase/ Decrease	Nil	Nil	2067800	2.13
	At the End of the Year			2067800	2.13
4	Acacia Conservation Fund, LP				
	At the beginning of the Year	2067800	2.13		
	Date wise Increase/ Decrease	Nil	Nil	2067800	2.13
	At the End of the Year			2067800	2.13
5	Acacia Institutional Partners, LP				
	At the beginning of the Year	1920100	1.98		
	Date wise Increase/ Decrease	Nil	Nil	1920100	1.98
	At the End of the Year			1920100	1.98
6	Sundaram Mutual Fund A/C Sundaram Emerging Small Cap - Series II				
	At the beginning of the Year	5762631	5.95		
	30/06/2020 Sale	-49615	-0.06	5713016	5.89
	03/07/2020 Sale	-192419	-0.19	5520597	5.70
	31/07/2020 Sale	-3373	-0.01	5517224	5.69
	07/08/2020 Sale	-256405	-0.26	5260819	5.43
	14/08/2020 Sale	-392586	-0.41	4868233	5.02
	21/08/2020 Sale	-210115	-0.22	4658118	4.80
	28/08/2020 Sale	-122738	-0.12	4535380	4.68
	25/09/2020 Sale	-21777	-0.02	4513603	4.66
	30/09/2020 Sale	-92736	-0.10	4420867	4.56
	09/10/2020 Sale	-500474	-0.52	3920393	4.04
	16/10/2020 Sale	-559742	-0.57	3360651	3.47
	30/10/2020 Sale	-240710	-0.25	3119941	3.22
	13/11/2020 Sale	-133037	-0.14	2986904	3.08
	27/11/2020 Sale	-661872	-0.68	2325032	2.40
	04/12/2020 Sale	-29063	-0.03	2295969	2.37
	11/12/2020 Sale	-280872	-0.29	2015097	2.08

	18/12/2020 Sale 25/12/2020 Sale 31/12/2020 Sale 01/01/2021 Sale 08/01/2021 Sale 15/01/2021 Sale 22/01/2021 Sale 29/01/2021 Sale 05/02/2021 Sale 12/02/2021 Sale 26/02/2021 Sale 05/03/2021 Sale	-68434 -4547 -31843 -4466 -21742 -45385 -11679 -2187 -3426 -873 -55814 -12456	-0.07 -0.01 -0.03 -0.01 -0.02 -0.04 -0.01 -0.01 -0.01 -0.00 -0.05 -0.01	1946663 1942116 1910273 1905807 1884065 1838680 1827001 1824814 1821388 1820515 1764701 1752245	2.01 2.00 1.97 1.96 1.94 1.90 1.89 1.88 1.87 1.87 1.82 1.81
	At the End of the Year			1752245	1.81
7	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
8	Franklin Build India Fund				
	At the beginning of the Year	1600000	1.65		
	18/12/2020 Sale 08/01/2021 Sale	-200000 -200000	-0.21 -0.20	1400000 1200000	1.44 1.24
	At the End of the Year			1200000	1.24
9	Acacia Banyan Partners				
	At the beginning of the Year	1181600	1.22		
	19/03/2021 Sale	-124000	-0.13	1057600	1.09
	At the End of the Year			1057600	1.09
10	JP Morgan India 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
11	HSBC Small Cap Equity Fund				
	At the beginning of the Year	1211642	1.25		
	03/04/2020 Sale 17/04/2020 Sale 24/04/2020 Sale 04/09/2020 Sale 25/09/2020 Sale 30/09/2020 Sale 09/10/2020 Sale 16/10/2020 Sale 23/10/2020 Sale 30/10/2020 Sale	-1298 -74531 -335553 -75872 -40195 -50000 -184193 -236000 -139696 -74304	-0.00 -0.08 -0.34 -0.08 -0.04 -0.06 -0.19 -0.24 -0.14 -0.08	1210344 1135813 800260 724388 684193 634193 450000 214000 74304 0	1.25 1.17 0.83 0.75 0.71 0.65 0.46 0.22 0.08 0.00
	At the End of the Year			0	0.00

(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 Zaveri				
	At the beginning of the Year	10384936	10.71		
	03-04-2020 Purchase	8207	0.01	10393143	10.72
	10-04-2020 Purchase	10491	0.01	10403634	10.73
	31-07-2020 Purchase	53294	0.06	10456928	10.79
	07-08-2020 Purchase	101995	0.10	10558923	10.89
	14-08-2020 Purchase	60407	0.07	10619330	10.96
	21-08-2020 Purchase	8928	0.01	10628258	10.97
	11-09-2020 Purchase	13585	0.01	10641843	10.98
	18-09-2020 Purchase	1250	0.00	10643093	10.98
	25-09-2020 Purchase	11500	0.01	10654593	10.99
	30-09-2020 Purchase	24320	0.03	10678913	11.02
	09-10-2020 Purchase	18095	0.02	10697008	11.04
	11-12-2020 Purchase	103209	0.10	10800217	11.14
	18-12-2020 Purchase	6000	0.01	10806217	11.15
	25-12-2020 Purchase	27642	0.03	10833859	11.18
	31-12-2020 Purchase	41391	0.04	10875250	11.22
	01-01-2021 Purchase	18320	0.02	10893570	11.24
	08-01-2021 Purchase	9800	0.01	10903370	11.25
	26-03-2020 Purchase	4570	0.00	10907940	11.25
	At the End of the Year			10907940	11.25
2.	Satish 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 Singh Sahney				
	At the beginning of the Year	850089	0.88		
	Date wise Increase/ Decrease	Nil	Nil	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.	Ravi Teltia				
	At the beginning of the Year	0	0.00		
	Date wise Increase/ Decrease	Nil	Nil	0	0.00
	At the End of the Years			0	0.00
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

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	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**
Change in Indebtedness during the financial year				
i) Addition	89,446	0	0	89,446
ii) Reduction	(89,453)	(10,322)	0	(99,775)
Net Change	(7)	(10,322)	0	(10,329)
Indebtedness at the end of the financial year				
i) Principal Amount	19,214	3,394	0	22,608
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	53	159	0	212
Total (i+ii+iii)	**19,267**	**3,553**	**0**	**22,820**

VII. Remuneration of Directors and Key Managerial Personnel

A. Remuneration to Managing Director, Whole-time Directors and/or Manager for 2020-21: (In Rs.)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Ms. Harshbeena Zaveri (Vice Chairman & Managing Director)	Mr. Satish Rangani (Executive Director)	
1.	Gross salary: (a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961 (b) Value of perquisites u/s 17(2) (c) Profits in lieu of salary undersection 17(3) Income-tax Act, 1961	1,35,00,000 2,99,86,020 -	60,00,000 36,50,663 -	1,95,00,000 3,36,36,683 -
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission: - as % of profit	28,71,000	6,00,000	34,71,000
5.	Others, please specify (Retirals)	15,52,500	6,90,000	22,42,500
	Total (A)	**4,79,09,520**	**1,09,40,663**	**5,88,50,183**
	Ceiling as per the Act	Rs. 5,88,94,218/-		

B. Remuneration to Other Directors for 2020-21: (In Rs.)

Sr. No.	Particulars of Remuneration	Name of Directors				
		Mr. Devesh Sahney	Mr. Tashwinder Singh	Mr. Ashank Desai	Mr. Rustom Desai	Ms. Vishakha R.M
1.	Independent Directors Fee for attending board / committee meetings Commission	- -	3,60,000 12,00,000	2,10,000 5,00,000	2,20,000 5,00,000	3,80,000 5,00,000
	Total (1)	-	15,60,000	7,10,000	7,20,000	8,80,000
2.	Other Non-Executive Directors Fee for attending board / committee meetings Commission	1,60,000 5,00,000	- -	- -	- -	- -
	Total (2)	6,60,000	-	-	-	-
	Total (B)=(1+2)	**6,60,000**	**15,60,000**	**7,10,000**	**7,20,000**	**8,80,000**
	Overall ceiling as per the Act	Rs. 6,47,83,640/-				

C. Remuneration to Key Managerial Personnel other than Managing Director, Whole-time Directors and/or Manager for 2020-21:

(In Rs.)

Sr. No.	Particulars of Remuneration	Name of Manager (KMP)		Total Amount
		Mr. Ravi Teltia Cheif Financial Officer	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	24,43,583	18,31,968	42,75,551
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	36,86,951	26,67,651	63,54,602
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961/Variable Pay	-	2,61,800	2,61,800
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission: - as % of profit - others, specify...	-	-	-
5.	Others, please specify (Retirals)	2,80,840	2,10,768	4,91,608
	Total (A)	**64,11,374**	**49,72,187**	**1,13,83,561**

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 2, 2021

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/KEY MANAGERIAL PERSONNEL (KMP) OF THE COMPANY

a. The ratio of the remuneration of each Director/KMP to the median remuneration of the employees of the company for the financial year 2020-21

Name of Directors	Remuneration (Rs. In Lakhs)	Median Remuneration (Rs. In Lakhs)	Ratio
Ms. Harshbeena Zaveri Vice Chairman & Managing Director	479	4.44	107.96
Mr. Satsh Rangani Whole Time Director	109	4.44	24.65
Mr. Ravi Teltia (CFO)	64	4.44	14.45
Ms. Shruti Joshi (CS)	50	4.44	11.20

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 2020-21:

Name of Directors	Percentage increase in remuneration in the Financial year.
Ms. Harshbeena Zaveri, Vice Chairman & Managing Director	-12.89 per cent
Mr. Satish Rangani, Whole Time Director	-3.18 per cent
Mr. Ravi Teltia (CFO)*	0.00 per cent
Ms. Shruti Joshi (CS)	-14.27 per cent

* Mr. Ravi Teltia was employed with the Company with effect from April 6, 2020.

c. The percentage increase in the median remuneration of employees in the financial year:

The median remuneration of employees of the Company has decreased by 0.61 per cent during the financial year 2020-21. (from Rs 4,46,482 p.a. to Rs 4,43,774 p.a.)

d. The Company has 1,436 number of permanent employees on the rolls of company as on March 31, 2021;

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 -1.00 per cent while decrease in the Managerial Remuneration is -22.38 per cent.

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 2, 2021

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.com
5. E-mail id:	investorcare@nrbbearings.co.in
6. Financial Year reported:	2020-21
7. Sector(s) that the Company is engaged in (industrial activity code-wise):	• 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):	• 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, Aurangabad and Jalna in the State of Maharashtra, Hyderabad in the State of Telangana and 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 Lakhs)	73,589/-
3. Total profit after taxes (INR Lakhs)	4,373/-
4.Total Spending (INR Lakhs) on Corporate Social Responsibility (CSR) as percentage of profit after tax(%)	192/- (approx) 4.38%
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.)
Ashoka University	Education	75,00,000
Aseema Charitable Trust	Education	25,00,000
321 Education Foundation	Education	35,00,000
Gyan Prakash Foundation	Education	5,00,000
The Apprenticeship Project	Vocational Development	7,00,000
Goonj	Social Business Projects	13,00,000
Hiralal Parekh Parivar Charitable Trust	Social Business Projects	25,00,000
Rotary Club of Mumbai	Health Care	6,40,000
Dream Charitable Foundation	Education	18,000

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, subsidiary company 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 business practices and has processes in place to identify suppliers and standards of conduct which need to be followed by the suppliers. The Company recognises that having a diverse supplier base with focus on sustainability strengthens its supply chain which contributes to increased efficiency and innovation. 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 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 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 Swach 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, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows;

(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') BR Policy/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 the 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 through out 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.com								
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 reviews the BR initiatives, the Audit Committee reviews the whistle blower policy of the Company, and the 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.com. In line with the requirements of the Companies Act, 2013, your Company has also published the Annual Report on CSR 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 2020-21, 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 complaint and free from hazardous elements. Every product is certified for the same. The Company endorses product and process design using in-house software simulation 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 per cent of reclaimed raw materials in its needle roller manufacturing 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 work place 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, 2021, there were 1,436 permanent employees in the Company out of which 51 no. were women.

The Company has embraced diversity as a culture and understands that strength lies in differences 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 endeavors 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 all the 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 2020-21, the number of training achieved for each of the permanent employees was 2,467 mandays and for others was 2,268 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 Members and investors and to maintain the highest level of corporate governance. For this the Company regularly interacts with the Members and investors through the Company's website and the quarterly and annual reports. The Annual General Meeting is also a forum where the Members of the Company engage directly with the Board of Directors who answer 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 under taken by the research and development and the engineering team for increasing usage of clean technology, alternative sources of energy, cleaner fuels, energy efficiency etc. For the financial year under review, the emissions and waste generated by the operations of the Company are within the permissible limits prescribed by the respective state pollution control boards.

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 products 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, 2021 is 173 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 2, 2021

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 2020-21 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	**Ravi Teltia**
Vice Chairman & Managing Director	**Chief Financial Officer**

Place: Mumbai
Date : June 1, 2021

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, 2021.

For NRB Bearings Limited

Harshbeena Zaveri
Vice Chairman & Managing Director

Place: Mumbai
Date : June 1, 2021

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).
- 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 COVID -19 pandemic has inflicted high and rising human costs worldwide, and the necessary protection measures have severely impacted economic activity. As a result of the pandemic, the global economy has contracted sharply at an estimated average 4.9 per cent during the year under review, much worse than during the 2008-09 financial crisis. As countries implemented necessary quarantines and social distancing practices to contain the pandemic, the world was put in a Great Lockdown. The magnitude and speed of collapse in activity that followed is unlike anything experienced in our lifetimes. The cumulative loss to global GDP over 2020 and 2021 from the pandemic crisis is estimated to be around 9 trillion dollars, greater than the economies of Japan and Germany, combined. This is a truly global crisis as no country is spared. Countries reliant on tourism, travel, hospitality, and entertainment for their growth experienced particularly large disruptions. Emerging market and developing economies faced additional challenges with unprecedented reversals in capital flows as global risk appetite waned, while coping with weaker health systems, and more limited fiscal space to provide support. Moreover, several economies entered this crisis in a vulnerable state with sluggish growth and high debt levels. For the first time since the Great Depression both advanced economies and emerging market and developing economies are in recession. Income per capita is projected to shrink for over 170 countries. Both advanced economies and emerging market and developing economies have partially recovered in 2021.

After having battled one of the biggest recessions it faced in recent memory, there was some cheer for India’s economy that recorded a positive—albeit marginal—growth in Q3 FY 2021. The overall economy declined in FY 2021 as COVID-19 containment measures hampered domestic activity and external demand. Moreover, the ongoing spread of the virus and snap-back of lockdown measures, coupled with fiscal stimulus measures falling well short of the mark, continue to pose a downside risk to the outlook. India’s economic growth has fallen from 4.7 per cent in 2019 to -9.6 per cent in 2020, as lockdowns and other containment efforts slashed domestic consumption without halting the spread of the disease, despite drastic fiscal and monetary stimulus. Till recently, economic activity seemed to be gathering momentum at a sustainable pace with people demonstrating greater confidence in stepping out and spending. Despite a quicker rebound the output levels will remain far below the potential GDP, the levels that we would have seen had there been no COVID-19. When compared to FY 2020, GDP growth in the next fiscal year will be a mere 3.5 per cent, well below the potential GDP. It will likely take a while for the trajectory to reach the potential. Clearly, the scars left by the pandemic on the economy are deep.

Source: IMF, World Economic Outlook and Deloitte Insights

In FY 2021, worldwide motor vehicle production fell sharply, dropping 15.4 per cent from the previous year, because of travel restriction measures and an overall decline in economic activity due to the COVID-19 pandemic. Passenger cars experienced a more significant drop in production than commercial vehicles, with decreases of 16.9 per cent and 11.6 per cent, respectively. This marks the third consecutive year with negative growth in global automotive vehicle production. In contrast, global electric vehicle (EV) sales increased 39 per cent in 2020, to 3.2 million units, boosting the total global EV stock to 11.3 million units. Export trade also suffered a blow from 2020 corona virus restrictions aiming to slow down the virus's spread. Motor vehicle exports came to an almost complete standstill in Eastern Europe, Latin America, and the Middle East, where yearly vehicle export totals were more than 97 per cent below their 2019 levels. Other regions experienced export decreases of 40–50 per cent.

Against the backdrop of an overall motor vehicle market contraction in 2020, exports and sales in the global EV market registered lucrative growth. Global EV sales have accelerated by 39 per cent in comparison to 2019, while EV export trade increased by 18 per cent. Germany now ranks second in EV sales, after China, overtaking the United States in 2020. Norway was the top country by electric vehicle sales share, with 75 per cent of cars sold in the country being electric, followed by Sweden (32 per cent), Netherlands (25 per cent), and Denmark (16 per cent).

Source: Knomea

In the history of India's automotive industry, FY 2020-21 was one of the most challenging. The intermittent lockdowns under the COVID-19 pandemic and the supply and demand disruptions across geographies and in several sectors of the economy in the first half of FY 2021 led to a decline of approx.40 per cent in overall automobile industry sales, however, the second half of FY 2021 showed signs of the start of a recovery process with overall automobile sales growing significantly on YoY basis over FY2020. The automobile industry in India is the world's fifth largest. India was the world's fifth 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. The industry attracted Foreign Direct Investment (FDI) worth US$ 25.40 billion between April 2000 and December 2020 according to the data released by Department for Promotion of Industry and Internal Trade.

Source: SIAM & IBEF

Vehicle Production (Nos.)

Category	2019-20	2020-21	Growth Percentage
Passenger Vehicles	34,24,564	30,62,221	-10.58
Commercial Vehicles	7,56,725	6,24,939	-17.42
Three Wheelers	11,32,982	6,11,171	-46.06
Two Wheelers	2,10,32,927	1,83,49,941	-12.76
Quadricycle	6,095	3,836	-37.06
Grand Total	**2,63,53,293**	**2,26,52,108**	-14.04

Source : SIAM

The Government aims to develop India as a global manufacturing and research and development (R&D) hub. In the Union Budget 2021-22, the government introduced the voluntary vehicle scrappage policy, which is likely to boost demand for new vehicles after removing old unfit vehicles currently plying on the Indian roads.

Passenger car sales are dominated by small and mid-sized cars. Two wheelers and passenger cars accounted for 81.22 per cent and 14.56 per cent market share, respectively, accounting for a combined sale of over 18.6 million vehicles in FY 2020-21.

Passenger vehicle (PV) sales stood at 27.11 lakhs units in FY 2021, a de-growth of 2.24 per cent over the previous year, while commercial vehicles segment registered a de-growth of 20.77 per cent in FY 2021. The two-wheeler segment also registered a de-growth of 13.9 per cent in FY 2021 over FY 2020. In FY 2021, overall automobile exports declined by 13.05 percent, with passenger vehicles, commercial vehicles and two-wheeler exports declining by 38.92 per cent, 21.67 per cent and 6.87 per cent respectively.

Source: SIAM

The Indian auto component industry, being a critical part of the OEM value chain, has grown at a healthy pace over the past few years. The production and demand of the auto component industry is directly proportional to that of the automobile industry. Although a sizeable portion of auto components production caters to OEMs, the aftermarket or the replacement markets have emerged as crucial sources of revenue for the auto components industry over the past few years. Historically, the automobile OEMs were concentrated in the developed nations and so did the ancillaries. However, in recent years, manufacturing of auto components is gradually gaining traction towards Asian countries such as China, India, and others due to the presence of higher market potential and low-cost manufacturing. Weak domestic demand and a drop in demand from export destinations has hit auto-component manufacturers for the second consecutive year. Replacement demand fell for the first time in over a decade in FY 2021. This can be attributed to lower movement of vehicles in the initial few months of the year under review.

As per Automobile Component Manufacturers Association (ACMA), automobile component export from India is expected to reach US$ 80 billion by 2026. The Indian auto component industry aims to achieve US$ 200 billion in revenue by 2026. Turnover of the automotive components industry stood at Rs.1.19 lakh crore (US$ 15.9 billion) during the first half of FY 2021, registering a decline of 34 per cent over the same period of the previous year. FY 2021 further added to the woes of the industry by creating supply side challenges due to multiple nationwide and local lockdowns for the most part.

Growth drivers of the Auto component industry:

- Robust 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
- Policy Support

  100 per cent FDI allowed and no restrictions on import-export

  In November 2020 government approved the PLI Scheme in automobile and auto components with an approved financial outlay over a five year period of Rs. 57,042 crores
- Competitive Advantage

  A cost effective manufacturing base which keeps cost lower by 10-25 per cent relative to operations in Europe and Latin America
- Cost competitive

  GST reduction in vehicles will spur demand

  GST on Electric Vehicles reduced to 5 per cent from 12 per cent

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. 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 year on year from 2020 onwards. 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

Our innovative approach and focus on for high-technology products, consistent quality, performance levels and cost competitiveness leads us to be an engineering differentiated Company. This advantage further enhances the geographical and locational advantage. The cultural advantage of a less hierarchical, flatter organization with a collaborative working style is an additional distinct advantage which can be leveraged for global expansion as a strategy.

Financials

During the year under review Revenue from operations, net of levies, has decreased by 2 per cent to Rs. 73,589 lakhs from Rs. 75,196 lakhs in 2019-20. Domestic sales decreased by 7 per cent Rs. 54,783 lakhs from Rs. 59,137 lakhs while exports have increased by 17 per cent to Rs. 18,806 lakhs from Rs. 16,059 lakhs in 2019-20.

The table below sets forth the key expense items as a percentage of income for FY 2020-21 and FY2019-20.

(Rs. In Lakh)

	Percentage of Turnover			
	March 31, 2021		March 31, 2020	
		Percentage		Percentage
Revenue from operations	73,589	100	75,196	100
Other income	1,200	-	1,915	-
Expenditure:				
- Material (Including change in stock)	31,733	43.12	33,472	44.51
- Employee Cost	11,119	15.11	11,071	14.72
- Manufacturing and Other expenses (Net)	22,007	29.91	23,395	31.11
Total Expenditure	64,859	88.14	67,938	90.35
Profit before Depreciation, Interest and Tax	9,930	13.49	9,173	12.20
Depreciation	2,667	3.62	2,949	3.92
Finance costs	2,052	2.79	2,061	2.74
Profit before Exceptional Items and Tax	5,211	7.08	4,163	5.54
Exceptional Item	-	-	-	-

The details of significant changes (i.e. change of 25 per cent or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanations therefor, including:

Ratios	**FY20-21**	**FY19-20**	**Change in Percentage**	**Explanation for change**
Debt Equity Ratio	0.45	0.72	38	Decrease in debt
Return on Asset	4.74 per cent	3.18 per cent	49	Mainly due to increase in PAT (due to reduction in COGS , Operating expense and Tax rate)
Net Profit Margin	6.07 per cent	3.97 per cent	53	Mainly due to increase in PAT (due to reduction in COGS , Operating expense and Tax rate)
Return on Net Worth	8.58 per cent	6.41 per cent	34	Mainly due to increase in PAT (due to reduction in COGS , Operating expense and Tax rate)

Economic Value Addition

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 has turned positive during the year under review helped by the cost efficiencies and reduction in debt.

		(Rs. In Lakhs)
	2020-21	**2019-20**
EBIT	7,263	6,224
Less: Adjusted Tax	838	1,218
NOPAT (Net Operating Profit less tax)	6,425	5,006
Equity	50,954	45,897
Debt	22,820	33,150
Total Invested Capital	73,774	79,047
Post Tax Cost of Debt per cent	6.18	4.94
Cost of Equity per cent	9.36	9.57
Weighted Average Cost of Capital per cent (WACC)	8.38	7.63
Weighted Average Cost of Capital (WACC)	6,179	6,030
EVA (NOPAT – WACC)	246	-1024

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 @ 6.32 per cent 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

The Indian auto industry is expected to see stronger growth in 2021-22, after recovering from the devastating effects of the COVID-19 pandemic, after two consecutive years of sluggish market conditions. Passenger Cars, two-three wheelers and commercial vehicles are expected to see 23-25 per cent, 18-20 per cent and 34-36 per cent respectively. Demand for commercial vehicles is expected to be stronger in FY 2022, riding on a significantly low base, improving economic activity and the government thrust on road infrastructure. Electric vehicle sales, especially two-wheelers, are also likely to see positive movements. It is expected that the tractor and farm equipment 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.

The revenue of the auto components industry is expected to recover by 21-23 per cent in FY 2022 backed by improved demand sentiments, as compared to a revenue decline of 7-9 per cent in FY 2021 on account of subdued demand across all segments and weakness in the economy. Led by a recovery in demand from Q2 FY 21 onwards, the auto component industry, expects a better than anticipated revival to cushion the steep decline in revenues in fiscal 2021. Moreover, higher component intensity due to the BS-VI norm is expected to aid average realizations. On the demand side, domestic demand was impacted during H1 FY 2021 (with tractors being an exception since it was exempted from lockdown) owing to spread of COVID-19, income uncertainty and increase in cost of acquisition on the back of BS VI transition. However, demand from other segments showcased signs of revival since September 2020 with the recovery in economy. On the export front, there were green shoots visible in demand from September 2020 onwards. While exports plunged by 36 per cent on-year during April-August 2020, the pace of decline slowed down to 14 per cent during 9 months ended December 2020. The recovery was led by an increase in demand from European and North American markets.

Source: Crisil Research, ICRA 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 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.

During the year under review, the COVID-19 pandemic drastically impacted operations for the Company during the first half of the year. Early identification, risk assessment, formation of cross functional teams which worked in close collaboration and conservation of resources helped mitigating the risk and converting the crisis into opportunity and the Company was back on the profitability track by the end of the financial year.

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 e.g. 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.

- Technology: Rapid strides in technology like electric vehicles and autonomous driving.
- 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. During the year under review, various measures were deployed to continuously monitor risks and take appropriate actions to mitigate the same. The Board of Directors has constituted a Risk Management Committee for driving the effectiveness of the Enterprise Wide Risk Management Framework.

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 Industrial Relations (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 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, 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 1,456 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	**Satish Rangani**
Vice Chairman & Managing Director	Executive Director

Place : Mumbai
Date : June 2, 2021

CORPORATE GOVERNANCE REPORT

Your Directors present the Company's Report on Corporate Governance for the year ended March 31, 2021, 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 we impact. The Company's Code of Conduct for Senior Management Personnel and Code of Internal Procedures and Conduct for regulating, monitoring and reporting trading 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 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 Committee, Stakeholders' Relationship Committee, Risk Management Committee, Business Strategy Committee, Digitization Committee and Financial Advisory Committee. Each of the said Committees have been mandated to operate within a given frame work.

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, 2021, 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 re-appointed as an Executive Director of the Company for a period of 1 (one) year with effect from January 24, 2021 vide a special resolution passed by the Members through postal ballot on March 24, 2021. Mr. Ashank Desai was also re-appointed as an Independent Director for a second term of 5 (five) consecutive years vide a special resolution passed by the Members through postal ballot on March 24, 2021. 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. Devesh Singh Sahney are related to each other.

Directors' Attendance and their other Directorships/ Committee memberships

As mandated by Regulation 26(1) 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, 2021 are given below:

Directorship / Committee Membership as on March 31, 2021

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	01/10/2020*	Executive Director Promoter	2	0	2	Yes	1,09,07,940
Mr. Devesh Singh Sahney DIN: 00003956	25/05/2001	Non-Executive Director Non Independent Director Promoter	1	0	1	Yes	8,50,089
Mr. Satish Rangani DIN: 00209069	24/01/2021*	Executive Director	1	0	1	Yes	9,000
Mr Tashwinder Singh DIN: 06572282	23/07/2013	Independent Director	1	0	0	Yes	Nil
Mr. Ashank Desai DIN: 00017767	30/03/2016	Independent Director	2	0	2	Yes	Nil
Mr. Rustom Desai DIN: 02448175	23/01/2017	Independent Director	0	0	0	Yes	Nil
Ms. Vishakha R.M. DIN: 07108012	02/11/2018	Independent Director	1	0	0	Yes	Nil

Notes:

(*) Date of appointment of the Executive Directors are the date of their appointment for their current terms.

1. Directorships exclude Private Limited Companies, Foreign Companies and Section 8 Companies.
2. Chairmanship/Membership of Committee only includes Audit 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	• SNL Bearings Limited - Non-Executive Director • National Peroxide Limited Non-Executive Director/ Independent Director	SNL Bearings Limited : • Audit Committee-Member • Stakeholders Relationship Committee- Member • Corporate Social Responsibility Committee-Chairperson • Nomination and Remuneration Committee-Member National Peroxide Limited : • Strategic Advisory Committee-Chairperson

2	Mr. Satish Rangani	• SNL Bearings Limited - Non-Executive Director	SNL Bearings Limited : • Stakeholders Relationship Committee-Member • Corporate Social Responsibility Committee-Member
3.	Mr. Tashwinder Singh	• Standard Industries Limited Non-Executive Director / Independent Director	Standard Industries Limited • Investment Committee-Member
4.	Ms. Vishakha R. M.	• India First Life Insurance Company Limited Executive Director / Managing Director	India First Life Insurance Company Limited: • Risk Management Committee-Member • Investment Committee-Member • Policy Holders 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	• Mastek Limited Managing Director • Majesco Limited Promoter / Director	Mastek Limited: • Audit Committee-Member • Stakeholders Relationship Committee-Member • Risk Management & Governance Committee-Member • Corporate Social Responsibility Committee-Member
7.	Mr. Devesh Singh Sahney	• NRB Industrial Bearings Limited Promoter/Executive Director / Managing Director	NRB Industrial Bearings Limited: • 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 2020-21 the Board of Directors met 4 (four) times i.e., on June 28, 2020, July 20,2020, November 12, 2020 and February 7, 2021. In view of the COVID 19 pandemic, the Ministry of Corporate Affairs (MCA) vide its notification dated March 24, 2020, had provided a one-time relaxation by extending the gap between two board meetings from 120 (one hundred twenty) days to 180 (one hundred eighty) days. Similarly, Securities Exchange Board of India (SEBI) vide its circular dated March 19, 2020, had provided relaxation by extending the due date of holding board meeting for finalization of financial results within 60 (sixty) days from the end of the financial year by 1 (one) month, i.e., from May 30, 2020 to June 30, 2020. Accordingly, the board meeting of the Company was held on June 28, 2020, there being a gap of 137 (one hundred thirty seven) days from the last board meeting which was held on February 11, 2020.

Attendance of Directors at the Board Meetings:

Sr. No.	Name of Director	No. of Board Meetings attended
1.	Ms. Harshbeena Zaveri	4
2.	Mr. Devesh Singh Sahney	4
3.	Mr. Satish 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) Regulations, 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.

(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 (Vice Chairman & Managing Director).

Meetings and Attendance

The Audit Committee met 4 (four) times during the financial year 2020-21. The maximum gap between two meetings was not more than 120 (one hundred and twenty) days, except for the meeting held on June 28, 2020, there being a gap of 137 (one hundred and thirty seven) days from the last meeting which was held on February 11, 2020. The Committee met on June 28, 2020, July 20, 2020, November 12, 2020 and February 7, 2021.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 September 15, 2020.

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 material 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, 2021.

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 and half yearly basis, the unaudited/audited Financial Statements as required by the Regulation 33 and Regulation 52 of the Listing Regulations. The Company's unaudited/audited Financial Statements both Standalone and Consolidated are made available on the website www.nrbbearings.com and are also sent to the Debenture Trustee and the Stock Exchanges where the Company's Equity Shares are listed for display at their respective websites.

Internal Control 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) Independent Directors, Ms. Vishakha R. M, Mr. Tashwinder Singh and Mr. Rustom Desai. Ms. Vishakha R. M, Independent Director, is the Chairman of the Committee. 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 2 (two) times during the year on June 24, 2020 and November 12, 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	2
2.	Mr. Rustom Desai	Member	Independent Director	2
3.	Mr. Tashwinder Singh	Member	Independent Director	2

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/- for each meeting being paid for the Board meeting and Business Strategy Committee meeting, Rs. 30,000/- for each meeting paid for the Audit Committee meeting, Nomination and Remuneration Committee meeting, CSR Committee meeting and Risk Management Committee meeting and Rs. 20,000/- for each meeting paid for Stakeholders Relationship Committee meeting and Financial Advisory Committee meeting. In addition, the non-executive Directors are entitled to commission upto 0.50% of the net profit, with a ceiling of Rs. 6,00,000/-p.a. per Director as determined by the Board of Directors / Nomination and Remuneration Committee, payable for FY 2020-21.

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/- p.a., as determined the Board of Directors / Nomination and Remuneration Committee, payable for FY 2020-21.

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

Name of Director/KMP	Sitting fees FY 2020-21	Commission on profits * $ FY 2020-21	Salary and Perquisites FY 2020-21	Total
Ms. Harshbeena Zaveri	-	28,71,000	4,50,38,520	4,79,09,520
Mr. Tashwinder Singh	3,60,000	12,00,000	-	15,60,000
Mr. Devesh Singh Sahney	1,60,000	5,00,000	-	6,60,000
Mr. Satish Rangani	-	-	1,09,40,663	1,09,40,663
Mr. Ashank Desai	2,10,000	5,00,000	-	7,10,000
Mr. Rustom Desai	2,20,000	5,00,000	-	7,20,000
Ms. Vishakha R.M.	3,80,000	5,00,000	-	8,80,000
Mr. Ravi Teltia	-	-	64,11,374	64,11,374
Ms. Shruti Joshi	-	-	49,72,187	49,72,187

* Commission to Non-Executive Directors has been approved upto 0.50% of net profits, with a ceiling of Rs. 6,00,000/- p.a. per director as determined by the Nomination and Remuneration Committee based on net profits for FY 2020-21 (payable for 2020-21).

Commission to Non-Executive Chairman has been approved upto 1% of net profits, (less commission payable to Non-Executive Directors as above) with a ceiling of Rs. 12,00,000/- p.a. as determined by the Nomination and Remuneration Committee based on net profit for FY 2020-21 (payable for 2020-21).

Commission to Vice Chairman & Managing Director payable for FY 2020-21

$ Approved at the meeting of the Nomination and Remuneration Committee held on June 2, 2021

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, 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 Members 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: Devesh Singh 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 once on November 12, 2020. 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	1
2	Ms. Harshbeena Zaveri	Member	Excutive Director (Vice Chairman & Managing Director)	1
3	Ms. Vishakha R.M.	Member	Independent Director	1

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 Members, debenture holders and other security holders.
2. Review of the work done by the share transfer agent- M/s Universal Capital Securities Private Limited (100% subsidiary of Link Intime 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 Members of the Company are serviced by the share transfer agent - M/s. Universal Capital Securities Private Limited (100% subsidiary of Link Intime 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 MEMBERS' COMPLAINTS RECEIVED

The total number of complaints received and resolved during the year ended March 31, 2021 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, 2021. The number of pending share transfers and pending requests for dematerialization as on March 31, 2021 were Nil. Members'/Investors' queries and other correspondence are normally attended to within 7 (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, 2021.

(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. Satish 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.191.58 lakhs on various CSR activities and projects for the financial year 2020-21.

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. Social Business Project including ensuring environmental sustainability

The Composition of the CSR Committee as at March 31, 2021 and the details of meetings of the Committee are as under:

Meetings and Attendance:

The CSR Committee met once during the year on January 25, 2021. 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. Satish Rangani	Member	Executive Director	1
3.	Mr. Ashank Desai	Member	Independent Director	1

(E) RISK MANAGEMENT COMMITTEE

The Board at its meeting held on June 2, 2021, has constituted the Risk Management Committee pursuant to the Listing Regulations, it being mandatory for top 1000 listed entities, determined on the basis of market capitalization, as at the end of the immediate previous financial year. Since the Company qualified as one of the entities as at March 31, 2021, the constitution of the Risk Management Committee is mandatory for the Company.

Composition

The Committee is constituted for assisting the Board in its oversight of the effectiveness of the Enterprise Wide Risk Management Framework. The composition, quorum, power, role and scope are in accordance with Regulation 21 of the Listing Regulations. Mr. Tashwinder Singh, Independent Director, Ms. Vishkha R. M., Independent Director and Ms. Harshbeena Zaveri, Vice Chairman & Managing Director are the members of the Committee.

Terms of reference

(1) To formulate a detailed risk management policy which shall include:

(a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as maybe determined by the Committee.

(b) Measures for risk mitigation including systems and processes for internal control of identified risks.

(c) Business continuity plan.

(2) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company and monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

(3) Overseeing risk appetite and risk tolerance appropriate to each business area and considering the risk policy and strategy;

(4) Overseeing compliance with the stated risk appetite and policies and procedures related to risk management governance and the risk controls framework and reporting risks and deficiencies, including emerging risks;

(5) Monitoring the alignment of the risk framework to the firm’s growth strategy, supporting a culture of risk taking within sound risk governance; and having an overview of the key risk issues identified across the Company including the subsidiaries and associates.

INDEPENDENT DIRECTORS’ MEETING

During the year under review, the Independent Directors met on March 12, 2021, 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 2020-21. 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 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, product 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 Chandiok & 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 female 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. 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 all the mandatory requirements specified in Listing Regulations 17 to 27 and Clauses (b) to (i) of Sub-regulation (2) of Regulation 46 of the Listing Regulations.

o. Subsidiaries

The Company adopted a policy for determining 'material' subsidiaries of the Company. The policy is available at the website of the Company www.nrbbearings.com

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 2, 2021

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 to 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. **I have conducted online verification and examination of records as facilitated by the Company due to Covid 19 and subsequent lockdown situation for the purpose of issuing this Report.**

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, 2021 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 and DIN	Designation	Date of First 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

UDIN: F002727C000409309
Place: Mumbai
Date : 02/06/2021

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 24 September, 2020.

2. We have examined the compliance of conditions of corporate governance by NRB Bearings Limited ('the Company') for the year ended on 31 March 2021, 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 opinion 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 31 March 2021.

   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

UDIN : 21108840AAAADD8497

Place: Mumbai
Date : June 2, 2021

MEMBER INFORMATION

GENERAL BODY MEETING

DETAILS OF LAST THREE ANNUAL GENERAL MEETINGS HELD

AGM	Financial Year	Date and Time	Venue	Details of Special Resolutions Passed
55th	2019-20	September 15, 2020 at 3:00 p.m.	Video Conferencing/ Other Audio Visual Means in accordance with the relevant circulars issued by the Ministry of Corporate Affairs.	• Payment of commission to Non-Executive Directors (including Independent Directors) not exceeding 1 (one) percent per annum of the net profits of the Company calculated in accordance with the provisions of Section 198 of the Companies Act, 2013. • Appointment of Mr. Satish Rangani, as the Whole-Time Director of the Company for a term of one year with effect from January 24, 2020 and fix his remuneration. • Re-appointment of Ms. Harshbeena Zaveri (DIN 00003948) as Managing Director for a further term of 5 years with effect from October 1, 2020 and approval of her remuneration along with ratification of excess remuneration paid for FY 2019-20. • 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.
54th	2018-19	August 9, 2019 at 3:30 p.m.	M C Ghia Hall, K Dubash Marg, Mumbai – 400001	• 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.
53rd	2017-18	August 9, 2018 at 3:30 p.m.	M C Ghia Hall, K Dubash Marg, Mumbai – 400001	No special resolution was passed

POSTAL BALLOT

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

i. Special Resolution under Sections 196, 197 and 203 read with schedule V for re-appointment of Mr. Satish Rangani (DIN: 00209069), (who has attained the age of 70 years) as a whole-time director, designated as Executive Director.

ii. Special Resolution under Sections 149 and 152 read with schedule IV for re-appointment of Mr. Ashank Desai (DIN: 00017767) as an Independent Director for a second term of 5 (five) consecutive years from March 30, 2021 to March 29, 2026.

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 Wednesday, March 24, 2021. The said result 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 resolutions were approved with requisite majority.

Details of voting pattern for the postal ballot for Special Resolutions

	Voted in favour of the resolution			Voted against the resolution		
Resolutions for	**No. of members voted through e-voting/postal ballot**	**No. of votes cast (No. of shares)**	**Percentage of total no. of votes cast**	**No. of members voted through e-voting/postal ballot**	**No. of votes cast (No. of shares)**	**Percentage of total no. of votes cast**
Re-appointment of Mr. Satish Rangani (DIN: 00209069), (who has attained the age of 70 years) as a whole-time director, designated as Executive Director	122	7,83,89,775	99.92	8	63,585	0.08
Re-appointment of Mr. Ashank Desai (DIN: 00017767) as an Independent Director for a second term of 5 (five) consecutive years from March 30, 2021 to March 29, 2026	122	7,81,69,598	99.92	8	63,865	0.08

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 Members 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 30 (thirty) 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 2020-21

DAY AND DATE	Friday, September 24, 2021
TIME	3:30 p.m. (IST)
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	Saturday, September 18, 2021 to Friday, September 24, 2021

Tentative Calendar for Financial Year ending March 31, 2022

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 2021
2.	Second Quarter & Half Yearly Results	October/November 2021
3.	Third Quarter & Nine-months ended Results	January/February 2022
4.	Fourth Quarter & Annual Results	April/May 2022

Dividend

The Board of Directors at their meeting held on June 2, 2021, has recommended a Final Dividend of Re. 0.50 per share (25 per cent) for FY 2020-21 which shall be payable, subject to approval of Members, to the Members whose names appear on Register of Members of the Company as on Friday, September 17, 2021.

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 (Rs.)
1	2013-14	August 11, 2014	1.10
2	2014-15	July 24, 2015	1.50
3	2015-16-Interim Dividend, considered as Final Dividend	March 10, 2016	1.40
4	2016-17-Interim Dividend, considered as Final Dividend	February 13, 2017	1.40
5	2017-18 – Interim Dividend 2017-18 – Final Dividend	March 20, 2018 August 9, 2018	1.40 1.20
6	2018-19	August 9, 2019	2.60
7	2019-20-Interim Dividend, considered as Final Dividend	February 11, 2020	0.80

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 Member for a period of seven consecutive years or more shall be credited to the Demat Account of Investor Education and Protection Fund Authority (IEPFA) with in 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 Members from IEPFA by following the procedure prescribed under the aforesaid rules.

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

Details of Unclaimed Dividend as on March 31, 2021 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	2013-14	August 11, 2014	2,48,094.00	September 16, 2021
2	2014-15	July 24, 2015	3,54,258.00	August 29, 2022
3	2015-16 (Interim Dividend)	March 10, 2016	3,32,509.00	April 16, 2023
4	2016-17 (Interim Dividend)	February 13, 2017	3,60,564.40	March 21, 2024
5	2017-18 (Interim Dividend)	March 20, 2018	3,57,498.40	April 25, 2025
6	2017-18	August 9, 2018	4,01,691.60	September 14, 2025
7	2018-19	August 9, 2019	5,96,962.60	September 14, 2026
8	2019-20 (Interim Dividend)	February 11, 2020	1,90,540.00	March 19, 2027

During the year under review, final dividend declared for FY 2012-13 has been transferred to IEPF on September 21, 2020.

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, 2021:

	2021				2020			
No. of Equity Shares	**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	40,780	89.83	42,28,776	4.36	20,555	88.06	20,82,704	2.14
501- 1000	2,651	5.83	22,64,062	2.34	1,564	6.70	13,40,967	1.38
1001-2000	1,051	2.31	16,44,714	1.70	608	2.61	9,66,213	0.99
2001- 3000	308	0.69	8,09,152	0.83	208	0.89	5,40,668	0.55
3001- 4000	139	0.30	4,95,042	0.51	87	0.37	3,14,044	0.32
4001- 5000	119	0.26	6,09,021	0.63	69	0.30	3,29,355	0.34
5001- 10000	150	0.33	11,70,672	1.21	99	0.42	7,18,242	0.74
10001 & above	205	0.45	8,57,01,161	88.42	153	0.65	9,06,30,407	93.50
TOTAL	**45,403**	**100.00**	**9,69,22,600**	**100**	**23,343**	**100.00**	**9,69,22,600**	**100.00**

Shareholding Pattern as on March 31, 2021:

	2021				2020			
No. of Equity Shares	**No. of share hold-ers**	**% of share hold-ers**	**No. of shares held**	**% share hold-ing**	**No. of share hold-ers**	**% of share holders**	**No. of shares held**	**% share holding**
Individuals/HUF clearing members	44,316	97.61	2,70,03,930	27.86	22,427	96.08	2,03,92,869	21.04
Corporate Bodies/LLP/NBFC Partnership Firms	242	0.53	7,85,963	0.81	224	0.96	11,68,977	2.42
IEPF Suspense A/c	1	0.00	64,581	0.07	1	0.00	62,045	0.06
Trust	3	0.01	3,38,27,297	34.90	1	0.00	3,38,09,300	34.88
Foreign Collaborator	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
NRI/OCBs	782	1.72	2418918	2.50	627	2.69	18,78,465	1.94
FI/FII/Banks/ Foreign national/ Trusts/Foreign Portfo-lio Investor	33	0.07	1,95,18,545	20.14	23	0.10	1,89,11,322	19.51
Mutual Funds/UTI	25	0.06	1,32,19,588	13.64	38	0.16	1,98,09,005	20.44
Alternate Investment Fund	1	0.00	83,778	0.09	1	0.00	33,778	0.03
Insurance Companies	0.00	0.00	0.00	0.00	1	0.00	8,56,839	0.88
TOTAL	**45,403**	**100.00**	**9,69,22,600**	**100.00**	**23,343**	**100.00**	**9,69,22,600**	**100.00**

DEMATERIALISATION OF SHARES AND LIQUIDITY

99.67 per cent of the equity shares of the Company have been dematerialized (NSDL 92.42 per cent and CDSL 7.25 per cent) as on March 31, 2021. The Company has entered into agreements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) whereby Members have an option to dematerialize their shares with either of the Depositories.

Dematerialization of Shares

Members 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 Members, the process of getting the shares dematerialized is given hereunder:

a) Demat account should be opened with a Depository Participant (DP).

b) Members should submit the Dematerialization Request Form (DRF) along with share certificates in original, to their DP.

c) DP will process the DRF and will generate a Dematerialization Request Number (DRN).

d) DP will submit the DRF and original share certificates to the Registrar and Transfer Agents (RTA), which is Universal Capital Securities Private Limited (100% subsidiary of Link Intime Private Limited).

e) RTA will process the DRF and confirm or reject the request to DP/ depositories.

f) Upon confirmation of request, the Member will get credit of the equivalent number of shares in his demat account maintained with the DP.

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 NSDL and 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 the Secretarial Standards.

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

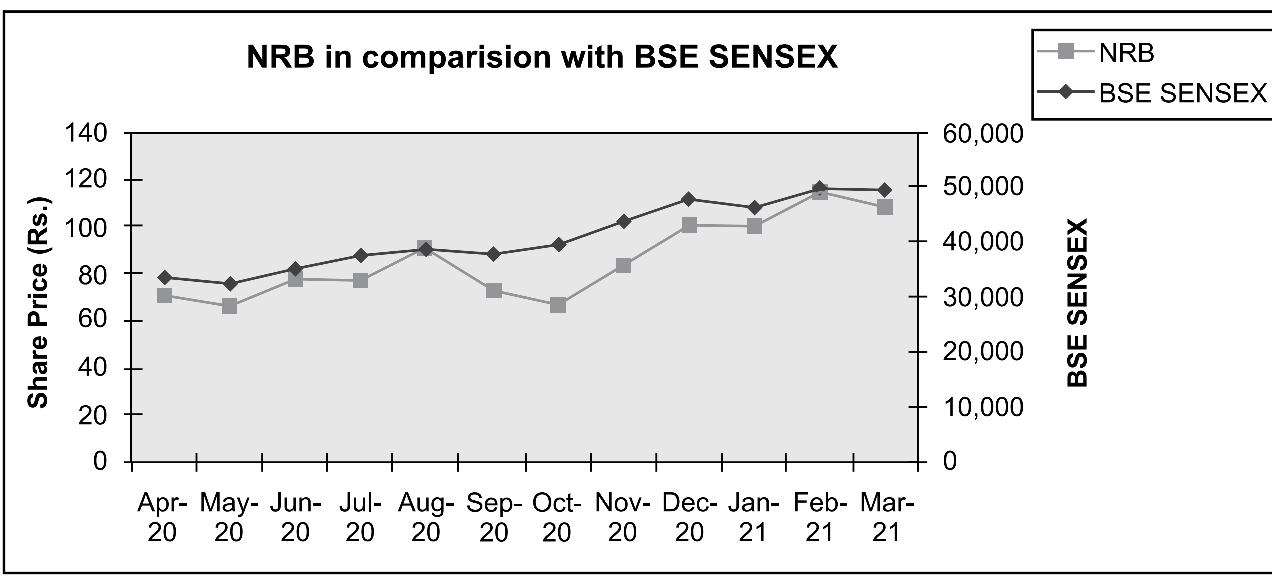
The Company has entered into agreements with NSDL and CDSL during the year 2000-01 and has been allotted ISIN No. INE 349A01013. The shares were split into shares of face value Rs. 2/- each effective April 4, 2007 and the new ISIN No. is INE 349A 01021

Listing fees for the year 2020-21 have been paid to the Stock Exchange- BSE Limited and National Stock Exchange of India Limited.

Share Price Data

2020-21	Bombay Stock Exchange			National Stock Exchange		
Month	**High (Rs)**	**Low(Rs)**	**Volume**	**High (Rs)**	**Low(Rs)**	**Volume**
April 2020	79.65	54.25	5,73,381	79.55	56.00	71,49,919
May 2020	70.00	57.05	1,69,254	70.40	56.00	20,29,952
June 2020	88.70	65.10	6,87,509	88.90	65.00	94,72,773
July 2020	95.00	74.85	7,36,744	94.00	74.85	90,61,494
August 2020	96.50	76.10	9,53,760	96.50	76.05	1,19,54,169
September 2020	92.05	71.10	4,01,078	92.00	71.05	34,17,992
October 2020	74.55	66.20	2,76,350	74.90	66.50	41,14,059
November 2020	90.90	66.65	8,14,084	90.95	66.70	95,86,478
December 2020	104.85	78.00	23,08,147	105.00	76.25	2,08,60,679
January 2021	119.90	97.75	17,49,058	119.80	97.10	1,66,60,749
February 2021	123.75	100.50	12,45,774	123.90	110.00	1,31,77,180
March 2021	125.35	101.90	11,04,957	125.50	102.00	72,28,204

NRB Bearings Equity Share performance.



MEANS OF COMMUNICATION TO Members

(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 Free Press Journal a national English newspaper and in Navshakti a 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 Members 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 Member can lodge complaint against a company for his grievance. The Company uploads the action taken on the complaint which can be viewed by the Member. The Company and Member can seek and provide clarifications online through SEBI.

(ix) The Company has designated the email id investorcare@nrbbearings.co.in exclusively for investor relations, and the same is prominently displayed on the Company's website www.nrbbearings.com.

Share Transfer System

In terms of Regulation 40(9) of the Listing Regulations, securities can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. Further, SEBI had fixed March 31, 2021 as the cut-off date for re-lodgement of transfer deeds and the shares that are re-lodged for transfer shall be issued only in demat mode. Members holding shares in physical form are requested to convert their holdings to dematerialized form.

Nomination

Members of physical shares can nominate a person for the shares held by them. Requisite nomination forms shall be circulated by the Company to the Members upon request. The Members 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), Members are required to give the 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, (100% subsidiary of Link Intime 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, 2021, the Company has been rated AA- (negative) for both short term and long term borrowings and A1+ for commercial paper.

Address for Correspondence:

Compliance Officer	**Universal Capital Securities Private Limited (100% subsidiary of Link Intime Private Limited)**	**Address of the Company**
Ms. Shruti Joshi Phone: 022-22664160/4998 E-mail: investorcare@nrbbearings.co.in	C 101, 247 Park, LBS Road, Vikhroli West, Mumbai 400083 Tel Nos: 022 28207203-05 Fax : 022 28207207 Email id : info@unisec.in Website : www.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	2nd Pokhran Road, Majiwade, Thane 400 610.
Aurangabad	E-40, MIDC Industrial Area, Chikalthana, Aurangabad 431006.
Jalna	C-6, MIDC Additional Industrial Area, Jalna 431213
Waluj	E-72 (1), MIDC, Waluj, Taluk Gangapur, Aurangabad 431136
Hyderabad	A-5, Uppal Industrial Estate, Hyderabad 500039
Uttarakhand	Plot No 33, Sector – 11, Mint Road, Tata Vendor Park Sidcul, Pantnagar, Rudrapur, Udham Singh Nagar 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 the Report.

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 2, 2021

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 Standalone Balance Sheet as at 31 March 2021, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Cash Flow and the Standalone 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 (the '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 2021, and its profit (including other comprehensive income), 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. **Compliance with laws and regulations**

We draw attention to Note 11(c) and Note 24(i) to the accompanying standalone financial statements, which indicates delays in receipt of foreign currency receivables amounting to ₹. 2,719 lakhs and delay in payment of foreign currency payables amounting to ₹. 90 lakhs, as at 31 March 2021, beyond the timelines stipulated vide FED Master Direction No.16/2015-16 and FED Master Direction No. 17/ 2016-17, respectively, under the Foreign Exchange Management Act, 1999. The management of the Company is in the process of recovering the outstanding dues and making the payments for outstanding payables and regularising these defaults by filing necessary applications with the appropriate authorities for condonation of such delays. The management is of the view that the fines/penalties if any,that may be levied pursuant to delay's, are currently unascertainable but are not expected to 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.

5. **Impact of COVID-19**

We draw attention to Note 49 of the accompanying standalone financial statements, which describes the effects of uncertainties in relation to the outbreak of COVID-19 pandemic and management's evaluation of its impact on the operations and on 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.

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 year. 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
Recoverability of investment, trade receivables, loans/ advances given to/recoverable from subsidiary company Refer Notes 5(a), 5(a)(2), 11, 14 and 42in the standalone financial statements. The Company, as at 31 March 2021, has investments in NRB Bearings (Thailand) Limited, ('wholly owned subsidiary') amounting to ₹ 2,413 lakhs, loans outstanding (including interest receivable) amounting to ₹ 1,528 lakhs, trade receivables amounting to ₹ 840 lakhs, and has given guarantee amounting to ₹ 2,559 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 at 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 2021. During the year ended 31 March 2021, NRB Bearings (Thailand) Limited has reported a profit of ₹ 376 lakhs (THB 16 million) but as at that date, its accumulated losses aggregating ₹ 2,437 lakhs (THB 104 million), have significantly eroded its capital. As at 31 March 2021, 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. Considering the materiality of the amount involved, and significant management judgement required for valuation, the recoverability of aforesaid balances as at 31 March 2021 has been determined to be a key audit matter in the current year audit.	Our audit procedures in relation to assessing the recoverable value of investments included but were not limited to, the following: • 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 standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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 standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 standalone 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 standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal 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 standalone 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 standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

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

Report on Other Legal and Regulatory Requirements

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 2021 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 2021 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:

   i. the Company has disclosed the impact of pending litigations on its financial position as at 31 March 2021 in the standalone financial statements;

   ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2021;

   iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2021: 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.: 21108840AAAADB9528

Place: Mumbai
Date: 02 June 2021

Annexure A

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 2021

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 its 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 2021. 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 2021	Net block on 31 March 2021	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 Sahney 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 has been stipulated wherein the principal amounts are repayable on demand and since the repayment of such loans has not been demanded, in our opinion, repayment of the principal amount is 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, nor any transaction under 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 provident fund, 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 generally been regularly deposited withthe appropriate authorities, except for delays in certain amounts of provident fund. Further, the amount of provident fund outstanding at the end of year for 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 (Refer note 44):

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	4	April 2019	15 May 2019
		4	May 2019	15 June 2019
		4	June 2019	15 July 2019
		4	July 2019	15 August 2019
		4	August 2019	15 September 2019
		4	September 2019	15 October 2019
		4	October 2019	15 November 2019
		4	November 2019	15 December 2019
		4	December 2019	15 January 2020
		4	January 2020	15 February 2020
		4	February 2020	15 March 2020
		4	March 2020	15 April 2020
		4	April 2020	15 May 2020
		4	May 2020	15 June 2020
		4	June 2020	15 July 2020
		4	July 2020	15 August 2020
		4	August 2020	15 September 2020

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 2012-13	
		96	19	A.Y 2013-14	
		15	15	A.Y 2013-14	Income Tax Appellate Tribunal
		165	40	A.Y 2014-15	Commissioner of Income Tax (Appeals)
		250	136	A.Y 2015-16	
		367	79	A.Y 2016-17	
		635	456	A.Y 2017-18	
		219	44	A.Y 2018-19	
		273	55	A.Y 2019-20	
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	1	F.Y 2015-16	Joint Commissioner Sales (Appeals)
		76	-	F.Y 2015-16	Dy. Excise & Taxation Comm (Sales Tax)
		18	9	F.Y 2015-16	Joint Commissioner of Sales Tax
		1	0*	F.Y 2016-17	Senior Joint Commissioner (Appeals)
		101	-	F.Y 2016-17	Joint Commissioner (Appeals)
		6	-	F.Y 2016-17	Commerical Tax Officer

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
		36	11	F.Y 2016-17	Deputy Commissioner (Commercial Tax)
		17	0*	F.Y 2016-17	Joint Commissioner (Appeals)
		69	-	F.Y 2016-17	Dy. Excise & Taxation Comm (Sales Tax)
		1	0*	F.Y 2017-18	Senior Joint Commissioner (Appeals)
		5	-	F.Y 2017-18	Assistant Commissioner (Commercial Tax)
		7	-	F.Y 2017-18	Deputy Commissioner (Commercial Tax)
		14	-	F.Y 2017-18	Dy. Excise & Taxation Comm (Sales Tax)
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	

(*) 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 (ii) below Note 25 of the accompanying standalone financial statements.

Particulars	Period of default (in months)	Amount of default during the year (₹ in lakhs)	Remarks
Deferred sales tax loan	21	11	Instalment due in May 2019 partly unpaid till February 2021
	6	154.71	Instalment due in May 2020

(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) In our opinion, no significant 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) In our opinion, 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.: 21108840AAAADB9528

Place: Mumbai
Date: 02 June 2021

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 2021, we have audited the internal financial controls with reference to standalone financial statements of the Company as at that date.

Responsibilities of Management and Those Charged with Governancefor 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 standalone 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 ('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 standalone 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 standalone 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 standalone 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 standalone 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 standalone 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 standalone financial statements.

Meaning of Internal Financial Controls with Reference to Standalone Financial Statements

6. A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone 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 standalone 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 standalone 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 standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone 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 standalone financial statements and such controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to standalone 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: 21108840AAAADB9528

Place: Mumbai
Date: 02 June 2021

Standalone Balance Sheet as at 31 March 2021

(₹ in lakhs)

Sr. No.	Particulars	Note No.	As at 31 March 2021	As at 31 March 2020
I	**Assets**			
1	**Non-current assets**			
	Property, plant and equipment	2	**31,311**	32,060
	Capital work-in-progress		**397**	1,132
	Investment property	3	**-**	-
	Intangible assets	4	**15**	39
	Intangible assets under development		**230**	10
	Investment in subsidiaries	5(a)	**2,688**	2,688
	Financial assets			
	(i) Investments	5(b)	**444**	224
	(ii) Loans	6	**500**	460
	(iii) Other financial assets	7	**320**	22
	Income-tax assets (net)	8	**2,919**	2,589
	Other non-current assets	9	**1,023**	1,376
	Total non-current assets		**39,847**	**40,600**
2	**Current assets**			
	Inventories	10	**18,355**	20,670
	Financial assets			
	(i) Trade receivables	11	**20,923**	20,695
	(ii) Cash and cash equivalents	12	**6,516**	6,554
	(iii) Bank balances other than cash and cash equivalents	13	**118**	119
	(iv) Loans	14	**1,548**	1,764
	(v) Other financial assets	15	**130**	537
	Other current assets	16	**3,069**	3,183
	Total current assets		**50,659**	**53,522**
	Total assets		**90,506**	**94,122**
II	**Equity and liabilities**			
A	**Equity**			
	Equity share capital	17	**1,938**	1,938
	Other equity	18	**49,016**	43,959
	Total equity		**50,954**	**45,897**
B	**Liabilities**			
1	**Non-current liabilities**			
	Financial liabilities			
	(i) Borrowings	19	**8,941**	7,324
	(ii) Other financial liabilities	20	**99**	45
	Deferred tax liabilities (net)	21	**1,382**	1,276
	Other non-current liabilities	22	**78**	168
	Total non-current liabilities		**10,500**	**8,813**
2	**Current liabilities**			
	Financial liabilities			
	(i) Borrowings	23	**10,643**	21,733
	(ii) Trade payables			
	Total outstanding dues of micro enterprises and small enterprises	24	**974**	1,188
	Total outstanding dues of creditors other than micro enterprises and small enterprises		**10,151**	6,960
	(iii) Other financial liabilities	25	**5,354**	7,463
	Other current liabilities	26	**713**	569
	Provisions	27	**1,107**	1,499
	Current tax liabilities (net)	28	**110**	-
	Total current liabilities		**29,052**	**39,412**
	Total liabilities		**39,552**	**48,225**
	Total equity and liabilities		**90,506**	**94,122**

The accompanying notes form an integral part of these 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's Registration No. 001076N / N500013

Adi P. Sethna
Partner
Membership No.: 108840

Place : Mumbai
Date : 02 June 2021

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: 02 June 2021

Standalone Statement of Profit and Loss for the year ended 31 March 2021

(₹ in lakhs)

Sr. No	Particulars	Note No.	Year ended 31 March 2021	Year ended 31 March 2020
I	Revenue from operations	29	73,589	75,196
II	Other income	30	1,200	1,915
III	**Total income (I + II)**		**74,789**	**77,111**
IV	**Expenses:**			
	Cost of materials consumed	31	30,750	32,436
	Changes in inventories of work-in-progress and finished goods	32	983	1,036
	Employee benefits expense	33	11,119	11,071
	Finance costs	34	2,052	2,061
	Depreciation and amortisation expense	2 to 4	2,667	2,949
	Other expenses	35	22,007	23,395
	Total expenses (IV)		**69,578**	**72,948**
V	**Profit before tax (III-IV)**		**5,211**	**4,163**
VI	**Tax expense / (credit):**	36		
	(i) Current tax		**1,017**	766
	(ii) Tax pertaining to earlier period		**(128)**	-
	(iii) Deferred tax		**(51)**	452
			838	**1,218**
VII	**Net profit after tax (V-VI)**		**4,373**	2,945
VIII	**Other comprehensive income / (loss) (OCI)**	37		
	Items that will not be reclassified to profit or loss			
	- Remeasurement gain/ (loss) on defined benefit plans		457	(389)
	- Gain/(Loss) on fair value of equity instruments		211	(226)
	- Income tax (charge) / credit on above		(115)	136
	Items that may be reclassified to profit or loss			
	- Remeasurement of gains/ (loss) on derivative hedging instruments		173	-
	- Income tax (charge) / credit on above		(42)	-
			684	**(479)**
IX	**Total comprehensive income for the year (VII + VIII)**		**5,057**	**2,466**
X	**Earnings per equity share:**	50		
	Basic and diluted (in ₹)		4.51	3.04
	Face value per share (in ₹)		2	2

The accompanying notes form an integral part of these 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's: Registration No. 001076N/ N500013

Adi P. Sethna
Partner
Membership No.: 108840

Place : Mumbai
Date : 02 June 2021

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: 02 June 2021

Standalone Statement of Cash Flow for the year ended 31 March 2021

(₹ in lakhs)

Sr. No.	Particulars	Year ended 31 March 2021	Year ended 31 March 2020
A	**Cash flow from operating activities**		
	Profit before tax	**5,211**	**4,163**
	Adjustments for:		
	Depreciation and amortisation expense	**2,667**	2,949
	Liabilities written back	**(394)**	(23)
	Foreign exchange loss / (gain) (unrealised)	**130**	(162)
	Fair valuation loss / (gain) on derivative instrument measured at FVTPL	**77**	74
	Fair valuation loss / (gain) on financial assets measured at FVTPL	**(8)**	9
	Finance costs	**2,052**	2,061
	Interest income	**(182)**	(121)
	Dividend income	**(8)**	(225)
	Profit on sale of property, plant and equipments (net)	**(12)**	(1)
	Rent Income	**(107)**	(126)
	Provision for doubtful advances	**219**	65
	Assets scrapped / written off	**55**	-
	Provision for doubtful trade receivables and bad debts written off	**789**	56
	Provision towards slow moving and non-moving inventory	**1,402**	377
	Operating profit before working capital changes	**11,891**	**9,096**
	Adjustments for changes in working capital:		
	Adjustment for (increase) / decrease in assets		
	- Trade receivables	**(1,363)**	1,789
	- Inventories	**913**	3,084
	- Bank balances other than cash and cash equivalents	**(2)**	(15)
	- Other non-current financial assets and loans	**(338)**	(41)
	- Other current financial assets	**497**	(46)
	- Other non-current assets	**61**	-
	- Other current assets	**(62)**	(62)
	Adjustment in increase / (decrease) in liabilities		
	- Other non-current liabilities	**(9)**	168
	- Other financial liabilities	**468**	(1,297)
	- Trade payables	**3,608**	(3,445)
	- Provisions	**65**	29
	- Other current liabilities	**144**	171
	Operating profit after working capital changes and before tax adjustments	**15,873**	**9,431**
	Direct taxes paid (net of refunds)	(1,109)	(989)
	Net cash generated from operating activities (A)	**14,764**	**8,442**

Standalone Statement of Cash Flow for the year ended 31 March 2021

(₹ in lakhs)

Sr. No.	Particulars	Year ended 31 March 2021	Year ended 31 March 2020
B	**Cash flow from investing activities**		
	Purchase of property, plant and equipment and intangible assets (including movement of capital work-in-progress,intangible assets under development,capital advances and capital creditors)	**(2,911)**	(5,281)
	Sale proceeds of property, plant and equipment	**16**	1
	Investment in subsidiary company	**-**	(15)
	Rent income	**107**	126
	Interest received	**182**	115
	Refund of inter-corporate deposit to related party	**235**	128
	Dividend received	**8**	225
	Net cash used in investing activities (B)	**(2,363)**	**(4,701)**
C	**Cash flow from financing activities**		
	Proceeds from non-current borrowings	**5,000**	2,500
	Proceeds from / (repayment of) current borrowings (net)	**(11,179)**	5,848
	Repayment of non-current borrowings	**(3,908)**	(1,647)
	Finance costs paid	**(2,194)**	(2,043)
	Settlement of lease liabilities	**(162)**	(161)
	Movement in unclaimed dividend bank balances	**3**	(5)
	Dividend paid on equity shares (including unclaimed)	**(3)**	(3,291)
	Dividend distribution tax paid	**-**	(633)
	Net cash (used in) / generated from financing activities (C)	**(12,443)**	**568**
	Net (decrease) / increase in cash and cash equivalents (A+B+C)	**(42)**	**4,309**
	Add: Balance of cash and cash equivalents at the beginning of the year	**6,554**	2,156
	Add: Effects of exchange rate changes on cash and cash equivalents	**4**	89
	Closing balance of cash and cash equivalents (Refer note 12)	**6,516**	**6,554**
	Components of cash and cash equivalents:		
	Cash on hand	**1**	3
	Balances with banks in current accounts	**6,465**	4,019
	Balances with banks in deposits with maturity of less than 3 months	**50**	2,532
	Total cash and cash equivalents	**6,516**	**6,554**

Note:

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 40E.

The accompanying notes form an integral part of these standalone financial statements.

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

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

Adi P. Sethna
Partner
Membership No.: 108840

Place : Mumbai
Date : 02 June 2021

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: 02 June 2021

Standalone Statement of Changes in Equity for the year ended 31 March 2021

A. Equity share capital (Refer note 17)

(₹ in lakhs)

Particulars	Number of shares	Amount
As at 01 April 2019	96,922,600	1,938
Changes during the year	-	-
As at 31 March 2020	96,922,600	1,938
Changes during the year	-	-
As at 31 March 2021	**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/(loss) on equity instruments through OCI	Cash flow hedging reserve	
Balance as at 01 April 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 48)	-	-	-	-	(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 share	-	-	-	-	(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**
Transactions during the year								
Net profit for the year	-	-	-	-	4,373	-	-	**4,373**
Add: Other comprehensive income	-	-	-	-	342	211	131	**684**
Less: Transfer from debenture redemption reserve to general reserve	-	1,500	-	(1,500)	-	-	-	**-**
Balance as at 31 March 2021	**848**	**12,021**	**11**	**750**	**34,836**	**419**	**131**	**49,016**

The accompanying notes form an integral part of these 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's: Registration No. 001076N/ N500013

Adi P. Sethna
Partner
Membership No.: 108840

Place : Mumbai
Date : 02 June 2021

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: 02 June 2021

Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2021

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 02 June 2021.

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

All the amounts disclosed in financial statements and notes have been rounded off to the nearest lakhs, as per the requirement of Schedule III unless otherwise stated.

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.

Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2021

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 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 satisified.

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.

Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2021

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.

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.

Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2021

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 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.

Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2021

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

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.

Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2021

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.

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,

Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2021

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 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.

Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2021

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 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.

Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2021

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:

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 44.

vii) Leases – Estimating the incremental borrowing rate - refer note 1.1 (f).

Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2021

2 Property, plant and equipment

(₹ in lakhs)

Particulars	Freehold land	Leasehold land	Buildings & flats	Plant & equipment	Furniture & fixtures	Office equipment	Electrical installation	Vehicles	Total
Gross carrying value									
As at 01 April 2019	60	177	11,698	52,921	700	829	1,225	522	68,132
Transition impact of Ind AS 116 Lease (Refer Note 48(i))	-	-	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**
Additions	-	-	64	1,845	18	-	15	12	1,954
Disposals	-	-	(27)	(337)	(1)	-	(5)	(7)	(377)
As at 31 March 2021	**60**	**177**	**12,149**	**60,342**	**735**	**868**	**1,370**	**554**	**76,241**
Accumulated depreciation/ amortisation									
As at 01 April 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**
Charge for the year*	-	2	412	2,002	58	63	59	48	2,644
Disposals	-	-	(25)	(280)	(1)	-	(5)	(7)	(318)
As at 31 March 2021	**-**	**33**	**3,004**	**38,992**	**667**	**754**	**1,011**	**483**	**44,930**
Net carrying value									
As at 31 March 2020	**60**	**146**	**9,495**	**21,564**	**108**	**177**	**403**	**107**	**32,060**
As at 31 March 2021	**60**	**144**	**9,145**	**21,350**	**68**	**114**	**359**	**71**	**31,311**

Notes:

1. Buildings and flats include:
   a. Cost of shares of an aggregate face value of ₹ 750 (31 March 2020: ₹ 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.
2. The title deeds/ leasehold right of land, having gross carrying amount aggregating ₹ 61 lakhs (31 March 2020: ₹ 61 lakhs) and net carrying amount aggregating ₹ 59 lakhs (31 March 2020: ₹ 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 Company is in process.
3. The above amounts includes adjustment of foreign exchange gain aggregating to ₹ 169 lakhs (31 March 2020: ₹ 271 lakhs foreign exchange loss) 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 ₹ 926 lakhs (31 March 2020 : ₹ 1,231 lakhs).
4. Refer Note 43 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 ₹ 109 lakhs for buildings and flats (31 March 2020 : ₹ 116 lakhs) and ₹ 4 lakhs for vehicles (31 March 2020 : ₹ 4 lakhs) (Also refer note 48)

Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2021

3 Investment property

(₹ in lakhs)

Particulars	Buildings and flats	Total
Gross carrying value*		
As at 01 April 2019	41	41
As at 31 March 2020	41	41
As at 31 March 2021	41	41
Accumulated Depreciation*		
As at 01 April 2019	41	41
As at 31 March 2020	41	41
As at 31 March 2021	41	41
Net carrying value		
As at 31 March 2020	-	-
As at 31 March 2021	-	-

* There is no addition and disposal to the gross block and depreciation charge for the year ended 31 March 2021 and 31 March 2020.

3.1 Fair value of investment property

(₹ in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
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 2021	As at 31 March 2020
Rental income derived from investment properties	**107**	126
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 (*)	**(0)**	-
Income arising from investment properties before depreciation	**106**	125
Depreciation	**-**	-
Income from investment property (net)	**106**	**125**

(*) Amount less than ₹ 1 lakh

3.3 Estimation of fair value of investment property:

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.

Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2021

4 Intangible assets

(₹ in lakhs)

Particulars	Softwares	Total
Gross carrying value		
As at 01 April 2019	676	676
Additions	7	7
Disposals	-	-
As at 31 March 2020	**683**	**683**
Additions	-	-
Disposals	(2)	(2)
As at 31 March 2021	**681**	**681**
Accumulated amortisation		
As at 01 April 2019	617	617
Charge for the year	26	26
Disposal / adjustment	-	-
As at 31 March 2020	**644**	**644**
Charge for the year	**23**	**23**
Disposal / adjustment	**(1)**	**(1)**
As at 31 March 2021	**666**	**666**
Net carrying value		
As at 31 March 2020	**39**	**39**
As at 31 March 2021	**15**	**15**

Non-current

5(a) Investments in subsidiaries

(₹ in lakhs)

Particulars	As at 31 March 2021		As at 31 March 2020	
	No. of shares	Amount	No. of shares	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**	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		**2,688**

Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2021

Notes:		
1 Aggregate amount of unquoted investments (gross)	2,448	2,448
Aggregate amount of quoted investments (gross)	240	240
Market value of quoted investments	5,161	2,838
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 2020: ₹ 2,413 lakhs), has given loan (including interest receivable) amounting to ₹ 1,528 lakhs (31 March 2020: ₹ 1,741 lakhs), has trade receivables amounting to ₹ 840 lakhs (31 March 2020: ₹ 1,243 lakhs), has given advances amounting to ₹ NIL lakhs (31 March 2020: ₹ 107 lakhs) and has given guarantee amounting to ₹ 2,559 lakhs (31 March 2020: ₹ 2,528 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 2021, NRBT has reported a net profit of ₹ 376 lakhs (THB 16 million) (31 March 2020: ₹ 104 lakhs (THB 5 million)) but as at that date its accumulated losses aggregated to ₹ 2,437 lakhs (THB 104 million) (31 March 2020: ₹ 2,772 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 its net worth indicate a possible impairment in carrying value of the investment. The management has assessed that the recoverable value of its investment, determined by an external valuer, using 'Discounted Cash Flow' valuation model is higher than the carrying value of the investment in and other recoverables from NRBT. Determination of the recoverable amount required 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 after considering the impact of the COVID-19.

Financial assets

5(b) Investments

(₹ in lakhs)

Particulars	As at 31 March 2021		As at 31 March 2020	
	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	82	8,541	29
Eicher Motors Limited (face value ₹ 1 each) (*)	6,000	156	600	79
Hero Motocorp Limited (face value ₹ 2 each)	6,250	182	6,250	100
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		**420**		**208**
(ii) Investment in mutual fund measured at fair value through profit and loss (Unquoted)				
Investment in mutual fund				
DSP Black Rock Equity Fund	50,000	24	50,000	16
Total non-current investments		**444**		**224**

(*) The Board of Directors of Eicher Motors Limited at its meeting held on 12 June 2020 approved sub-division of equity shares of the Company and the same was also approved by the members at their Annual General Meeting held on 10 August 2020 pursuant to which each equity share of face value of Rs. 10 each of the Company has been sub-divided into 10 equity shares of face value of Re. 1 each with effect from 25 August 2020.

Refer Note 38 for information about fair value measurement.

Notes:		
Aggregate amount of quoted investments (gross)	420	208
Aggregate market value of quoted investments	420	208
Aggregate amount of unquoted investments (gross)	25	17
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 2021

(₹ in lakhs)

		As at 31 March 2021	As at 31 March 2020
	Non-current		
6	**Loans**		
	Unsecured, considered good		
	Security deposits	500	460
	Total	**500**	**460**
	Break up of security details		
	Loans receivables considered good - secured	-	-
	Loans receivables considered good - unsecured	500	460
	Loans receivables which have significant increase in credit risk	-	-
	Loans receivables - credit impaired	-	-
	Total	**500**	**460**
	Loss allowance	**-**	**-**
	Total loans	**500**	**460**
	Refer Note 38 for information about fair value measurement.		
7	**Other financial assets**		
	Margin money deposits with the maturity of more than 12 months (Refer note below)	**320**	22
	Total	**320**	**22**

Note:

Held as lien by bank against bank guarantees amounting to ₹ 320 lakhs (31 March 2020: ₹ 15 lakhs)

		As at 31 March 2021	As at 31 March 2020
8	**Income tax assets (net)**		
	Advance taxes paid [net of provision for tax ₹ 26,182 lakhs (31 March 2020: ₹ 26,310 lakhs)]	**2,919**	2,589
	Total	**2,919**	**2,589**
9	**Other non-current assets**		
	Capital advances	**590**	807
	Less: Loss allowance	**(125)**	(50)
	Prepayments	**19**	12
	Balance with government authorities	**525**	606
	Other advances	**14**	1
	Total	**1,023**	**1,376**
	Current		
10	**Inventories**		
	Raw materials and components [including goods-in-transit ₹ 739 lakhs (31 March 2020: ₹ 6 lakhs)]	**5,382**	6,793
	Work-in-progress	**5,052**	5,569
	Finished goods [including goods-in-transit ₹ 1,077 lakhs (31 March 2020: ₹ 581 lakhs)]	**3,137**	3,603
	Stores and spares	**4,784**	4,705
	Total	**18,355**	**20,670**

Note: Total provision for inventories as at 31 March 2021 is ₹ 3,300 lakhs (31 March 2020 ₹ 1,899 lakhs)

Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2021

(₹ in lakhs)

	As at 31 March 2021	As at 31 March 2020
11 Trade receivables		
Receivables from:		
- Related parties (Refer note 42 II)(*)	**862**	1,265
- Others	**22,847**	22,867
Less: Loss allowance	**(2,786)**	(3,437)
Total receivables	**20,923**	**20,695**
Current portion	**20,923**	20,695
Break up of security details		
Trade receivables considered good - secured	102	101
Trade receivables considered good - unsecured	20,821	20,594
Trade receivables which have significant increase in credit risk	-	-
Trade receivables- credit impaired	2,786	3,437
Total	**23,709**	**24,132**
Loss allowance	(2,786)	(3,437)
Total trade receivables	**20,923**	**20,695**

(*) includes receivables from private company where director of the Company is also a director.

Note:

a) No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person.

b) Refer note 39 for information about credit risk and market risk of trade receivables.

c) The outstanding balances as at 31 March 2021 includes trade receivables amounting to ₹ 2,719 lakhs (31 March 2020: ₹ 3,171 lakhs) from customers situated outside India. These balances are pending for settlement / adjustments and have resulted in delays in remittance of receipts of receivables, 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, wherever required, provision has been made in the books. The Company is also in the process of regularising these defaults with the appropriate authority. 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 is not expected to be material. Accordingly, the accompanying standalone financial statements do not include any consequential adjustments that may arise due to such delay.

12 Cash and cash equivalents

	As at 31 March 2021	As at 31 March 2020
Balances with banks in:		
- Current accounts	**1,040**	2,235
- EEFC account	**5,425**	1,784
- Deposit accounts with the original maturity of less than three months	**50**	2,532
Cash on hand	**1**	3
Total	**6,516**	**6,554**

Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2021

(₹ in lakhs)

		As at 31 March 2021	As at 31 March 2020
13	**Bank balances other than cash and cash equivalents**		
	Margin money deposits (bank deposits pledged with banks) [Refer note (a) below]	**90**	88
	Unpaid dividend [Refer note (b) below]	**28**	31
	Total	**118**	**119**

Notes:

(a) Held as lien by bank against bank guarantees amounting to ₹ 85 lakhs (31 March 2020: ₹ 59 lakhs).

(b) This represents earmarked balance in respect of unpaid dividends

Financial year		
2012-13	-	3
2013-14	2	2
2014-15	3	3
2015-16	3	3
2016-17	4	4
2017-18	8	8
2018-19	6	6
2019-20	2	2
Total	**28**	**31**

		As at 31 March 2021	As at 31 March 2020
14	**Loans**		
	Unsecured, considered good		
	Inter corporate deposits - Related party (including interest thereon) (Refer note 42)	**1,528**	1,741
	Loans to employees	**35**	32
	Less: Loss allowance	**(15)**	(15)
	Recoverable from trust	**-**	6
	Total	**1,548**	**1,764**
	Break up of security details		
	Loans considered good - secured	-	-
	Loans considered good - unsecured	1,548	1,764
	Loans which have significant increase in credit risk	-	-
	Loans - credit impaired	15	15
	Total	**1,563**	**1,779**
	Loss allowance	(15)	(15)
	Total loans	**1,548**	**1,764**

Refer Note 38 for information about fair value measurement.

Note :

No loans or other receivable are due from directors or other officers of the Company either severally or jointly with any other person.

Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2021

(₹ in lakhs)

		As at 31 March 2021	As at 31 March 2020
15	**Other financial assets**		
	Derivative assets	**129**	220
	Rent receivable	**1**	317
	Total	**130**	**537**
16	**Other current assets**		
	Advances to suppliers:		
	- Related parties (Refer note 42 II) (*)	**9**	127
	- Others	**827**	775
	Less: Loss allowance	**(378)**	-
	Other advances	**149**	149
	Less: Loss allowance	**(29)**	-
	Export incentive and duty drawback receivable	**103**	32
	Balance with government authorities	**2,084**	1,748
	Prepayments	**304**	352
	Total	**3,069**	**3,183**

(*) includes advances from private company where director of the Company is also a director.

17	**Equity share capital**		
	Authorised:		
	100,000,000 (31 March 2020: 100,000,000) equity shares of ₹ 2 each	**2,000**	2,000
	Total	**2,000**	**2,000**
	Issued, subscribed and paid-up:		
	96,922,600 (31 March 2020: 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	31 March 2021		31 March 2020	
	(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) 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.

d) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive assets of the Company remaining after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders

Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2021

(iii) Details of shareholders holding more than 5% shares in the company:

Name of shareholder	As at 31 March 2021		As at 31 March 2020	
	Number of shares held	% of holding	Number of shares held	% of holding
Trilochan Singh Sahney Trust 1 (held by a trustee in his individual name)	**33,809,300**	**34.88%**	33,809,300	34.88%
Harshbeena Zaveri	**10,907,940**	**11.25%**	10,384,936	10.71%
Nalanda India Equity Fund Limited	**9,682,667**	**9.99%**	9,682,667	9.99%
HDFC Small Cap Fund	**8,963,982**	**9.25%**	8,748,982	9.03%

(iv) Details of allotment of shares for consideration other than cash, allotment of bonus shares and buy back of shares during past five years:

(i) Aggregate number and class of shares allotted as fully paid up pursuant to contracts without payment being received in cash - Nil

(ii) Aggregate number and class of shares allotted as fully paid up by way of bonus shares - Nil

(iii) Aggregate number and class of shares bought back - Nil

18 Other equity

(₹ in lakhs)

a) Reserves and surplus	As at 31 March 2021	As at 31 March 2020
Securities premium	**848**	848
General reserve	**12,021**	10,521
Capital redemption reserve	**11**	11
Debenture redemption reserve	**750**	2,250
Retained earnings	**34,836**	30,121
Fair value gain on equity instruments through OCI	**419**	208
Cash flow hedge reserve	**131**	-
Total	**49,016**	**43,959**
i) Securities premium		
Opening balance	**848**	848
Closing balance	**848**	**848**
ii) General reserve		
Opening balance	**10,521**	10,521
Add: Transfer from debenture redemption reserve	**1,500**	-
Closing balance	**12,021**	**10,521**
iii) Capital redemption reserve		
Opening Balance	**11**	11
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 2021

		(₹ in lakhs)
	As at 31 March 2021	**As at 31 March 2020**
iv) Debenture redemption reserve		
Opening balance	**2,250**	2,250
Less: Transfer to general reserve	**(1,500)**	-
Closing balance	**750**	**2,250**
v) Retained earnings		
Opening balance	**30,121**	31,398
Less: Transition impact of Ind AS 116 (net of deferred tax) [Refer note 48]	**-**	(41)
Add: Profit for the year	**4,373**	2,945
Add: Other comprehensive income / (loss) for the year (Refer note 37)	**342**	(253)
Less: Final dividend for the year ended 31 March 2020 ₹ Nil (31 March 2019: ₹ 2.6 per fully paid up equity share)	**-**	(2,520)
Less: Interim dividend for the year ended 31 March 2021 ₹ Nil (31 March 2020: ₹ 0.80 per fully paid up equity share)	**-**	(775)
Less: Dividend distribution tax on final dividend	**-**	(490)
Less: Dividend distribution tax on interim dividend	**-**	(143)
Closing balance	**34,836**	**30,121**
vi) Fair value gain of equity instruments through OCI		
Opening balance	**208**	434
Add: Change in fair value of FVOCI equity instrument (Refer note 37)	**211**	(226)
Closing balance	**419**	**208**
vii) Cash flow hedge reserve		
Opening balance	**-**	-
Add: Change in fair value of derivative hedging instrument (Refer note 37)	**131**	-
Closing balance	**131**	**-**

Nature and purpose of reserves

i) Capital redemption reserve

Capital redemption reserve is created on account of merger and it 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.

Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2021

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.

vii) Cash flow hedge reserve

It represents the effective portion of the fair value of option contracts designated as cashflow hedge.

(₹ in lakhs)

	As at 31 March 2021	As at 31 March 2020
Non-current		
19 Long term borrowings		
Non convertible debentures - unsecured (Refer note (a) below)	**2,995**	2,992
External commercial borrowings from bank - secured (Refer note (b) below)	**-**	862
Foreign currency term loan from bank - secured (Refer note (c) below)	**-**	560
Term loan from banks - secured (Refer note (d) below)	**5,693**	2,500
Deferred sales tax loan - unsecured (Refer note (e) below)	**253**	410
Total	**8,941**	**7,324**

(₹ in lakhs)

	Particulars	Security	Terms of repayment of principal	Number of installment outstanding	Rate of interest	As at 31 March 2021	As at 31 March 2020
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%	3,154	3,150
	200 non convertible debentures of face value of ₹ 1,000,000 each	Unsecured	Reedemable at par, on 12 June 2020	NA	9.49%	-	2,152
					Total	**3,154**	**5,302**
	Comprises of						
	Long term borrowings					**2,995**	2,992
	Current maturities of long term debt (**)					**159**	2,310
						3,154	**5,302**
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.	Quarterly installments starting from 04 February 2019 to be completed in 04 February 2022	4	6.40%	**842**	1,743
					Total	**842**	**1,743**
	Comprises of						
	Long term borrowings					**-**	862
	Current maturities of long term debt (**)					**842**	881
						842	**1,743**
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	3	3.95% to 6.80%	543	1,309
					Total	**543**	**1,309**
	Comprises of						
	Long term borrowings					**-**	560
	Current maturities of long term debt (**)					**543**	749
						543	**1,309**

Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2021

(₹ in lakhs)

	Particulars	Security	Terms of repayment of principal	Number of installment outstanding	Rate of interest	As at 31 March 2021	As at 31 March 2020
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	2,500
	Term loan	Secured by first exclusive charge by way of a hypothecation over property plant and equipment purchased towards capex out of the said term loan proceeds.(*)	Quarterly installments starting from 01 October 2020 to be completed in 01 July 2025	33	1 year MCLR +0.50%	4,739	-
					Total	**7,239**	**2,500**
	Comprises of						
	Long term borrowings					**5,693**	2,500
	Current maturities of long term debt (**)					**1,546**	-
						7,239	2,500
e	**Deferred sales tax loan**						
	Deferred sales tax loan	Unsecured	Annual installments to be completed by May 2025	5	-	**399**	562
					Total	**399**	**562**
	Comprises of						
	Long term borrowings					**253**	410
	Current maturities of long term debt (**)					**146**	152
						399	**562**

(*) Per the terms of the HDFC sanction letter, the Company must create security by hypothecation of movable assets 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.

(**) 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 43.

20 Other non-current financial liabilities

(₹ in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Lease liability (Refer note 48(v))	18	45
Security deposits	81	-
Total	**99**	**45**

Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2021

21 Deferred tax liabilities (net) (Refer note 36.2)

(₹ in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Deferred tax liability on account of :		
Depreciation and amortisation expense	**(2,365)**	(3,112)
IND AS 116 (Right of use asset)	**(46)**	(82)
Financial liability at amortised cost	**(4)**	(5)
Fair valuation of derivative contracts	**(17)**	(50)
Others	**(5)**	(7)
	(2,437)	**(3,256)**
Deferred tax assets on account of :		
Provision for gratuity	**31**	193
Amortisation of borrowing	**4**	4
Provision for provident fund	**19**	20
Provision for doubtful trade receivables	**702**	1,202
Provision for compensated absence	**245**	329
Lease liability	**54**	104
Minimum alternate tax credit entitlement	**-**	128
	1,055	**1,980**
Total	**1,382**	**1,276**

22 Other non-current liabilities

(₹ in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Advance received	**72**	168
Prepaid rent	**6**	-
Total	**78**	**168**

Current

23 Short term borrowings

(₹ in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Secured		
Loans from banks- repayable on demand	**10,643**	10,959
Loans in foreign currency from banks - repayable on demand	**-**	2,763
Unsecured		
Loans from banks - repyable on demand	**-**	2,511
Commercial papers [Maximum balance outstanding during the year ₹ 5,500 lakhs (31 March 2020 ₹ 5,500 lakhs)]	**-**	5,500
Total	**10,643**	**21,733**

The carrying amounts of financial and non financial assets as security for secured borrowings are disclosed in Note 43.

Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2021

(₹ in lakhs)

Particulars	Security	As at 31 March 2021	As at 31 March 2020
Loans from banks			
Working capital demand loans	Secured by first pari passu hypothecation charge on all the existing and future current assets of the Company	-	9,459
Purchase invoice discounting		133	-
Packing credit loan		10,510	1,500
		10,643	**10,959**
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
		-	**2,763**

24 Trade Payables

(₹ in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Trade payables: micro enterprise and small enterprises (Refer note below)	**974**	1,188
Amounts due to related parties (Refer note 42 II)	**1,054**	395
Trade payables: others	**9,097**	6,565
Total	**11,125**	**8,148**

Refer note 39 for information about liquidity risk and market risk of trade payables

i) The outstanding balances as at 31 March 2021 includes trade payables amounting to ₹ 90 lakhs (31 March 2020: ₹ Nil), from vendors situated outside India. These balances are pending for settlement / adjustments and have resulted in delays in payments of payables, beyond the timeline stipulated by the FED Master Direction No. 17/ 2016-17, under the Foreign Exchange Management Act, 1999. The Company is in the process of making the payment for outstanding payables.The Company is also in the process of regularising these defaults with the appropriate authority. 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 is not expected to be material. Accordingly, the standalone financial statements do not include any consequential adjustments that may arise due to such delay.

Notes:

Dues to micro enterprise and small enterprise

The Company has certain dues to suppliers registered as Micro enterprise and small enterprise 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	929	1,152
b) Interest due remaining unpaid to any supplier at the end of the year	9	21
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	2,099	1,691
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	NIL	NIL

Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2021

e) The amount of interest accrued and remaining unpaid at the end of each accounting year	45	36
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	9	21

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 current financial liabilities

(₹ in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Current maturities of long - term borrowings (Refer note 19)		
- Non convertible debentures	**159**	2,310
- External commercial borrowings from bank	**842**	881
- Foreign currency term loan from bank	**543**	749
- Term loans from banks	**1,546**	-
- Deferred sales tax loan [Refer notes (ii)]	**146**	152
Derivative liability	**24**	77
Security deposits	**235**	289
Lease liabilities (Refer note 48(iv))	**42**	141
Unpaid dividends (unclaimed) [Refer note (i)]	**28**	31
Other payables		
- Payables for capital expenditure	**449**	2,068
- Employee related payables (Refer note 42 II)	**1,340**	765
Total	**5,354**	**7,463**

Refer note 39 for information about liquidity risk of other financial liabilities

Notes:

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 2021 (31 March 2020: ₹ Nil)

ii. During the F.Y. 2019-20, the Company had 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. However, during the current year, the Company have repaid the same. Also, there was delay in repayment of instalment due in the current year.

26 Other current liabilities

(₹ in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Statutory dues	**502**	330
Prepaid rent	**8**	-
Advances received	**203**	239
Total	**713**	**569**

Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2021

27 Provisions

(₹ in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Provision for employee benefits		
- Compensated absences (Refer note 45C)	**981**	945
- Gratuity (Refer note 45B(viii))	**126**	554
Total	**1,107**	**1,499**

28 Current tax liabilities (net)

(₹in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Current tax liabilities [net of advance taxes paid and tax deducted at source ₹ 906 lakhs (31 March 2020: ₹ NIL lakhs)]	**110**	-
Total	**110**	**-**

29 Revenue from operations

(₹ in lakhs)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Sale of products		
Finished goods - Bearings (Refer note 42(II))	**72,056**	74,230
Other operating revenues		
Scrap sales	**686**	613
Export incentives	**396**	302
Sale of tools	**-**	16
Liabilities no longer required, written back	**394**	23
Other operating income	**57**	12
Total	**73,589**	**75,196**

Disaggregated revenue

Revenue based on geography

a) Within India	**54,783**	59,137
b) Outside India	**18,806**	16,059
Total revenue from operation	**73,589**	**75,196**

Revenue based on timing of recognition

a) Point in time	**73,589**	75,196
b) Over period of time	**-**	-
Total revenue from operation	**73,589**	**75,196**

Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2021

30 Other income

(₹ in lakhs)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Dividend income on equity shares of subsidiary company (Refer 42(II))	**-**	212
Dividend income on financial assets measured at FVOCI	**5**	8
Dividend income on financial assets measured at FVTPL	**3**	5
Interest income on financial assets measured at amortised cost		
- From banks on deposits	**45**	9
- On loans inter corporate deposits (Refer note 42(II))	**113**	112
Fair value changes on financial assets measured at FVTPL	**8**	-
Fair valuation gain on derivative instrument measured at FVTPL	**-**	76
Profit on sale of property, plant and equipments (net)	**12**	1
Rent	**107**	126
Net gain on foreign currency transactions and translation	**877**	1,316
Interest on electricity deposit	**24**	21
Insurance claim received	**3**	24
Others	**3**	5
Total	**1,200**	**1,915**

31 Cost of materials consumed

(₹ in lakhs)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Raw materials and components consumed		
Opening stock	**6,793**	9,265
Add: Purchases	**29,339**	29,964
Less: Closing stock (Refer note 10)	**(5,382)**	(6,793)
Total	**30,750**	**32,436**

32 Changes in inventories of work-in-progress and finished goods

(₹ in lakhs)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Work-in-progress		
Opening	**5,569**	5,561
Closing (Refer note 10)	**(5,052)**	(5,569)
	517	**(8)**
Finished goods		
Opening	**3,603**	4,647
Closing (Refer note 10)	**(3,137)**	(3,603)
	466	**1,044**
Total	**983**	**1,036**

Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2021

33 Employee benefits expense

(₹ in lakhs)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Salaries, allowances and other benefits	**10,118**	9,894
Contribution to provident and other funds (Refer note 45A)	**555**	661
Staff welfare expenses	**446**	516
Total	**11,119**	**11,071**

34 Finance costs

(₹ in lakhs)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Interest expense on financial liabilities measured at amortised cost		
-Long term borrowing	**1,009**	921
-Short term borrowing	**925**	954
Interest on lease liabilities (Refer note 48(ii))	**12**	25
Exchange difference regarded as an adjustment to borrowing cost	**58**	154
Other borrowing costs	**48**	7
Total	**2,052**	**2,061**

35 Other expenses

(₹ in lakhs)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Consumption of stores and spare parts	**5,038**	6,433
Processing charges	**1,667**	1,710
Power and fuel	**2,789**	2,852
Repairs and maintenance -		
Buildings	**165**	232
Plant and equipment	**279**	386
Others	**50**	68
Insurance	**224**	197
Rent (Refer note 48(ii))	**176**	256
Rates and taxes	**268**	158
Legal and professional fees	**878**	1,064
Directors' fees and commission (Refer note 42(II))	**29**	32
Commission on sales	**780**	852
Travelling and conveyance	**115**	692
Postage, telephone and fax	**53**	53
Bank charges	**34**	32
Advertisement and sales promotion expenses (Refer note 42(II))	**886**	1,012
Forwarding charges	**3,264**	2,705
Bad debts written off [net of amounts provided against ₹ 1334 lakhs (31 March 2020 ₹ 40 lakhs)]	**106**	56

Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2021

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Provision for doubtful trade receivables [net of amount reversed thereagainst ₹ Nil lakhs (31 March 2020 ₹ 15 lakhs)]	**683**	-
Information technology expenses	**549**	347
Provision for doubtful advances	**219**	65
Contract labour	**2,340**	2,327
Sanitation and housekeeping expenses	**185**	242
Export expenses	**157**	320
Security charges	**275**	263
Assets scrapped/ written off	**55**	**-**
Fair valuation loss on derivative contracts measured at FVPTL	**77**	150
Fair valuation loss on financial assets measured at FVTPL	**-**	9
Auditors' remuneration (Refer note 35.1 below)	**82**	92
Expenditure on corporate social responsibility (Refer note 35.2 below)	**192**	217
Miscellaneous expenses	**392**	573
Total	**22,007**	**23,395**

35.1 Auditors' remuneration (excluding goods and service tax)

As auditors - audit and limited review	**54**	59
Tax audit	**3**	3
GST audit	**7**	19
Other matters	**15**	8
Reimbursement of expenses	**3**	3
Total	**82**	**92**

35.2 Details of expenditure on corporate social responsibility:

Average net profit of the Company for last three financial years	**9,577**	10,443
Prescribed CSR expenditure (2% of the average net profit as computed above)	**192**	209
Details of CSR expenditure during the financial year		
Total amount to be spent for the financial year	**192**	209
Amount spent	**192**	217
Amount unspent	-	-

36 Tax expense in statement of profit and loss (including OCI)

(₹ in lakhs)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Current tax expense		
Current tax for the year	**1,017**	766
Tax pertaining to earlier period	**(128)**	-
Total current tax expense	**889**	**766**
Deferred taxes		
Relating to origination and reversal of temporary differences recognised through profit and loss and through OCI	**106**	316
Net deferred tax expense	**106**	**316**
Total	**995**	**1,082**

Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2021

36.1 Tax reconciliation (for profit and loss including OCI)

(₹ in lakhs)

Profit before income tax expense	**5,211**	4,163
Tax at the rate of 25.17% (for 31 March 2020 - 34.994%)	**1,312**	**1,455**
Tax effect of amounts which are not deductible / not taxable in calculating taxable income		
Non deductible expenses for tax purpose	**78**	31
Exempt income	**-**	(79)
Additional allowances for tax purpose	**-**	(359)
Reversal in deferred tax due to tax rate reduction	**(393)**	-
Adjustment on account of Ind As 116 transition	**-**	22
Others	**(2)**	12
Income tax expense	**995**	**1,082**

36.2 Deferred tax related to the following:

(₹ in lakhs)

Deferred tax liability (net)	**As at 31 March 2021**	**Recog-nised through profit and loss and OCI**	**As at 31 March 2020**	**Recognised through profit and loss, retained earn-ings and through OCI**	**As at 31 March 2019**
Deferred tax liabilities on account of:					
Difference between book and tax depreciation	**(2,365)**	747	(3,112)	(530)	(2,582)
IND AS 116 (Right of use asset) (*)	**(46)**	36	(82)	(82)	-
Financial liabilities measured at amortised cost	**(4)**	1	(5)	-	(5)
Fair valuation of derivative contracts	**(17)**	33	(50)	(27)	(23)
Others	**(5)**	2	(7)	(5)	(2)
Total deferred tax liabilities	**(2,437)**	**819**	**(3,256)**	**(644)**	**(2,612)**
Deferred tax assets on account of:					
Provision for gratuity	**31**	(162)	193	126	67
Amortisation of borrowings	**4**	-	4	-	4
Provident fund contribution	**19**	(1)	20	20	-
Provision for doubtful trade receivables	**702**	(500)	1,202	(14)	1,216
Voluntary retirement compensation	**-**	-	-	(15)	15
Provision for compensated absence	**245**	(84)	329	1	328
Lease liabilities (*)	**54**	(50)	104	104	-
Minimum alternate tax credit entitlement	**-**	(128)	128	128	-
Total deferred tax assets	**1,055**	(925)	1,980	350	1,630
Total deferred tax liabilities (net)	**1,382**	**106**	**1,276**	**294**	**982**

(*) Amount of deferred tax in financial year 2019-20 recognised through retained earnings is on account of adoption of Ind AS 116 [Refer notes 1.1(f) and 48]

Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2021

37 Other comprehensive income (OCI)

(₹ in Lakhs)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
a)Items that will not be reclassified to profit or loss		
i) Actuarial gain / (loss) on remeasurements of the net defined benefit plans	**457**	(389)
ii) Fair value changes on equity instruments through other comprehensive income	**211**	(226)
iii) Tax on above	**(115)**	136
b)Items that will be reclassified to profit or loss		
i) Remeasurement of gains/(losses) on derivative hedging instruments	**173**	-
ii) Tax on above	**(42)**	-
Total	**684**	**(479)**

38 Fair value measurements

Financial instruments by category:

(₹ in lakhs)

Particulars	31 March 2021			31 March 2020		
	FVOCI	FVTPL	Amortised cost	FVOCI	FVTPL	Amortised cost
Financial assets - non-current						
Investments (other than subsidiaries)(*)	**420**	**24**	**-**	208	16	-
Security deposits	**-**	**-**	**500**	-	-	460
Other financial assets	**-**	**-**	**320**	-	-	22
Financial assets - current						
Trade receivables	**-**	**-**	**20,923**	-	-	20,695
Cash and cash equivalents	**-**	**-**	**6,516**	-	-	6,554
Bank balances other than cash and cash equivalents	**-**	**-**	**118**	-	-	119
Loans	**-**	**-**	**1,548**	-	-	1,764
Other financial assets	**-**	**129**	**1**	-	220	317
Financial liabilities - non-current						
Borrowings (including current maturities)	**-**	**-**	**12,177**	-	-	11,416
Other financial liabilities	**-**		**99**	**-**	**-**	45
Financial liabilities - current						
Short term borrowings	**-**	**-**	**10,643**	-	-	21,733
Trade payables	**-**	**-**	**11,125**	-	-	8,148
Other financial liabilities	**-**	**24**	**2,094**	-	77	3,294

(*) Net of impairment

Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2021

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.

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.

Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2021

IV. Financial assets and liabilities measured at fair value - recurring fair value measurement:

(₹ in lakhs)

Particulars	31 March 2021			31 March 2020		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets						
Mutual fund investments measured at FVTPL	**-**	**24**	-	-	16	-
Investments in equity instrument measured at FVOCI	**420**	**-**	-	208	-	-
Derivative assets	**-**	**129**	-	-	220	-
Financial liability						
Interest rate swap and foreign currency option	**-**	**24**	-	-	77	-

V. Fair value of financial assets and liabilities measured at amortised cost

(₹ in lakhs)

Particulars	31 March 2021		31 March 2020	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets				
Security deposits	**500**	**500**	460	460
Other financial assets	**320**	**320**	22	22
Financial liabilities				
Non-current borrowings (including current maturities)	**12,177**	**12,177**	11,416	11,416

39 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.

Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2021

Age of receivables that are past due: **(₹ in lakhs)**

Particulars	As at 31 March 2021	As at 31 March 2020
Upto 3 months	**17,746**	16,859
3 - 6 months	**1,266**	1,812
6 - 12 months	**1,688**	2,473
More than one year	**3,009**	2,988
Total trade receivables	**23,709**	**24,132**
Provision for expected credit loss created	**(2,786)**	(3,437)

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:

Maturities of financial liabilities **(₹ in lakhs)**

As at 31 March 2021	Within 1 year	Between 1 and 2 years	Beyond 2 years	Total
Non-derivative				
Non-current borrowings (including current maturities)	**3,236**	**2,113**	**6,828**	**12,177**
Short term borrowings	**10,643**	**-**	**-**	**10,643**
Trade payables	**11,125**	**-**	**-**	**11,125**
Other non-current financial liabilities	**-**	**92**	**7**	**99**
Other current financial liabilities	**2,094**	**-**	**-**	**2,094**
Derivative				
Interest rate swap and foreign currency option	**24**	**-**	**-**	**24**
Total	**27,122**	**2,205**	**6,835**	**36,162**

Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2021

(₹ 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**

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 Company's exposure arises mainly on import (of raw material and capital items), export (of finished goods). The Company follows a policy of matching of import and export exposures (natural hedge) to reduce the net exposure in any foreign currency. Whenever the natural hedge is not available or is not fully covering the foreign currency exposure of the Company, management uses certain derivative instruments to manage its exposure to the foreign currency risk. Foreign currency transactions are managed within approved policy parameters. The Company uses forward contracts, options and cross currency swap to hedge its exposure to foreign currency risk. The Company designates certain derivatives as hedging instruments in respect of foreign currency risk as cash flow hedges.

Hedge ineffectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The economic relationship and hedge effectiveness are based on the qualitative factors and the use of a hypothetical derivative where appropriate.

The Company has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk and notional amount of the hedging instruments are identical to the hedged items.

Impact of hedging activities

Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2021

(a) Disclosures of effects of hedge accounting on balance sheet:

As at 31 March 2021 **(₹ in lakhs, except price per rate)**

Type of hedge and risks	Notional amount	Carrying amount of hedging instruments		Maturity dates	Hedge ratio	Weighted average strike price/rate	Change in fair value of hedging instruments	Change in value of hedged item used as the basis for recognising hedge effectiveness
		Assets	Liabilities					
Cash flow hedge								
Foreign exchange risk								
Derivative instruments								
(i) Cross currency swaps	EUR 54	38	-	Apr 2021 - Jul 2025	1:1	87.53	166	(166)

(b) Disclosure of effects of hedge accounting on statement of profit and loss

For the year ended 31 March 2021 **(₹ in lakhs)**

Type of hedge	Change in value of hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised	Amount reclassified from cash flow hedge reserve	Line item affected on reclassification
Cash flow hedge				
Foreign exchange risk	(166)	-	(2) 9	Revenue Foreign exchange loss / (gain)

(c) Movement in cash flow hedging reserve **(₹ in lakhs)**

Particulars	Foreign currency and interest rate risk
Cash flow hedge reserve	
Balance as at 1 April 2020	-
Add: Changes in fair value of hedging instruments	(166)
Less: Amounts reclassified to profit or loss	(7)
Less: Deferred tax relating to above (net)	42
Balance as at 31 March 2021	**(131)**

Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2021

The company's exposure to foreign currency risk at the end of reporting period are as under: **(₹ in lakhs)**

Particulars	31 March 2021				
	USD	EURO	THB	CHF	JPY
Financial liabilities					
Trade payables	**603**	**959**	**-**	**16**	**808**
Capital creditors	**-**	**-**	**-**	**-**	**183**
Loans payable	**1,385**	**-**	**-**	**-**	**-**
Forward contract payable	**-**	**(128)**	**-**	**-**	**(83)**
Foreign currency option contracts	**(962)**	-	-	-	-
Financial assets					
Trade receivables	**5,823**	**9,910**	**-**	**-**	**-**
Inter corporate deposits to related parties (including interest receivable)	**-**	**-**	**1,528**	**-**	**-**
Balance with government authorities	**-**	**1,392**	**-**	**-**	**-**
Bank balance in EEFC account	**479**	**4,947**	**-**	**-**	**-**
Forward contract receivable	**(713)**	**(225)**	**-**	**-**	**-**
Net exposure to foreign currency assets / (liabilities)	**4,563**	**15,193**	**1,528**	**(16)**	**(908)**

(₹ 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)**

Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2021

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:

(₹ in lakhs)

Currencies	31 March 2021		31 March 2020	
	Increase by 2%	Decrease by 2%	Increase by 2%	Decrease by 2%
USD	**91**	**(91)**	124	(124)
EUR	**304**	**(304)**	192	(192)
THB	**31**	**(31)**	35	(35)
CHF(*)	**(0)**	**0**	(0)	0
JPY	**(18)**	**18**	(36)	36

(*) 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 $19 lakhs equivalent to ₹ 1,385 lakhs (31 March 2020 - $ 40 lakhs equivalent to ₹ 3,052 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 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 2021 and 31 March 2020, 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 2021	As at 31 March 2020
Variable rate borrowings	**8,130**	5,815
Fixed rate borrowings	**14,291**	26,772
Interest free borrowing	**399**	562
Total	**22,820**	**33,149**

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 2021		31 March 2020	
	Balance	% of total loans	Balance	% of total loans
Variable rate loan	**8,130**	**35.63%**	5,815	17.54%
Interest rate swaps	**(1,385)**	**(6.07%)**	(3,052)	(9.21%)
Net exposure to cashflow interest rate risk	**6,745**	**29.56%**	**2,763**	**8.33%**

Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2021

Sensitivity analysis - Variable rate borrowing **(₹ in lakhs)**

Interest rate	Impact on profit before tax	
	31 March 2021	31 March 2020
Increase by 50 basis points	**(41)**	(29)
Decrease by 50 basis points	**41**	29

Sensitivity analysis - Interest rate swap **(₹ in lakhs)**

Interest rate	Impact on profit before tax	
	31 March 2021	31 March 2020
Increase by 50 basis points	**7**	15
Decrease by 50 basis points	**(7)**	(15)

(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 investment in mutual fund measured at fair value through profit and loss.

(₹ in lakhs)

Sensitivity	31 March 2021	31 March 2020
Impact on profit after tax for 5% increase in price of underlying shares	**22**	11
Impact on profit after tax for 5% decrease in price of underlying shares	**(22)**	(11)

40 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 2021	As at 31 March 2020
Gross debt	**22,820**	33,149
Less: Cash and cash equivalents	**(6,516)**	(6,554)
Add: Lease liabilities (including current) (Refer 48 (iv))	**60**	186
Net debt (A)	**16,364**	**26,781**
Equity (B)	**50,954**	45,897
Gearing ratio (A / B) %	**32.12%**	**58.35%**

Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2021

C Loan covenants

In case of borrowing facilities 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, asset coverage ratio and promorter's holding 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 2021	As at 31 March 2020
i) Equity shares (face value of ₹ 2 each)		
Final dividend - ₹ Nil (Previous year: ₹ 2.6 per share for each fully paid up share for financial year ended 31 March 2019)	-	2,520
Interim dividend - ₹ Nil (₹ 0.80 per share for each fully paid up share for 31 March 2020)	-	775
Dividend distribution tax on final dividend	-	490
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 ₹ 0.50 (31 March 2020: ₹ NIL per fully paid equity share). This proposed dividend is subject to the approval of shareholders at the ensuing annual general meeting.	485	-

E Net debt reconciliation

(₹ in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Short term borrowings	10,643	21,733
Non-current borrowing (including current maturities)	12,177	11,416
Lease liabilities (Refer note 48 (iv))	60	186
Cash and cash equivalents	(6,516)	(6,554)
Net debt	**16,364**	**26,781**

Particulars	Short term borrowings (A)	Non current borrowing incl. current maturities (B)	Lease liabilities (C)	Cash and cash equivalents (D)	Total (A+B+C-D)
Net debt as at 01 April 2019	**15,575**	**10,299**	**-**	**2,156**	**23,718**
Recognised on adoption of Ind AS 116 (Refer note 48(iv))	-	-	322	-	322
Cash flows	5,848	853	(161)	4,309	2,231
Finance cost incurred	1,115	921	25	-	2,061
Finance cost paid	(1,115)	(928)	-	-	(2,043)
Exchange gain / loss (net)	310	271	-	89	492
Net debt as at 31 March 2020	**21,733**	**11,416**	**186**	**6,554**	**26,781**

Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2021

Particulars	Short term borrowings (A)	Non current borrowing incl. current maturities (B)	Lease liabilities (C)	Cash and cash equivalents (D)	Total (A+B+C-D)
Impact of Ind AS 116	-	-	24	-	24
Cash flows	(11,179)	1,092	(162)	(42)	(10,207)
Finance cost incurred	1,031	1,009	12	-	2,052
Finance cost paid	(1,023)	(1,171)	-	-	(2,194)
Exchange gain / loss (net)	81	(169)	-	4	(92)
Net debt as at 31 March 2021	**10,643**	**12,177**	**60**	**6,516**	**16,364**

41 Commitments

Estimated value of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 1,381 lakhs (31 March 2020: ₹ 1,994 lakhs)

42 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. NRB Bearings Europe GmbH
Relatives of KMP	Ms. Hanwantbir Kaur Sahney
Key Management Personnel (KMP)	Ms. Harshbeena Zaveri, Vice Chairman and Managing Director Mr. S. C. Rangani, Executive Director Mr. D. S. Sahney Mr. Tashwinder Singh Mr. Ashank D. Desai Mr. Rustom Desai Ms. Vishakha Maheshwari
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) Mr. Trilochan Singh Sahney Trust 1
Company over which relatives of KMP are able to exercise significant influence:	NRB Industrial Bearings Limited First Engineering Technolgies 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 2021

II Transactions with related parties during the year: (₹ in lakhs)

Name of related party	Nature of transaction	Transactions during the year		Receivable as at		Payable as at	
		31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020
SNL Bearings Limited	Sale of finished goods	**117**	56	**-**	-	**-**	-
	Sale of property, plant and equipment	**15**	-	**-**	-	**-**	-
	Purchase of raw materials	**1,339**	1,588	**-**	-	**392**	281
	Purchase of special purpose machine spare parts (*)	**-**	0	**-**	-	**-**	-
	Service charges	**10**	-	**-**	-	**-**	-
	Dividend received on equity shares	**-**	212	**-**	-	**-**	-
NRB Bearings (Thailand) Limited (#)	Sale of finished goods	**709**	539	**840**	1,243	**-**	-
	Sale of property, plant and equipment	**2**	-	**-**	-	**-**	-
	Purchase of raw materials	**3,788**	3,442	**-**	107	**377**	-
	Purchase of property, plant and equipment	**-**	32	**-**	-	**-**	-
	Development charges	**46**	-	**-**	-	**-**	-
	Inter corporate deposit repayment received (Including interest received and foreign exchange adjustment)	**326**	135	**-**	-	**-**	-
	Interest income on inter corporate deposit	**113**	112	**-**	-	**-**	-
	Reimbursement of expenses to the Company	**26**	25	**-**	-	**-**	-
	Inter corprate deposit receivable (including interest)	**-**	-	**1,528**	1,741	**-**	-

Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2021

Transactions with related parties during the year (Contd): **(₹ in lakhs)**

Name of related party	Nature of transaction	Transactions during the year		Receivable as at		Payable as at	
		31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020
NRB Industrial Bearings Limited	Sale of finished goods	**-**	-	**18**	18	**-**	-
NRB Bearings Europe GmbH	Sales promotion expenses	**434**	434	**-**	-	**140**	99
	Reimbursement of expenses to the Company	**2**	6	**-**	-	**-**	-
NRB Bearings USA Inc	Sales promotion expenses	**367**	285	**-**	11	**72**	-
	Investment in shares	**-**	15	**-**	-	**-**	-
First Engineering Technolgies Private Limited	Purchase of property, plant and equipment	**-**	7	**-**	-	**-**	-
	Sale of finished goods	**-**	-	**4**	4	**-**	-
	Purchase of raw materials	**3**	13	**9**	9	**-**	-
	Miscellaneous expenses	**-**	1	**-**	-	**-**	-
	Sales promotion expenses	**-**	4	**-**	-	**-**	-
First Technology BV	Legal and professional fees	**247**	134	**-**	-	**41**	-
New Indo Trading Company	Service charges	**5**	5	**-**	-	**-**	1
(Late) Mr. Trilochan Singh Sahney Trust 1 (shares held by a trustee in his individual name)	Dividend paid	**-**	1,150	**-**	-	**-**	-
(Late) Mr. T.S Sahney	Dividend paid (*)	**-**	0	**-**	-	**-**	-
Ms. Hanwantbir Kaur Sahney	Rental Income(*)	**1**	0	**-**	-	**-**	-
Ms. Harshbeena Zaveri	Remuneration and commission	**479**	550	**-**	-	**29**	29
	Dividend paid	**-**	353	**-**	-	**-**	-
Mr. S. C. Rangani	Remuneration	**109**	113	**-**	-	**-**	-
	Dividend paid (*)	**-**	0	**-**	-	**-**	-
Mr. D. S. Sahney	Sitting fees and commission	**7**	2	**-**	-	**5**	1
	Dividend paid	**-**	29	**-**	-	**-**	-
Other KMPs (Directors)	Sitting fees and commission to non-executive directors	**39**	30	**-**	-	**27**	13
Trust	Contribution to gratuity fund trust	**180**	193	-	-	-	-

(*) Amount less than ₹ 1 lakh

(#) Also refer note 44 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)**

Particulars	Balance as at		Maximum amount outstanding during the year ended	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Loans and advances (including interest receivable) in the nature of loans to subsidiary company				
NRB Bearings (Thailand) Limited (Refer note 14)	**1,528**	1,741	**1,839**	1,817

No shares are held by the subsidiary in the Company.

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.

ii) The loan given to the subsidiary company was for the purpose of making payment of suppliers and meeting operating expenses of the subsidiary company.

iii) 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 2021

IV Key managerial personnel compensation

(₹ in lakhs)

Particulars	31 March 2021	31 March 2020
Short term employee benefits	**566**	635
Post-employment benefits	**22**	28
Total compensation (*)	**588**	**663**

(*) This aforesaid amount does not include benefits determined on actuarial basis as the same is not determinable for individuals.

43 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 2021	31 March 2020
Property, plant and equipment	5,733	6,248
Current asset	50,659	53,522

44 Contingent liabilities and other commitments

(₹in lakhs)

	Particulars	31 March 2021	31 March 2020
a	**Contingent liabilities not provided for**		
	Income tax	**2,570**	2,570
	Sales tax, value added tax and local body tax	**253**	222
	Stand by letter of credit given to bank on behalf of a subsidiary company	**2,559**	2,528
	MSME Interest	**105**	-
	Provident fund (Refer note below)	**Amount not determinable**	Amount not determinable

Note:

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. From November 2020, the Company has started making the deduction and payment of provident fund basis the revised definition of "basic wages". For the period 1 April 2019 to 31 October 2020 the Company has recognised a provision of ₹ 76 lakhs as per the revised definition, for which it is awaiting further clarifications before depositing the same with the authorities.

Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2021

45 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 ₹ 524 lakhs (31 March 2020: ₹ 639 lakhs) is recognized as expense and included in "Note No. 33 - employee benefits expenses"

(₹ in lakhs)

Particulars	31 March 2021	31 March 2020
i) Employer's contribution to provident fund	**257**	413
ii) Employer's contribution to family pension fund	**191**	122
iii) Employer's contribution to superannuation fund	**76**	104
Total	**524**	**639**

(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

Particulars	31 March 2021	31 March 2020
Expected return on plan assets	**6.49% - 6.80%**	6.59% - 6.87%
Discount rate (per annum)	**6.49% - 6.80%**	6.59% - 6.87%
Rate of salary increase(*)	**6% - 10%**	6% - 10%
Rate of Employee Turnover	**2% - 11%**	2% - 11%
Mortality rate during employment	**Indian Assured Lives Mortality (2006-08)**	Indian Assured Lives Mortality (2006-08)
Mortality Rate After Employment	**N.A.**	N.A.

These assumptions were developed by the management with the assistance of independent actuarial appraisers. Discount factors are determined close to each year end by reference to government bonds of relevant economic markets and that have terms to maturity approximating to the terms of the related obligation. Other assumptions are based on management's historical experience.

(*) Takes into account the inflation, seniority, promotions and other relevant factors

ii Changes in the present value of defined benefit obligation **(₹ in lakhs)**

Particulars	31 March 2021	31 March 2020
Present value of obligation at the beginning of the year	**3,326**	3,045
Interest cost	**224**	232
Current service cost	**172**	151
Actuarial (gain) /loss	**15**	139
Benefits paid	**(248)**	(241)
Present Value of obligation at the end of the year	**3,489**	**3,326**

iii Changes in the fair value of plan assets **(₹ in lakhs)**

Particulars	31 March 2021	31 March 2020
Fair value of plan assets at beginning of the year	**2,772**	2,852
Interest income	**187**	218
Contributions	**180**	193
Benefits paid	**(2480**	(241)
Return (differential) on plan assets, excluding amount recognised in net interest expense	**472**	(250)
Fair value of plan assets at the end of the year	**3,363**	**2,772**

Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2021

iv Assets and liabilities recognised in the balance sheet **(₹ in lakhs)**

Particulars	31 March 2021	31 March 2020
Present value of the defined benefit obligation at the end of the year	3,489	3,326
Less: Fair value of plan assets at the end of the year	(3,363)	(2,772)
Net liability recognised	**126**	**554**
Recognised under provisions		
Non current provision	-	-
Current provisions	**126**	**554**

v Net interest cost for current year **(₹ in lakhs)**

Particulars	31 March 2021	31 March 2020
Interest cost	**224**	232
Interest income	**(187)**	(218)
Net interest cost for current year	**37**	**14**

vi Expenses recognised in the statement of profit and loss **(₹ in lakhs)**

Particulars	31 March 2021	31 March 2020
Current service cost	**172**	151
Net interest (income) / expense	**37**	14
Net gratuity cost recognised in the current year	**209**	**165**
Included in note 33 'Employee benefits expense'	**209**	**165**

vii Expenses recognised in the statement of other comprehensive income (OCI) **(₹ in lakhs)**

Particulars	31 March 2021	31 March 2020
Actuarial (gains) / losses	**15**	139
Return (differential) on plan assets, excluding interest income	**(472)**	250
Net expense for the year recognized in OCI (Refer note 37)	**(457)**	**389**

viii Reconciliation of net asset / (liabilities) recognised: **(₹ in lakhs)**

Particulars	31 March 2021	31 March 2020
Reconciliation of net assets / (liabilities) recognised:		
Net asset/ (liabilities) recognised at the beginning of the year	**(554)**	(193)
Company contributions	**180**	193
Gain/ (Loss) recognised in other comprehensive income	**457**	(389)
Expenses recognised in statement of profit and loss	**(209)**	(165)
Mortality charges and taxes	**-**	-
Net liabilities recognised at the end of the period	**(126)**	(554)

ix Categories of assets **(₹ in lakhs)**

Particulars	31 March 2021	31 March 2020
Insurance fund	**3,363**	2,772
Total	**3,363**	**2,772**

Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2021

x Senstivity Analysis:

Significant actuarial assumptions for the detemination of the defined benefit are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonable 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 2021	31 March 2020
Projected benefit obligation on current assumptions	**3,489**	3,326
Delta effect of +1% change in rate of discounting	**(194)**	(182)
Delta effect of -1% change in rate of discounting	**220**	207
Delta effect of +1% change in rate of salary increase	**217**	204
Delta effect of -1% change in rate of salary increase	**(195)**	(183)
Delta effect of +1% change in rate of employee turnover	**(5)**	(4)
Delta effect of -1% change in rate of employee turnover	**5**	4

The present value of the defined benefit obligation calculated with the same method (projected unit credit) as the defined benefit obligation recognised in the balance sheet. The sensitivity analysis is based on a change in one assumption while not changing any other assumptions. This analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in the assumptions would occur in isolation of one another since some of the assumptions may be co-related.

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 2021	31 March 2020
1st following year	**407**	351
2nd following year	**335**	475
3rd following year	**414**	389
4th following year	**368**	359
5th following year	**541**	330
Sum of years 6 to 10	**1,372**	1,391
Sum of years 11 and above	**2,370**	2,242

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.

(C) Other long term benefits:

Compensated absences recognised in the statement of profit and loss for the current year, under the employee cost in note 33, is ₹ 134 lakhs (31 March 2020: ₹ 171 lakhs). Liability towards provision for compensated absences amounted to Rs. 981 lakhs as at 31 March 2021 from Rs. 945 lakhs as at 31 March 2020.

46 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.

Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2021

47 Research & development expenses:

(₹ in lakhs)

Particulars	31 March 2021	31 March 2020
(i) Charged to the standalone statement of profit and loss	**1,357**	1,442
(ii) Capitalized to property, plant and equipment	**48**	204

48 Ind AS 116- Lease

Company as a lessee

The Company has adopted the new accounting standard i.e. Ind AS 116- Leases, which had 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 had 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 Company had 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 as at 1 April 2019. Prior periods have not been restated. The Company had 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 had 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 had 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.

Exemptions availed by Company under Ind AS 116:

The Company had 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 2021

(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**
Additions	20	4	24
Disposals	(23)	(7)	(30)
As at 31 March 2021	**249**	**4**	**253**
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**
Charge for the year	109	4	113
Disposal / adjustment	(23)	(7)	(30)
As at 31 March 2021	**202**	**1**	**203**
Net carrying value			
As at 31 March 2020	**136**	**3**	**139**
As at 31 March 2021	**47**	**3**	**50**

(ii) Amount recognised in the standalone statement of profit and loss for the year ended 31 March 2021 **(₹ in lakhs)**

Particulars	**Year ended 31 March 2021**	**Year ended 31 March 2020**
Interest cost on lease liabilities	12	25
Depreciation on right of use assets	113	120
Rental expense(Refer note a)	**176**	256

(a) Breakdown of rent **(₹ in lakhs)**

Particulars	**Year ended 31 March 2021**	**Year ended 31 March 2020**
Short-term lease expense	37	66
Low value lease expense	139	190
Total lease expense	**176**	**256**

(iii) Cash outflow from leases

The actual outflow for leases considered under the purview of Ind AS 116 have been disclosed in one line as cash outflow from leases in the single note on cash flows.

Significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2021

(iv) Lease liabilities **(₹ in lakhs)**

Particulars	Amount
Balance as at 1 April 2019	-
Adjustment on transition to Ind AS 116	322
Add: Movement during the year	-
Add: Interest cost accrued during the year	25
Less: Payment of lease liability	(161)
Balance as at 31 March 2020	186
Add: Movement during the year	24
Add: Interest cost accrued during the year	12
Less: Payment of lease liability	(162)
Balance as at 31 March 2021	60

(v) Maturity analysis of lease liabilities **(₹ in lakhs)**

Maturity analysis – contractual discounted cash flows	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Lease liabilities				
Buildings and Flats	40	9	7	-
Vehicles	2	2	-	-
As at 31 March 2021	**42**	**11**	**7**	**-**

Maturity analysis – contractual discounted 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**	**-**

Company as a lessor

The Company has given premises on operating leases. These lease arrangements range for a period between 12 months to 5 years and include both cancellable and non cancellable leases. Most of the leases are renewable for further period on mutually agreeable terms and also include escalation clauses

(₹ in lakhs)

Maturity analysis – contractual undiscounted cash flows	As at 31 March 2021	As at 31 March 2020
Lease receivable		
Within one year	96	96
After one year but not more than five years	72	168
More than five years	-	-
Total	**168**	**264**

49 COVID-19 impact

The spread of COVID-19 pandemic and consequent lockdown imposed by the Government of India had impacted the business of the Company particularly in quarter ended 30 June 2020. The Company has resumed its operations and witnessed upside in demand and consequently revenue, from the month of July 2020. The Company has considered the possible effects that may result from the pandemic relating to COVID-19 and had taken into consideration internal and certain external sources for estimating the impact 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, and expects to recover the carrying amount of its assets. The estimate involved in deriving the conclusion on impact of global health pandemic might vary from date of approval of these standalone financial statements and the Company will continue to closely monitor any material changes due to future economic conditions which may have an impact on the operation of the Company.

50 Earnings per share

The earnings per equity share is computed by dividing the net profit attributable to the equity shareholders for the year by weighted average number of equity shares outstanding at the year end.

(₹ in lakhs)

Particulars	**Year ended 31 March 2021**	**Year ended 31 March 2020**
Net profit after tax for the year (₹ in lakhs)	4,373	2,945
Profit attributable to equity share holders	**4,373**	**2,945**
Weighted average number of equity shares outstanding during the year	96,922,600	96,922,600
Basic and diluted earnings per share (in ₹)	4.51	3.04
Face value per share (in ₹)	2	2

Note:

The Company does not have any outstanding dilutive potential equity shares as at 31 March 2021 and 31 March 2020. Consequently, basic and diluted earnings per share of the Company remain the same.

51 Previous year figures

Previous year figures have been regrouped or rearranged, wherever considered necessary to make them comparable with those of the current year.

Notes 1 to 51 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's: Registration No. 001076N/ N500013

Adi P. Sethna
Partner
Membership No.: 108840

Place : Mumbai
Date : 02 June 2021

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: 02 June 2021

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 2021, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flow Statement 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 (the 'financial statements') give the information required by the Companies Act, 2013 ('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 2021, and their consolidated profit (including other comprehensive income), 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 ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') and the relevant 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. **Compliance with laws and regulations**

We draw attention to Note 12(a) and Note 25(i) to the accompanying consolidated financial statements, which indicates delays in receipt of foreign currency receivables amounting to ₹2,719 lakhs and delays in payment of foreign currency payables amounting to ₹ 90 lakhs of the Holding Company as at 31 March 2021 beyond the timelines stipulated vide FED Master Direction No.16/2015-16 and FED Master Direction No. 17/ 2016-17, respectively, under the Foreign Exchange Management Act, 1999. The management of the Holding Company is in the process of recovering the outstanding dues and making the payments for outstanding payables and regularising 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 are not expected to 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 52 to the accompanying consolidated financial statements, which describes the effects of uncertainties due to the outbreak of COVID-19 pandemic and management's evaluation of its impact on the operations and consolidated financial statements of the Group as at the balance sheet date. The impact of these uncertainties on the Group'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 financial statements of a subsidiary company, SNL Bearings Limited, for the year ended 31 March 2021.

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 matterdescribed below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Recoverability of carrying amount of property, plant and equipment of a subsidiary company Refer Note 2 to the consolidated financial statements. The Group carries property, plant and equipment ('PPE') amounting to ₹ 3,308 lakhs as at 31 March 2021 in respect of a subsidiary, NRB Bearings (Thailand) Limited, which is engaged in the business of manufacturing and trading of bearings and is identified as a separate Cash Generating Unit ('CGU'). Due to negative networth in the aforesaid entity, 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. 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 2021. 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. 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. 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 2021 has been determined to be a key audit matter in the current year audit.	Our audit procedures in relation to assessing the recoverable value of the CGU included but were not limited to, the following: • 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 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 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 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 are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated 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 are 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 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 of the respective entities within the Group 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 entities within 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 Board of Directors either intend to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

11. Those respective Board of Directors of the companies included in the Group are also 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 consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- Obtain an understanding of internal 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. 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.

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 (before eliminating inter-Company transactions) reflect total assets of ₹ 6,852 lakhs and net assets of ₹ 1,080 lakhs as at 31 March 2021, total revenues of ₹ 5,543 lakhs and net cash outflow amounting to ₹ 680 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 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, is 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, for all the companies covered under the Act, 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 paragraph 5 of the Emphasis of Matter section, in our opinion, may have an adverse effect on the functioning of the Group and respective entities maintained therein;

f) on the basis of the written representations received from the directors of the Holding Company and Indian subsidiary and taken on record by the respective Board of Directors of the Holding Company and Indian subsidiary Company, none of the directors of these companies, covered under the Act, are disqualified as on 31 March 2021 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 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 2021;

iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, and its Indian subsidiary company, during the year ended 31 March 2021; 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 consolidated 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.: 21108840AAAADC6420

Place: Mumbai
Date: 08 June 2021

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 2021

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 2021, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company andone subsidiary company which are companies covered under the Act, as at that date

Responsibilities of Management and Those Charged with Governancefor Internal Financial Controls

2. The respective Board of Directors of the Holding Company and one subsidiary company, which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Companies 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 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 consolidated 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 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 consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated 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 one of its subsidiary companyas aforesaid.

Meaning of Internal Financial Controls with Reference to Consolidated Financial Statements

6. A company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated 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 one of its subsidiary company, which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to the consolidated financial statements and such controls were operating effectively as at 31 March 2021, based on Guidance Note issued by ICAI.

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

Adi P. Sethna
Partner
Membership No.:108840
UDINo.: 21108840AAAADC6420
Place: Mumbai
Date : 02 June 2021

Consolidated Balance Sheet as at 31 March 2021

(₹ in lakhs)

Sr No.	Particulars	Note No.	As at 31 March 2021	As at 31 March 2020
I	**Assets**			
1	**Non-current assets**			
	Property, plant and equipment	2	**35,769**	36,284
	Capital work-in-progress		**817**	1,597
	Investment property	3	**-**	-
	Goodwill		**48**	48
	Other intangible assets	4	**38**	57
	Intangible assets under development		**230**	10
	Financial assets			
	(i) Investments	5	**444**	224
	(ii) Loans	6	**550**	511
	(iii) Other financial assets	7	**320**	22
	Income tax assets (net)	8	**2,964**	2,613
	Other non-current assets	9	**1,275**	1,597
	Total non-current assets		**42,455**	**42,963**
2	**Current assets**			
	Inventories	10	**20,341**	22,700
	Financial assets			
	(i) Investments	11	**803**	985
	(ii) Trade receivables	12	**20,867**	20,022
	(iii) Cash and cash equivalents	13	**7,487**	7,649
	(iv) Bank balances other than cash and cash equivalents	14	**136**	138
	(v) Loans	15	**23**	26
	(vi) Other financial assets	16	**130**	537
	Other current assets	17	**3,408**	3,298
	Total current assets		**53,195**	**55,355**
	Total assets		**95,650**	**98,318**
II	**Equity and liabilities**			
A	**Equity**			
	Equity share capital	18	**1,938**	1,938
	Other equity	19	**49,834**	43,752
	Equity attributable to owners of parent		**51,772**	**45,690**
	Non-controlling interest		**1,116**	950
	Total equity		**52,888**	**46,640**
B	**Liabilities**			
1	**Non-current liabilities**			
	Financial liabilities			
	(i) Borrowings	20	**8,941**	7,324
	(ii) Other financial liabilities	21	**106**	53
	Deferred tax liabilities (net)	22	**1,632**	1,521
	Other non-current liabilities	23	**78**	168
	Total non-current liabilities		**10,757**	**9,066**
2	**Current liabilities**			
	Financial liabilities			
	(i) Borrowings	24	**13,080**	24,476
	(ii) Trade payables	25		
	Total outstanding dues of micro enterprises and small enterprises		**1,033**	1,208
	Total outstanding dues of creditors other than micro enterprises and small enterprises		**10,217**	7,165
	(iii) Other financial liabilities	26	**5,571**	7,576
	Other current liabilities	27	**812**	632
	Provisions	28	**1,165**	1,546
	Current tax liability (net)	29	**127**	9
	Total current liabilities		**32,005**	**42,612**
	Total liabilities		**42,762**	**51,678**
	Total equity and liabilities		**95,650**	**98,318**

The accompanying notes form an integral part of these consolidated financial statements

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

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

Adi P. Sethna
Partner
Membership No.: 108840

Place : Mumbai
Date : 02 June 2021

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: 02 June 2021

Consolidated Statement of Profit and Loss for the year ended 31 March 2021 (₹ in lakhs)

Sr No	Particulars	Note No.	Year ended 31 March 2021	Year ended 31 March 2020
I	Revenue from operations	30	**76,240**	77,595
II	Other income	31	**1,508**	1,607
III	**Total income (I + II)**		**77,748**	**79,202**
IV	**Expenses:**			
	Cost of materials consumed	32	**27,691**	29,419
	Changes in inventories of work-in-progress and finished goods	33	**1,096**	1,100
	Employee benefits expenses	34	**13,774**	13,665
	Finance costs	35	**2,184**	2,177
	Depreciation and amortisation expenses	2 to 4	**3,069**	3,329
	Other expenses	36	**23,291**	24,829
	Total expenses (IV)		**71,105**	**74,519**
V	**Profit before tax (III-IV)**		**6,643**	**4,683**
VI	**Tax expense / (credit):**	37		
	(i) Current tax		**1,240**	912
	(ii) Deferred tax		**(49)**	452
	(iii) Tax pertaining to earlier year		**(118)**	-
			1,073	**1,364**
VII	**Profit after tax (V-VI)**		**5,570**	**3,319**
VIII	**Other comprehensive income / (loss)**	38		
	Items that will not be reclassified subsequently to profit or loss			
	- Remeasurement gain/ (loss) on defined benefit plans		**468**	(410)
	- Gain/ (loss) on fair value of equity instruments		**211**	(227)
	- Income tax (expense) / credit relating to these items		**(118)**	141
	Items that will be reclassified subsequently to profit or loss			
	- Exchange differences in translating the financial statements of a foreign operation		**(14)**	(59)
	- Remeasurement of gains/(losses) on derivative hedging instruments		**173**	-
	- Income tax (expense) / credit relating to these items		**(42)**	-
			678	**(555)**
IX	**Total comprehensive income for the year (VII+VIII)**		**6,248**	**2,764**
	Net profit after tax attributable to:			
	-Owners of the parent		5,406	3,208
	-Non controlling interest		164	111
	Other comprehensive income/ (loss) attributable to:			
	-Owners of the parent		676	(551)
	-Non controlling interest		2	(4)
	Total comprehensive income attributable to:			
	-Owners of the parent		6,082	2,657
	-Non controlling interest		166	107
X	**Earnings per equity share:**	54		
	Basic and diluted (in ₹)		5.58	3.31
	Face value per share (in ₹)		2.00	2.00

The accompanying notes form an integral part of these 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's: Registration No. 001076N/ N500013

Adi P. Sethna
Partner
Membership No.: 108840

Place : Mumbai
Date : 02 June 2021

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: 02 June 2021

Consolidated Statement of Cash Flow for the year ended 31 March 2021

(₹ in lakhs)

Sr No.	Particulars	Year ended 31 March 2021	Year ended 31 March 2020
A	**Cash flow from operating activities**		
	Profit before tax	**6,643**	**4,683**
	Adjustments for:		
	Depreciation and amortisation expense	**3,069**	3,329
	Foreign exchange loss/(gain) (unrealised)	**138**	16
	Fair valuation loss / (gain) on derivative instrument measured at FVTPL	**77**	74
	Finance costs	**2,184**	2,177
	Interest income	**(84)**	(21)
	Dividend income	**(8)**	(13)
	Profit on sale of property, plant and equipment (net)	**-**	(3)
	Liabilities no longer required written back	**(410)**	(23)
	Profit on sale of investment	**(29)**	(16)
	Fair valuation loss / (gain) on financial assets measured at FVTPL (net)	**(37)**	(32)
	Provision for doubtful trade receivables and bad debts written off	**795**	68
	Provision for doubtful advances	**219**	65
	Rental income	**(107)**	(126)
	Asset scrapped / written off	**55**	-
	Changes in foreign currency translation reserve	**(14)**	(59)
	Provision towards slow moving and non-moving inventories	**1,470**	389
	Operating profit before working capital changes	**13,961**	**10,508**
	Adjustment for changes in working capital:		
	Adjustment for (increase) / decrease in assets		
	- Trade receivables	**(1,984)**	1,865
	- Inventories	**889**	3,715
	- Bank balances other than cash and cash equivalents	**(2)**	(15)
	- Other non-current financial assets and loans	**(337)**	(67)
	- Other current financial assets and loans	**497**	(50)
	- Other non-current assets	**61**	17
	- Other current assets	**(286)**	54
	Adjustment in increase/ (decrease) in liabilities		
	- Other non-current liabilities	**(25)**	168
	- Other financial liabilities	**574**	(1,304)
	- Trade payables	**3,524**	(3,695)
	- Provisions	**86**	147
	- Other current liabilities	**180**	194
	Cash generated from operations before tax adjustments	**17,138**	**11,537**
	Direct taxes paid (net of refund)	**(1,356)**	(1,315)
	Net cash generated from operating activities (A)	**15,782**	**10,222**

Consolidated Statement of Cash Flow for the year ended 31 March 2021

(₹ in lakhs)

Sr. No.	Particulars	Year ended 31 March 2021	Year ended 31 March 2020
B	**Cash flow from investing activities**		
	Purchase of property, plant and equipment and intangibles (net) (including movement of capital advances, capital work-in-progress,intangible assets under development and capital creditors)	**(3,609)**	(6,567)
	Sale proceeds of property, plant and equipment	**75**	3
	(Purchase of) / Proceeds from sale of current investments (net)	**241**	(119)
	Rental income	**107**	126
	Interest income received	**84**	19
	Dividend income received	**8**	13
	Net cash used in investing activities (B)	**(3,094)**	**(6,525)**
C	**Cash flow from financing activities**		
	Proceeds from non-current borrowings	**5,016**	2,500
	Proceeds from (repayment of) current borrowings (net)	**(11,485)**	6,468
	Repayment of non-current borrowings	**(3,908)**	(1,655)
	Finance costs paid	**(2,326)**	(2,158)
	Settlement of lease liabilities	**(164)**	(163)
	Movement in unclaimed bank balances	**3**	(13)
	Dividends paid on equity shares (including unclaimed)	**(3)**	(3,371)
	Dividend distribution tax paid	**-**	(693)
	Net cash (used in) / generated from financing activities (C)	**(12,867)**	**915**
	Net (decrease) / increase in cash and cash equivalents (A+B+C)	**(179)**	**4,612**
	Add: Balance of cash and cash equivalents at the beginning of the year	**7,649**	3,019
	Add: Effects of exchange rate changes on cash and cash equivalents	**17**	18
	Closing balance of cash and cash equivalents (Refer note 13)	**7,487**	**7,649**
	Components of cash and cash equivalents:		
	Cash on hand	**2**	4
	Balances with banks in current accounts	**6,717**	5,051
	Balances with banks in deposits with maturity of less than three months	**768**	2,594

Notes:

The consolidated 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 42.

The accompanying notes form an integral part of these consolidated financial statements

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

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

Adi P. Sethna
Partner
Membership No.: 108840

Place : Mumbai
Date : 02 June 2021

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: 02 June 2021

Consolidated Statement of Changes in Equity for the year ended 31 March 2021

A. Equity share capital (Refer note 18)

(₹ in lakhs)

Particulars	Number of shares	Amount
As at 01 April 2019	96,922,600	1,938
Changes during the year	-	-
As at 31 March 2020	96,922,600	1,938
Changes during the year	-	-
As at 31 March 2021	**96,922,600**	**1,938**

B. Other equity (Refer Note 19)

(₹ in lakhs)

Particulars	Reserves and surplus						Fair value gain / (loss) on equity instruments through OCI	Cash flow hedge reserve	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 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	-	-	-	-	-	3,208	-	-	-	**3,208**	**111**	**3,319**
Less: Other comprehensive income / (loss) for the year (Refer note 38)	-	-	-	-	-	(265)	(227)	-	(59)	**(551)**	**(4)**	**(555)**
Less: Transitional adjustment of Ind AS 116 (Refer note 51)	-	-	-	-	-	(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**	**29,237**	**209**	**-**	**(293)**	**43,752**	**950**	**44,702**
Transactions during the year												
Net profit for the year	-	-	-	-	-	5,406	-	-	-	**5,406**	**164**	**5,570**
Less: Other comprehensive income / (loss) for the year (Refer note 38)	-	-	-	-	-	348	211	131	(14)	**676**	**2**	**678**
Less: Transfer from debenture redemption reserve to general reserve	-	1,500	-	-	(1,500)	-	-	-	-	-	-	-
Balance as at 31 March 2021	**848**	**11,975**	**15**	**1,011**	**750**	**34,991**	**420**	**131**	**(307)**	**49,834**	**1,116**	**50,950**

(*) Amount lower than ₹ 1 Lakh

The accompanying notes form an integral part of these consolidated financial statements

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

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

Adi P. Sethna
Partner
Membership No.: 108840

Place : Mumbai
Date : 02 June 2021

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: 02 June 2021

Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2021

Note 1

1. Corporate Information

NRB Bearings Limited ('the Company' or the 'Parent Company' or the 'Holding Company'), and it's 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 the "CFS"/ the "financial statements) for the year ended 31 March 2021 were approved by Board of Directors and authorised for issue on 02 June 2021.

Basis of Preparation

The Group has prepared its consolidated financial statements in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) notified under Section 133 of the Companies Act, 2013 ("the Act") and other relevant provisions of the Act. The accounting policies have been consistently applied for all the periods presented in the consoildated financial statements.

The consolidated financial statements have been prepared on an accrual basis using 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

All amounts disclosed in the financial statements and notes have been rounded off to the nearest ₹ in lakhs as per the requirement of Schedule III, unless otherwise stated.

1A Significant accounting policies

a. Principles of Consolidation

The consolidated financial statements incorporates the financial statements of the 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 to 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 2021.

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 consolidated balance sheet respectively.

Refer note 43 for the list of subsidiaries considered in the CFS.

Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2021

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.

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 consolidated other comprehensive income (OCI) or statement of profit and loss are also recognised in consolidated OCI or statement of profit and 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 recognised in the consolidated financial statements upto and for the year ended 31 March 2017 prepared under previous GAAP, which are capitalised as a part of the depreciable value of property, plant and equipment 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 consolidated OCI and all resulting exchange differences are recognised in consolidated OCI (also refer note 1.1(n)).

c. Revenue Recognition

The Group derives revenues mainly from sale of manufactured goods. Revenue from sale of goods is recognised 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. Revenue is measured based on the transaction price, which is the consideration, adjusted for discounts, incentives and returns, etc., if any.The Group does not expect to have any contracts where the period between the transfer of the promised products 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.

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 consolidated statement of profit and 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 in the year the claim is acknowledged or only on receipt of money.

Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2021

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.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted by 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 consolidated 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 assets is realised or the deferred income tax liabilities is settled.

Deferred tax assets (Including Minimum Alternate Tax credit) are recognised for all deductible temporary differences and unused tax losses or credit only if it is probable that future taxable amounts will be available to utilise 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's will be available to allow all or part of the deferred tax asset's 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's 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 assets and settle the liabilities simultaneously.

Current and deferred tax is recognised in consolidated statement of profit and loss, except to the extent that it relates to items recognised in the consolidated OCI or directly in equity. In this case, the tax is also recognised in consolidated OCI 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'.

To apply this definition, the Group 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 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 lessee

Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2021

At lease commencement date, the Group recognises a right-of-use assets and a lease liabilities on the consolidated 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 liabilities 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 liabilities 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 liabilities 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 consolidated statement of profit and loss, as the case may be.

On the consolidated balance sheet, 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 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 assets and lease liabilities, the payments in relation to these are recognised as an expense in statement of consolidated statement of profit and 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 Group is a lessor classified as finance or operating lease.

Lease income from operating leases where the Group is a lessor is recognised as income in consolidated statement of profit and loss 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.

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 assets 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 consolidated statement of profit and loss.

After impairment, depreciation / amortisation (wherever applicable) 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 consolidated 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..

h. Inventories

Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2021

Raw material and components, work in progress, finished 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 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.

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 consolidated statement of profit and 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 consolidated statement of profit and loss or consolidated OCI. 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.

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 Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through consolidated statement of profit and 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 consolidated statement of profit and 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 consolidated statement of profit and 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 (FVPTL):** 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 consolidated statement of profit and loss and presented net in the consolidated 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 consolidated OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in consolidated statement of profit or loss as other income when the right to receive payments is established.

Changes in the fair value of financial assets at fair value through statement of profit and loss are recognised in other gain/ (losses) in the consolidated 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.

l. 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 consolidated satement of profit and loss and mark to market gains and losses are included in other income / expenses, respectively.

The Parent Company uses cross- currency interest rate swaps to hedge its risks associated with foreign currency fluctuations relating to highly probable forecast transactions. The Company designates these cross- currency interest rate swaps in a cash flow hedging relationship by applying the hedge accounting principles.

Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2021

Derivative contracts are stated at fair value on the consolidated balance sheet at each reporting date. At inception of the hedge relationship, the Parent Company documents the economic relationship between the hedging instrument and the hedged item, including whether changes in the cash flows of the hedging instrument are expected to offset changes in the cash flows of the hedged item. The Parent Company documents its risk management objective and strategy for undertaking its hedging transactions. The Parent Company designates amounts excluding foreign currency basis spread in the hedging relationship for cross- currency interest rate swaps. Changes in the fair value of the derivative contracts that are designated and effective as hedges of future cash flows are recognised in the cash flow hedge reserve within other comprehensive income (net of tax), and any ineffective portion is recognised immediately in the consolidated statement of profit and loss. Amounts accumulated in equity are reclassified to the consolidated statement of profit and loss in the periods in which the forecasted transactions occur.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Amounts accumulated in equity are reclassified to the consolidated statement of profit and loss in the periods in which the forecast transactions affect consolidated statement of profit and loss. For forecast transactions, any cumulative gain or loss on the hedging instrument recognised in equity is retained there until the forecast transaction occurs.

If the forecast transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is immediately transferred to the consolidated statement of profit and loss for the year.

o. Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the consolidated 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), depreciation and amortisation

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, accumulated amortisation 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 consolidated statemement profit and 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.

Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2021

Depreciation/ amortisation on property, plant and equipment 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/ amortisation is calculated pro-rata from the date of addition or upto the date of disposal, as the case may be.

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 and amortisation

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.

Softwares are capitalised at the amounts paid to acquire the respective license for use and are amortised on straight line basis over the period of their useful lives or period of three years, whichever is less. The assets useful lives are reviewed at each financial year end. Amortisation is calculated pro-rata from the date of addition or upto the date of disposal, as the case may be.

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 consolidated statement

Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2021

of profit and loss when the asset is derecognised. Amoritsation 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.

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 consolidated 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 the consolidated statement of profit and 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 consolidated statement of profit and 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 consolidated 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 consolidated financial statements. Contingent assets are not recognised, but disclosed in the consolidated 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 consolidated statement of profit and loss of the year in which the related service is rendered.

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 Holding Company has established two trusts one each for its staff and officers, and makes contributions to such fund for funding these plan.The Indian subsidiaryhas obtained insurance policies with the Life Insurance Corporation of India

Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2021

(LIC) and makes an annual contribution to LIC. The Group makes provision for gratuity based on an actuarial valuation by an actuary, using the projected unit credit method. The Group recognises such obligation net of fair value of plan asset as a liability or asset. Actuarial gains and losses arising on the remeasurement of defined benefit obligation is charged / credited to consolidated OCI. All other costs / reversals are recognised in the statement of profit and loss

ii) Provident fund: For certain employees of one of its Indian subsidiary, 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 administrated 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 consolidated OCI.

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 consolidated statement of profit and loss as incurred. The Group's contribution to the state governed Provident Fund and family pension fund is determined based on a fixed percentage of the eligible employees' salary and charged to the consolidated statement of profit and loss on accrual basis. The Group's contributions to Defined Contribution Plan are charged to the statement of consolidated profit and loss as incurred. The Group does not have any obligation other than the contribution made to the fund administered by the government.

Other long term employee benefit obligations:

Compensated absences: Liabilities 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 consolidated statement of profit and loss. Actuarial gains and losses arising on the measurement of defined benefit obligation is charged/ credited to consoildated statement of profit and loss.

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 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.

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 a period not exceeding 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.

Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2021

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.

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:

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 are based on technical evaluation performed by the management's expert and Group's historical experience with similar assets and taking into account anticipated technological changes, to the extent applicable to the asset

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 by / 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 48.

Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2021

2 Property, plant and equipment

(₹ in lakhs)

Particulars	Freehold 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 2019	287	187	12,642	58,115	1,059	962	1,449	530	75,231
Transition impact of Ind AS 116 lease (Refer note 51(i))	-	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**
Additions	-	-	97	2,462	21	12	20	12	2,624
Foreign currency translation reserve	3	-	9	35	5	1	3	-	56
Disposals	-	-	(27)	(417)	(1)	-	(5)	**(7)**	(457)
As at 31 March 2021	**304**	**193**	**13,182**	**67,032**	**1,141**	**1,023**	**1,629**	**552**	**85,056**
Accumulated depreciation / amortisation									
As at 01 April 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**
Charge for the year (*)	-	2	441	2,319	74	71	82	50	3,039
Foreign currency translation reserve	-	-	4	15	4	1	2	-	26
Disposals	-	-	(25)	(289)	(1)	-	(5)	(7)	(327)
As at 31 March 2021	**-**	**44**	**3,473**	**42,127**	**1,045**	**884**	**1,235**	**479**	**49,287**
Net carrying value									
As at 31 March 2020	**301**	**151**	**10,050**	**24,870**	**148**	**198**	**455**	**111**	**36,284**
As at 31 March 2021	**304**	**149**	**9,709**	**24,905**	**96**	**139**	**394**	**73**	**35,769**

Notes:

1. Buildings and flats include:

a. Cost of shares of an aggregate face value of ₹ 750 (31 March 2020: ₹ 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.

2. The title deeds/ leasehold right of land, having gross carrying amount aggregating ₹ 61 lakhs (31 March 2020: ₹ 61 lakhs) and net carrying amount aggregating ₹ 59 lakhs (31 March 2020: ₹ 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.

3. The above amounts includes adjustment of foreign exchange gain aggregating to ₹ 169 lakhs (31 March 2020: ₹ 271 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 ₹ 926 lakhs (31 March 2020 : ₹ 1,231 lakhs).

4. Refer Note 46 for information on property, plant and equipment pledged as security by the Group.

5. 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.f the PPE in relation to the CGU basis opinion of an expert.

6. The buildings of subsidiary Company, SNL Bearings Limited are constructed on leasehold land, lessor being SBL Industries Limited, which is under liquidation with its assets under control of the Official Liquidator. The details of the lease period expired/ expiring are as follows: Out of the leasehold land of 1.46 acres plus 139,481 sq. ft., in respect of 1.46 acres and 88,320 sq.ft. lease period is valid till 29 August 2081 and in respect of 39,225 sq. ft. lease has expired on 30 September 2017. In respect of 11,936 sq. ft. the lease had expired on 29 August 2012. The subsidiary company continues to retain possession as monthly lessee and has been regularly depositing the monthly lease rents.

(*) Charge for the year includes charge created on Right-of-use ('ROU') assets of ₹ 109 lakhs for building on leasehold land (31 March 2020 : ₹ 116 lakhs) and ₹ 5 lakhs for vehicles(31 March 2020:₹ 5 lakhs) (Also refer note 51).

Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2021

3 Investment property

(₹ in lakhs)

Particulars	Buildings and flats	Total
Gross carrying value (*)		
As at 01 April 2019	41	41
As at 31 March 2020	41	41
As at 31 March 2021	41	41
Accumulated Depreciation (*)		
As at 01 April 2019	41	41
As at 31 March 2020	41	41
As at 31 March 2021	41	41
Net carrying value		
As at 31 March 2020	-	-
As at 31 March 2021	**-**	**-**

(*) There is no addition and disposal to the gross block and depreciation charge for the year ended 31 March 2021 and 31 March 2020.

3.1 Fair value of investment property

(₹ in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
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 2021	As at 31 March 2020
Rental income derived from investment properties	**107**	126
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 (*)	**(0)**	-
Income arising from investment properties before depreciation	**106**	125
Depreciation	**-**	-
Income from Investment properties (net)	**106**	**125**

(*) Amount lower than ₹ 1 lakh

3.3 Estimation of fair value of investment property:

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.

Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2021

4 Intangible assets

(₹ in lakhs)

Particulars	Softwares	Total
Gross carrying value		
As at 01 April 2019	756	756
Additions	20	20
Foreign currency translation reserve	4	4
Disposals	-	-
As at 31 March 2020	**780**	**780**
Additions	12	12
Foreign currency translation reserve	-	-
Disposals	(2)	(2)
As at 31 March 2021	**790**	**790**
Accumulated amortisation		
As at 01 April 2019	686	686
Amortisation charge for the year	35	35
Foreign currency translation reserve	2	2
Disposals	-	-
As at 31 March 2020	**723**	**723**
Amortisation charge for the year	30	30
Foreign currency translation reserve	-	–
Disposals	(1)	(1)
As at 31 March 2021	**752**	**752**
Net carrying value		
As at 31 March 2020	**57**	**57**
As at 31 March 2021	**38**	**38**

Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2021

Non-Current

Financial assets

5 Investments (₹ in lakhs)

Particulars	As at 31 March 2021		As at 31 March 2020	
	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**	**82**	8,541	29
Eicher Motors Limited (face value ₹ 1 each)(*)	**6,000**	**156**	600	79
Hero Motocorp Limited (formerly known as Hero Honda Motors Limited)(face value ₹ 2 each)	**6,250**	**182**	6,250	100
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		**420**		**208**
(ii) Investment in mutual funds measured at fair value through profit and loss (unquoted)				
DSP Black Rock Equity Fund	**50,000**	**24**	50,000	16
Total non-current investments		**444**		**224**

(*) The Board of Directors of Eicher Motors Limited at its meeting held on 12 June 2020 approved sub-division of equity shares of the Company and the same was also approved by the members at their Annual General Meeting held on 10 August 2020 pursuant to which each equity share of face value of Rs. 10 each of the Company has been sub-divided into 10 equity shares of face value of Re. 1 each with effect from 25 August 2020.

Refer note 39 for information on fair value measurement

Notes:

Aggregate amount of quoted investments (gross)	**420**	208
Aggregate market value of quoted investments	**420**	208
Aggregate amount of unquoted investments (gross)	**25**	17
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 2021

(₹ in lakhs)

		As at 31 March 2021	As at 31 March 2020
	NON-CURRENT		
6	**Loans**		
	Unsecured, considered good		
	Security deposits	**550**	510
	Loans to employees(*)	**0**	1
	Total	**550**	**511**
	Break up of security details		
	Loans receivables considered good - secured	-	-
	Loans receivables considered good - unsecured	550	511
	Loans receivables which have significant increase in credit risk	-	-
	Loans receivables - credit impaired	-	-
	Total	**550**	**511**
	Loss allowance	**-**	**-**
	Total loans	**550**	**511**

(*) ₹ 0 lakh represents amount lower than ₹ 1 lakh

Refer Note 39 for information about fair value measurement

7	**Other financial assets**		
	Margin money deposits with the maturity of more than 12 months (Refer note below)	**320**	22
	Total	**320**	**22**

Note

Held as lien by bank against bank guarantees amounting to ₹ 320 lakhs (31 March 2020: ₹ 15 lakhs)

8	**Income tax assets (net)**		
	Advance taxes paid [net of provision for tax ₹ 27,343 lakhs (31 March 2020: ₹ 27,400 lakhs)]	**2,964**	2,613
	Total	**2,964**	**2,613**
9	**Other non-current assets**		
	Capital advances	**837**	1,023
	Less: Loss allowance	**(125)**	(50)
	Prepayments	**20**	13
	Balance with government authorities	**529**	610
	Other advances	**14**	1
	Total	**1,275**	**1,597**
	Current		
10	**Inventories**		
	Raw materials, packing material and components [including goods-in-transit ₹ 739 lakhs (31 March 2020 ₹ 6 lakhs)]	**5,821**	7,246
	Work-in-progress	**5,451**	5,963
	Finished goods [including goods-in-transit ₹ 1,141 lakhs (31 March 2020 ₹ 621 lakhs)]	**3,993**	4,577
	Stores and spares	**5,076**	4,914
	Total	**20,341**	**22,700**

Note: Total provision for inventories as at 31 March 2021 is ₹ 3,410 lakhs (31 March 2020 ₹ 1,940 lakhs).

Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2021

11 Investments (Current)

(₹ in lakhs)

	As at 31 March 2021		As at 31 March 2020	
	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	**49,84,384**	**596**	60,54,066	682
DSP ultra short term fund	**6,389**	**182**	11,142	303
ASBL short term fund	**65,553**	**25**	-	-
Total		**803**		985

12 Trade receivables

Receivable from:		
- Related parties (Refer note 45 II)(*)	**22**	22
- Others	**23,648**	23,449
Less: Loss allowance	**(2,803)**	(3,449)
Total receivables	**20,867**	**20,022**
Current portion	**20,867**	**20,022**
Break up of security details		
Trade receivables considered good - secured	102	101
Trade receivables considered good - unsecured	20,765	19,921
Trade receivables which have significant increase in credit risk	-	-
Loss allowance	2,803	3,449
Total	**23,670**	**23,471**
Loss allowance	(2,803)	(3,449)
Total trade receivables	**20,867**	**20,022**

(*) includes receivables from a private company where director of the Parent Company is also a director.

Note :

a) No trade or other receivable are due from directors or other officers of the Group either severally or jointly with any other person.

b) Refer note 40 for information about credit risk and market risk of trade receivables.

c) Trade receivables include balances amounting to Rs. 2,719 lakhs outstanding as at 31 March 2021 (31 March 2020: Rs. 3,171 lakhs) of the Holding Company, from customers situated outside India, where there are delays in receipt of remittance pending settlement beyond the timelines 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, wherever required, provision has been made in the books. The Holding Company is also in the process of regularising these defaults with the appropriate authority. 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 consolidated financial statements do not include any consequential adjustments that may arise due to such delay/default.

Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2021

13 Cash and cash equivalents

(₹ in lakhs)

	As at 31 March 2021	As at 31 March 2020
Balances with banks in:		
- Current accounts	**1,292**	3,267
- EEFC account	**5,425**	1,784
- Deposit accounts with the original maturity of less than three months	**768**	2,594
Cash on hand	**2**	4
Total	**7,487**	**7,649**

14 Bank balances other than cash and cash equivalents

Margin money deposits (fixed deposit pledged with banks) [Refer note (a) below]	**90**	88
Unpaid dividend [Refer note (b) below]	**46**	50
Total	**136**	**138**

Notes:

(a)Held as lien by bank against bank guarantees amounting to ₹ 85 lakhs (31 March 2020: ₹ 59 lakhs)..

(b)This represents earmarked balance in respect of unpaid dividends.

Financial year		
2012-13	**-**	3
2013-14	**2**	2
2014-15	**3**	3
2015-16	**5**	5
2016-17	**7**	7
2017-18	**13**	13
2018-19	**11**	11
2019-20	**5**	6
Total	**46**	**50**

15 Loans

Unsecured, considered good		
Loans to employees	**38**	35
Less: Loss allowance	**(15)**	(15)
Recoverable from trust	**-**	6
Total	**23**	**26**
Break up of security details		
Loans receivables considered good - secured	**-**	**-**
Loans receivables considered good - unsecured	**23**	26
Loans receivables which have significant increase in credit risk	**-**	**-**
Loans receivables - credit impaired	**15**	15
Total	**38**	**41**
Loss allowance	**(15)**	(15)
Total	**23**	**26**

Refer Note 39 for information about fair value measurement

Note:

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 2021

(₹ in lakhs)

		As at 31 March 2021	As at 31 March 2020
16	**Other financial assets**		
	Derivative assets	**129**	220
	Rent receivable	**1**	317
	Total	**130**	**537**
17	**Other current assets**		
	Advances to suppliers:		
	- Related parties (Refer note 45(ii))(*)	**9**	9
	- Others	**930**	806
	Less: Loss allowance	**(378)**	-
	Other advances	**149**	150
	Less: Loss allowance	**(29)**	-
	Export incentive and duty drawback receivable	**103**	32
	Balance with government authorities	**2,196**	1,886
	Prepayments	**414**	402
	Gratuity (Refer note 48 B (1) (iv))	**14**	13
	Total	**3,408**	**3,298**

(*) includes advances from a private company where director of the Parent Company is also a director.

		As at 31 March 2021	As at 31 March 2020
18	**Equity share capital**		
	Authorised:		
	100,000,000 (31 March 2020 : 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 2020 : 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	31 March 2021		31 March 2020	
	(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 2021

d) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive assets of the Company remaining after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders..

(iii) Details of shareholders holding more than 5% shares in the holding company:

Name of shareholder	As at 31 March 2021 Number of shares held	As at 31 March 2021 % of Holding	As at 31 March 2020 Number of shares held	As at 31 March 2020 % of Holding
Trilochan Singh Sahney Trust 1 (held by a trustee in his individual name)	**3,38,09,300**	**34.88%**	3,38,09,300	34.88%
Harshbeena Zaveri	**1,09,07,940**	**11.25%**	1,03,84,936	10.71%
Nalanda India Equity Fund Limited	**96,82,667**	**9.99%**	96,82,667	9.99%
HDFC Small Cap fund	**89,63,982**	**9.25%**	87,48,982	9.03%

(iv) Details of allotment of shares for consideration other than cash, allotments of bonus shares and shares bought back during past five years

(i) Aggregate number and class of shares allotted as fully paid up pursuant to contracts without payment being received in cash - Nil

(ii) Aggregate number and class of shares allotted as fully paid up by way of bonus shares - Nil

(iii) Aggregate number and class of shares bought back - Nil

19 Other equity

(₹ in lakhs)

Reserves and surplus	As at 31 March 2021	As at 31 March 2020
Securities premium	**848**	848
General reserve	**11,975**	10,475
Capital reserve	**15**	15
Capital redemption reserve	**1,011**	1,011
Debenture redemption reserve	**750**	2,250
Retained earnings	**34,991**	29,237
Fair value gain on equity instruments through OCI	**420**	209
Foreign currency translation reserve	**(307)**	(293)
Cash flow hedge reserve	**131**	-
Total	**49,834**	**43,752**

i) Securities premium		
Opening balance	**848**	**848**
Closing balance	**848**	**848**
ii) General reserve		
Opening balance	**10,475**	10,475
Transfer from debenture redemption reserve	**1,500**	**-**
Closing balance	**11,975**	**10,475**

Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2021

(₹ in lakhs)

	As at 31 March 2021	As at 31 March 2020
iii) Capital reserve		
Opening balance	**15**	15
Closing balance	**15**	**15**
iv) Capital redemption reserve		
Opening balance	**1,011**	1,011
Closing balance	**1,011**	**1,011**
v) Debenture redemption reserve		
Opening balance	**2,250**	2,250
Add: Transfer to general reserve	**(1,500)**	-
Closing balance	**750**	**2,250**
vi) Retained earnings		
Opening balance	**29,237**	30,313
Less: Transition impact of Ind AS 116 (net of tax) [Refer note 51]	**-**	(43)
Add: Profit for the year	**5,406**	3,208
Less: Other comprehensive income / (loss) for the year (Refer note 38)	**348**	(265)
Less: Final dividend for the year ended 31 March 2020 ₹ NIL (31 March 2019: ₹ 2.6 per fully paid up equity share)	**-**	(2,520)
Less: Interim dividend for the year ended 31 March 2021 ₹ NIL (31 March 2020: ₹ 0.80 per fully paid up equity share)	**-**	(775)
Less: Dividend distribution tax on final dividend	**-**	(522)
Less: Dividend distribution tax on interim dividend	**-**	(159)
Closing balance	**34,991**	**29,237**
vii) Fair value gain on equity instruments through OCI		
Opening balance	**209**	436
Change in fair value of equity instrument (Refer note 38)	**211**	(227)
Closing balance	**420**	**209**
viii) Other comprehensive income (items which will be reclassified to profit and loss):		
Foreign currency translation reserve		
Opening balance	**(293)**	(234)
Add: Addition during the year	**(14)**	(59)
Closing balance	**(307)**	**(293)**

Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2021

ix) Cash flow hedge reserve		(₹ in lakhs)
Opening balance	-	-
Add: Change in fair value of derivative hedging instrument	131	-
Closing balance	**131**	**-**

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

Capital redemption reserve is created on account of merger and it 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.

viii) Cash flow hedge reserve

It represents the effective portion of the fair value of option contracts designated as cashflow hedge.

NON CURRENT

20 Borrowings (Non-current)

(₹ in lakhs)

	As at 31 March 2021	As at 31 March 2020
Non convertible debentures - unsecured (Refer note (a) below)	**2,995**	2,992
External commercial borrowings from bank - secured (Refer note (b) below)	**-**	862
Foreign currency term loan from bank - secured (Refer note (c) below)	**-**	560
Term loan from banks - secured (Refer note (d) below)	**5,693**	2,500
Deferred sales tax loan - unsecured (Refer note (e) below)	**253**	410
Total	**8,941**	**7,324**

Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2021

(₹ in lakhs)

	Particulars	Security	Terms of repayment of principal	No: of install-ments o/s	Rate of interest	As at 31 March 2021	As at 31 March 2020
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%	**3,154**	3,150
	200 non convertible debentures of face value of ₹ 1,000,000 each	Unsecured	Redeemable at par, on 12 June 2020	NA	9.49%		2,152
					Total	**3,154**	**5,302**
	Comprises of						
	Long term borrowings					**2,995**	2,992
	Current maturities of long term debt (**)					**159**	2,310
						3,154	**5,302**
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	Quarterly installments starting from 4 February 2019 to be completed in 4 February 2022	4	6.40%	**842**	1,743
					Total	**842**	**1,743**
	Comprises of						
	Long term borrowings					**-**	862
	Current maturities of long term debt (**)					**842**	881
						842	**1,743**
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	3	3.95% to 6.80%	**543**	1,309
					Total	**543**	**1,309**
	Comprises of						
	Long term borrowings					**-**	560
	Current maturities of long term debt (**)					**543**	749
						543	**1,309**
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**	2,500
	Term loan	Secured by first exclusive charge by way of a hypothecation over property plant and equipment purchased towards capex out of the said term loan proceeds.(*)	Quarterly installments starting from 01 October 2020 to be completed in 01 July 2025	33	1 year MCLR + 0.50%	**4,739**	-
					Total	**7,239**	**2,500**
	Comprises of						
	Long term borrowings					**5,693**	2,500
	Current maturities of long term debt (**)					**1,546**	**-**
						7,239	**2,500**
e	**Deferred sales tax loan**						
	Deferred sales tax loan	Unsecured	Annual installments to be completed by May 2025	5	-	**399**	562
					Total	**399**	**562**
	Comprises of						
	Long term borrowings					**253**	410
	Current maturities of long term debt (**)					**146**	152
						399	**562**

(*) Per the terms of the HDFC 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 local 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.

(**) 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 46.

Refer note 40 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 2021

21 Other financial liabilities

(₹ in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Lease liabilities (Refer note 51 (v))	**25**	53
Security deposits	**81**	-
Total	**106**	53

22 Deferred tax liabilities (net) (Refer note 37.2)

(₹ in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Deferred tax liability on account of :		
Depreciation and amortisation expense	**(2,516)**	(3,256)
IND AS 116 (Right of Use Asset)	**(48)**	(84)
Outside basis tax	**(182)**	(182)
Financial liabilities measured at amortised cost	**(4)**	(5)
Fair valuation of derivative contracts	**(17)**	(50)
Others	**(14)**	(16)
	(2,781)	**(3,593)**
Deferred tax assets on account of :		
Provision for gratuity	**39**	202
Provident fund contribution	**24**	23
Provision for doubtful trade receivables	**707**	1,206
Provision for compensated absence	**261**	345
Lease liability	**56**	106
Minimum alternate tax credit entitlement	**-**	128
Unrealised profits on intercompany transactions	**62**	62
	1,149	**2,072**
Total	**1,632**	**1,521**

23 Other non-current liabilities

(₹ in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Advance received	**72**	168
Prepaid rent	**6**	-
Total	**78**	**168**

Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2021

CURRENT

24 Short term borrowings

(₹ in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Secured		
Loans from banks - repayable on demand	**10,643**	11,259
Cash credit - repayable on demand	**2,437**	2,443
Loans in foreign currency from banks - repayable on demand	**-**	2,763
Unsecured		
Loans from banks	**-**	2,511
Commercial papers [Maximum balance outstanding during the year ₹ 5,500 lakhs (31 March 2020 ₹ 5,500 lakhs)]	**-**	5,500
Total	**13,080**	**24,476**

The carrying amount of assets given as security for secured borrowings are disclosed in note 46

(₹ in lakhs)

Particulars	Security	As at 31 March 2021	As at 31 March 2020
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.	**-**	9,459
Packing credit loan	Secured by first pari passu hypothecation charge on all the existing and future current assets of the holding company.	**10,510**	1,500
Purchase invoice discounting	Secured by first pari passu hypothecation charge on all the existing and future current assets of the holding company.	**133**	-
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
		10,643	**11,259**
Cash credit - repayable on demand	Secured by Irrevocable Standby Letter of Credit (SBLC) issued by Citibank N.A, India.	**2,437**	2,443
		2,437	**2,443**
Loans in foreign currency from banks			
Packing credit loan	Secured by first pari passu charge on current assets of the Holding Company	**-**	**2,763**
		-	**2,763**

Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2021

25 Trade payables

(₹ in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Trade payables to micro enterprise and small enterprises [Refer note below]	**1,033**	1,208
Amounts due to related parties (Refer note 45 (II))	**79**	18
Trade payables: others	**10,138**	7,147
Total	**11,250**	**8,373**

Refer note 40 for information about liquidity risk and market risk of trade payables

Trade payables include balances amounting to ₹ 90 lakhs outstanding as at 31 March 2021 (31 March 2020: ₹ Nil) of the Holding Company, to vendors situated outside India, where there are delays in payments beyond the timelines stipulated by the FED Master Direction No. 17/ 2016-17, under the Foreign Exchange Management Act, 1999. The Holding Company is in the process of making the payment for outstanding payables. The Holding Company is also in the process of regularising these defaults with the appropriate authority. 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 consolidated financial statements do not include any consequential adjustments that may arise due to such delay / default.

Notes:

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	988	1,172
b)	Interest due remaining unpaid to any supplier at the end of the year	9	21
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	2,099	1,691
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	NIL	NIL
e)	The amount of interest accrued and remaining unpaid at the end of each accounting year	45	36
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	9	21

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.

Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2021

26 Other financial liabilities

(₹ in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Current maturities of long-term borrowings (Refer note 20)		
- Non convertible debentures	**159**	2,310
- External commercial borrowings from bank	**842**	881
- Foreign currency term loan from banks	**543**	749
- Term loans from others	**1,546**	-
- Deferred sales tax loan (Refer note ii)	**146**	152
Derivative liability	**24**	77
Security deposits	**238**	293
Book overdraft	**-**	1
Unpaid dividends (unclaimed) (Refer footnote i)	**46**	50
Lease liabilities (Refer note 51)	**43**	142
Other payables		
- Payables for capital expenditure	**449**	2,068
- Employee related liability	**1,535**	853
Total	**5,571**	**7,576**

Notes:

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 2021 (31 March 2020: ₹ Nil)

ii. During the F.Y. 2019-20, the Holding Company had 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 Holding Company has been following up since a long time. However, during the current year, the Holding Company have repaid the same. Also, there was delay in repayment of instalment due in the current year by the Holding Company.

27 Other current liabilities

(₹ in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Statutory dues	**591**	389
Prepaid rent	**8**	-
Advances received	**213**	243
Total	**812**	**632**

28 Provisions

(₹ in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Provision for employee benefits		
- Compensated absences (Refer note 48C)	**1,039**	992
- Gratuity (Refer note 48B(1)(iv))	**126**	554
Total	**1,165**	**1,546**

29 Current tax liability (net)

(₹ in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Current tax liabilities [net of advance taxes paid and tax deducted at source ₹ 906 lakhs (31 March 2020: ₹ NIL lakhs)]	**127**	9
Total	**127**	**9**

Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2021

30 Revenue from operations

(₹ in lakhs)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Sale of products		
Finished goods - Bearings	**74,630**	76,510
Other operating revenues		
Sale of raw materials	**-**	27
Sale of machine	**-**	11
Scrap sales	**748**	664
Liabilities no longer required, written back	**394**	23
Sale of tools	**-**	16
Export incentives	**397**	302
Other operating income	**71**	42
Total	**76,240**	**77,595**

Disaggregated revenue		
Revenue based on geography		
Within India	**56,878**	61,179
Outside India	**19,362**	16,416
	76,240	77,595
Revenue based on timing of recognition		
Point in time	**76,240**	77,595
Over period of time	**-**	-
	76,240	77,595

31 Other income

(₹ in lakhs)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Dividend Income on financial assets measured at FVOCI	**5**	8
Dividend Income on financial assets measured at FVTPL	**3**	5
Interest Income on financial assets measured at amortised cost		
- From banks on deposits	**60**	17
- On commercial paper	**-**	4
Fair value changes on financial assets measured at FVTPL	**37**	41
Fair valuation gain on derivative instrument measured at FVTPL	**-**	76
Profit on sale of property plant and equipment (net)	**-**	3
Rent	**107**	126
Net gain on foreign currency transactions and translation	**1,216**	1,259
Profit on sale of investment	**29**	16
Interest on electricity deposit	**24**	21
Insurance claim received	**3**	24
Government grants	**18**	-
Others	**6**	7
Total	**1,508**	**1,607**

Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2021

32 Cost of materials consumed

(₹ in lakhs)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Raw material, components and packing material consumed		
Opening stock	**7,246**	10,306
Add: Purchases	**26,266**	26,359
Less: Closing stock	**(5,821)**	(7,246)
Total	**27,691**	**29,419**

33 Changes in inventories of work-in-progress and finished goods

(₹ in lakhs)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
At the beginning of the Year		
Work-in-progress	**5,963**	6,072
Finished goods	**4,577**	5,568
	10,540	**11,640**
At the end of the Year		
Work-in-progress	**(5,451)**	(5,963)
Finished goods	**(3,993)**	(4,577)
	9,444	**10,540**
Total	**1,096**	**1,100**

34 Employee benefits expense

(₹ in lakhs)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Salaries, allowances and other benefits	**12,296**	11,986
Contribution to provident and other funds (Refer note 48A)	**654**	780
Staff welfare expenses	**824**	899
Total	**13,774**	**13,665**

35 Finance costs

(₹ in lakhs)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Interest expense on financial liabilities measured at amortised cost		
- Long term borrowings	**1,009**	922
- Short term borrowings	**1,055**	1,068
Interest on lease liabilities (Refer note 51(ii))	**13**	26
Exchange difference regarded as an adjustment to borrowing cost	**58**	154
Other borrowing costs	**49**	7
Total	**2,184**	**2,177**

Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2021

36 Other expenses

(₹ in lakhs)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Consumption of stores and spare parts	**5,612**	7,031
Processing charges	**1,748**	1,773
Power and fuel	**3,179**	3,256
Repairs and maintenance -		
Buildings	**170**	239
Plant and machinery	**444**	564
Others	**88**	124
Insurance	**244**	215
Rent [Refer note 51(ii)]	**231**	304
Rates and taxes	**282**	169
Legal and professional fees	**1,023**	1,142
Directors' fees and commission (Refer note 45)	**46**	48
Commission on sales	**823**	877
Travelling and conveyance	**190**	867
Postage, telephone and fax	**60**	64
Bank charges	**74**	68
Advertisement and sales promotion expenses	**97**	312
Forwarding charges	**3,431**	2,810
Bad debts written off [net of amounts provided thereagainst ₹ 1,334 lakhs (31 March 2020 ₹ 41 lakhs)]	**107**	63
Provision for doubtful trade receivables [net of amount reversed thereagainst ₹ Nil lakhs (31 March 2020 ₹ 15 lakhs)]	**688**	4
Information technology expenses	**559**	365
Provision for doubtful advances	**219**	65
Assets scrapped / written off	**55**	-
Fair valuation loss on derivative contracts	**77**	150
Fair valuation loss on financial assets measured at FVTPL	**-**	9
Auditors' remuneration (Refer note 36.1 below)	**93**	102
Expenditure on corporate social responsibility	**212**	239
Contract labour	**2,340**	2,327
Sanitation and housekeeping expenses	**212**	263
Export expenses	**157**	320
Security charges	**316**	310
Miscellaneous expenses	**514**	749
Total	**23,291**	**24,829**

36.1 Auditors' (of the parent) remuneration (excluding goods and service tax)

(₹ in lakhs)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
For statutory audit (including limited review)	**61**	66
For tax audit	**4**	5
For GST audit	**10**	19
For other services	**15**	9
For reimbursement of expenses	**3**	3
Total	**93**	**102**

Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2021

37 Tax expense in statement of profit and loss (including OCI)

(₹ in lakhs)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Current tax expense		
Current tax for the year	**1,240**	912
Tax pertaining to earlier year	**(118)**	-
Total current tax expense	**1,122**	**912**
Deferred taxes		
Relating to origination and reversal of temporary differences recognised through profit and loss and through OCI	**111**	311
Net deferred tax expense	**111**	**311**
Total	**1,233**	**1,223**

37.1 Tax reconciliation (for profit and loss including OCI)

(₹ in lakhs)

Profit before income tax expense	**6,643**	**4,683**
Tax at the rate of 25.17% (for 31 March 2020 - 34.994%)	**1,672**	**1,636**
Tax effect of amounts which are not deductible / not taxable in calculating taxable income		
Depreciation	**78**	34
Fair value of current investment(**)	**0**	9
Exempt income	**-**	(79)
Additional allowances for tax purpose	**-**	(359)
Adjustment due to change in tax rates	**(132)**	(50)
Reversal in deferred tax due to tax rate reduction	**(393)**	-
Tax adjustment in respect of earlier years	**6**	-
Adjustment on account of Ind As 116 transition	**-**	22
Others	**2**	10
Income tax expense	**1,233**	**1,223**

(*) The tax rate used for reconciliation above is the corporate tax rate of 25.17% (31 March 2020: 34.944%) payable by parent entity in India on taxable profits under Indian tax law.

(**) ₹ 0 lakh represents 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 2021

37.2 Deferred tax related to the following:

(₹ in lakhs)

Deferred tax liability (Net)	"As at 31 March 2021"	"Recognised through profit and loss and OCI"	"As at 31 March 2020"	" Recognised through profit and loss , retained earnings and through OCI "	"As at 31 March 2019"
Deferred tax liabilities on account of:					
Difference between book and tax depreciation	(2,516)	740	(3,256)	(516)	(2,740)
IND AS 116 (Right of Use Asset) (*)	(48)	36	(84)	(84)	-
Outside basis tax	(182)	-	(182)	-	(182)
Financial liability measured at amortised cost	(4)	1	(5)	-	(5)
Fair valuation of derivative contracts	(17)	33	(50)	(27)	(23)
Others	(14)	2	(16)	(17)	1
Total deferred tax liabilities	**(2,781)**	**812**	**(3,593)**	**(644)**	**(2,949)**
Deferred tax assets on account of:					
Provision for gratuity	39	(163)	202	126	76
Provident fund contribution	24	1	23	23	-
Provision for doubtful trade receivables	707	(499)	1,206	(14)	1,220
Voluntary retirement compensation	-	-	-	(14)	14
Provision for compensated absence (**)	261	(84)	345	0	345
Lease liabilities (*)	56	(50)	106	106	-
Minimum alternate tax credit entitlement	-	(128)	128	128	-
Unrealised profits on intercompany transactions	62	-	62	-	62
Total deferred tax assets	**1,149**	**(923)**	**2,072**	**355**	**1,717**
Total deferred tax liability (Net)	**1,632**	**111**	**1,521**	**289**	**1,232**

(*) Amount of deferred tax in financial year 2019-20 recognised through retained earnings is on account of the implication of Ind AS 116 [Refer note 51]

(**) Amount lower than ₹ 1 lakh

38 Other comprehensive income (OCI)

(₹ in lakhs)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
a) Items that will not be reclassified to profit or loss		
i) Actuarial gain/(losses) on remeasurements of the net defined benefit plans	**468**	(410)
ii) Fair value changes on equity instruments through other comprehensive income	**211**	(227)
iii)Tax on above	**(118)**	141
	561	**(496)**
b) Items that will be reclassified to profit or loss		
i) Exchange differences in translating the financial statements of a foreign operation	**(14)**	(59)
ii) Remeasurement of gains/(losses) on derivative hedging instruments	**173**	-
iii)Tax on above	**(42)**	-
	117	**(59)**
Total	**678**	**(555)**

Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2021

39 Fair value measurements

(₹ in lakhs)

Financial instruments by category:

Particulars	31 March 2021			31 March 2020		
	FVOCI	FVTPL	Amortised cost	FVOCI	FVTPL	Amortised cost
Financial assets - non-current						
Investments (*)	**420**	**24**	**-**	208	16	-
Loans	**-**	**-**	**550**	-	-	511
Other financial assets	**-**	**-**	**320**	-	-	22
Financial assets - current						
Investments	**-**	**803**	**-**	-	985	-
Trade receivables	**-**	**-**	**20,867**	-	-	20,022
Cash and cash equivalents	**-**	**-**	**7,487**	-	-	7,649
Bank balances other than cash and cash equivalents	**-**	**-**	**136**	-	-	138
Loans	**-**	**-**	**23**	-	-	26
Other financial assets	**-**	**129**	**1**	-	220	317
Financial liabilities - non-current						
Borrowings (including current maturities)	**-**	**-**	**12,177**	-	-	11,416
Other financial liabilities	**-**	**-**	**106**	-	-	53
Financial liabilities - current						
Short term borrowings	**-**	**-**	**13,080**	-	-	24,476
Trade payables	**-**	**-**	**11,250**	-	-	8,373
Other financial liabilities	**-**	**24**	**2,311**	-	77	3,407

(*) Net of impairment

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 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 consolidated financial statements as at and for the year ended 31 March 2021

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 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 2021			31 March 2020		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets						
Mutual fund investments measured at FVTPL	**-**	**827**	**-**	-	1,001	-
Investments in equity instrument measured at FVOCI	**420**	**-**	**-**	208	-	-
Derivative asset	**-**	**129**	**-**	-	220	-
Financial liabilities						
Interest rate swap and foreign currency option	**-**	**24**	**-**	-	77	-

V. Fair value of financial assets measured at amortised cost

(₹ in lakhs)

Particulars	31 March 2021		31 March 2020	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Security deposits	**550**	**550**	511	511
Other non current financial assets	**320**	**320**	22	22
Financial liabilities				
Non-current borrowings (including current maturities)	**12,177**	**12,177**	11,416	11,416

Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2021

40 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 2021	As at 31 March 2020
Upto 3 months	**17,923**	16,187
3 - 6 months	**1,215**	1,821
6 - 12 months	**1,597**	2,474
More than one year	**2,935**	2,989
Total	**23,670**	**23,471**
Provision for expected credit loss created	**(2,803)**	(3,449)

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 2021	Within 1 year	Between 1 and 2 years	Beyond 2 years	Total
Non-derivative				
Non-current borrowings (including current maturities)	3,236	2,113	6,828	**12,177**
Other non current financial liabilities	-	93	13	**106**
Short term borrowings	13,080	-	-	**13,080**
Trade payables	11,250	-	-	**11,250**
Other current financial liabilities	2,311	-	-	**2,311**
Derivative		-	-	
Interest rate swap and foreign currency option	24	-	-	**24**
Total	**29,901**	**2,206**	**6,841**	**38,948**

Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2021

(₹ 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	24,476	-	-	**24,476**
Trade payables	8,373	-	-	**8,373**
Other current financial liabilities	3,407	-	-	**3,407**
Derivative				
Interest rate swap, foreign currency option and forward contract	77	-	-	**77**
Total	**40,425**	**2,434**	**4,943**	**47,802**

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, Thai Baht, CHF and JPY. The Group's exposure arises mainly on import (of raw material and capital items), export (of finished goods). The Group follows a policy of matching of import and export exposures (natural hedge) to reduce the net exposure in any foreign currency. Whenever the natural hedge is not available or is not fully covering the foreign currency exposure of the Group, management uses certain derivative instruments to manage its exposure to the foreign currency risk. Foreign currency transactions are managed within approved policy parameters. The Group uses forward contracts, options and cross currency swap to hedge its exposure to foreign currency risk. The Group designates certain derivatives as hedging instruments in respect of foreign currency risk as cash flow hedges.

Hedge ineffectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The economic relationship and hedge effectiveness are based on the qualitative factors and the use of a hypothetical derivative where appropriate.

The Company has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk and notional amount of the hedging instruments are identical to the hedged items.

Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2021

Impact of hedging activities

(a) Disclosures of effects of hedge accounting on balance sheet:

As at 31 March 2021 **(₹ in lakhs, except price per rate)**

Type of hedge and risks	Notional amount	Carrying amount of hedging instruments		Maturity dates	Hedge ratio	Weighted average strike price/rate	Change in fair value of hedging instru- ments	Change in value of hedged item used as the basis for recognising hedge effec- tiveness
		Assets	Liabilities					
Cash flow hedge								
Foreign exchange risk								
Derivative instruments								
(i) Cross currency swaps	EUR 54	38	-	Apr 2021 - Jul 2025	1:1	87.53	166	(166)

(b) Disclosure of effects of hedge accounting on statement of profit and loss

For the year ended 31 March 2021 **(₹ in lakhs)**

Type of hedge	Change in value of hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised	Amount reclassified from cash flow hedge reserve	Line item affected on reclas- sification
Cash flow hedge				
Foreign exchange risk	(166)	-	(2) 9	Revenue Foreign exchange loss / (gain)

(c) Movement in cash flow hedging reserve **(₹ in lakhs)**

Particulars	Foreign currency and interest rate risk
Cash flow hedge reserve	
Balance as at 1 April 2020	-
Add: Changes in fair value of hedging instruments	(166)
Less: Amounts reclassified to profit or loss	(7)
Less: Deferred tax relating to above (net)	42
Balance as at 31 March 2021	**(131)**

Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2021

The group's exposure to foreign currency risk at the end of reporting period are as under:

(₹ in lakhs)

Particulars	31 March 2021			
	USD	**EURO**	**CHF**	**JPY**
Financial liabilities				
Trade payables	**240**	**843**	**16**	**805**
Capital creditors	**-**	**-**	**-**	**183**
Loans payable	**1,385**	**-**	**-**	**-**
Forward contract payable	**-**	**(128)**	**-**	**(83)**
Foreign currency option contracts	**(962)**	**-**	**-**	**-**
Financial assets				
Trade receivables	**4,987**	**9,919**	**-**	**-**
Balance with government authorities	**-**	**1,392**	**-**	**-**
Bank balance in EEFC account	**479**	**4,947**	**-**	**-**
Forward contract receivables	**(713)**	**(225)**	**-**	**-**
Net exposure to foreign currency assets / (liabilities)	**4,090**	**15,318**	**(16)**	**(905)**

(₹ 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	-	-
Foreign currency option contracts	(2,121)	-	-	-
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)	**4,965**	**9,578**	**(13)**	**(1,786)**

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 2021		31 March 2020	
	Increase by 2%	**Decrease by 2%**	**Increase by 2%**	**Decrease by 2%**
USD	**82**	**(82)**	99	(99)
EUR	**306**	**(306)**	192	(192)
CHF (*)	**(0)**	**0**	(0)	0
JPY	**(18)**	**18**	(36)	36

(*) 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 2021

Sensitivity analysis to foreign currency risk includes an exposure to foreign exchange fluctuations on long term foreign currency loans of $19 lakhs equivalent to ₹ 1,385 lakhs (31 March 2020 - $40 lakhs equivalent to ₹ 3,052 lakhs) that have been capitalised into the cost of the related assets and are expected to impact statement of profit and 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 2021 and 31 March 2020, 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 2021**	**As at 31 March 2020**
Variable rate borrowings	**10,566**	8,558
Fixed rate borrowings	**14,292**	26,773
Interest free borrowings	**399**	562
Total	**25,257**	**35,893**

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 2021**		**31 March 2020**	
	Balance	**% of total loans**	**Balance**	**% of total loans**
Variable rate loan	**10,566**	**41.83%**	8,558	23.84%
Interest rate swaps	**(1,385)**	**(5.48%)**	(3,052)	(8.50%)
Net exposure to cashflow interest rate risk	**9,181**	**36.35%**	**5,506**	**15.34%**

Sensitivity analysis - Variable rate borrowing **(₹ in lakhs)**

Interest rate	**Impact on profit before tax**	
	31 March 2021	**31 March 2020**
Increase by 50 basis points	**(53)**	(43)
Decrease by 50 basis points	**53**	43

Sensitivity analysis - Interest rate swap **(₹ in lakhs)**

Interest rate	**Impact on profit before tax**	
	31 March 2021	**31 March 2020**
Increase by 50 basis points	**7**	15
Decrease by 50 basis points	**(7)**	(15)

(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 investment in mutual fund measured at fair value through profit and loss.

(₹ in lakhs)

Sensitivity	**31 March 2021**	**31 March 2020**
Impact on profit before tax for 5% increase in value	**62**	60
Impact on profit before tax for 5% decrease in value	**(62)**	(60)

Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2021

41 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 2021**	**As at 31 March 2020**
Gross debt	**25,257**	35,893
Less: Cash and cash equivalents	**(7,487)**	(7,649)
Add: Lease liabilities (including current) (Refer note 51(iv))	**68**	195
Net debt (A)	**17,838**	**28,439**
Equity (B)	**52,888**	46,640
Gearing ratio (A / B) (%)	**33.73%**	**60.97%**

C. Loan covenants

In case of 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. 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 2021**	**As at 31 March 2020**
Equity Shares (face value of Rs. 2 each)		
Final dividend - ₹ Nil (Previous year: ₹ 2.6 per share for each fully paid up share for financial year ended 31 March 2019)	**-**	2,520
Interim dividend - ₹ Nil (₹ 0.80 per share for each fully paid up share for 31 March 2020)	**-**	775
Dividend distribution tax on final dividend	**-**	522
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 of Holding Company have recommended the payment of a final dividend of ₹ 0.50 (31 March 2020: ₹ NIL per fully paid equity share). This proposed dividend is subject to the approval of shareholders at the ensuing annual general meeting.	**485**	-
The directors of SNL Bearings Limited have recommended the payment of a final dividend of ₹ 4.5 (31 March 2020: ₹ NIL) per fully paid equity share. This proposed dividend is subject to the approval of shareholders at the ensuing annual general meeting. (for non controlling interest)	**43**	

Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2021

42 Net debt reconciliation

(₹ in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Short term borrowings	13,080	24,476
Non-current borrowing including current maturities	12,177	11,416
Lease liabilities (Refer note 51(iv))	68	195
Cash and cash equivalents	(7,487)	(7,649)
Net debt	**17,838**	**28,438**

(₹ in lakhs)

Particulars	Short term borrowings (A)	Non current borrowing including current maturities (B)	Lease liabilities (C)	Cash and cash equivalents (D)	Total (A+B+C-D)
Net debt as at 1 April 2019	**17,700**	**10,300**	**-**	**3,019**	**24,981**
Recognised on adoption of Ind AS 116 (Refer note 51(iv))	-	-	332	-	332
Cash flows	6,468	845	(163)	4,612	2,538
Finance cost paid	(1,229)	(929)	-	-	(2,158)
Finance cost incurred	1,229	922	26	-	2,177
Exchange gain / loss (net)	308	278	-	18	568
Net debt as at 31 March 2020	**24,476**	**11,416**	**195**	**7,649**	**28,438**
Impact of Ind AS 116	-	-	24	-	24
Cash flows	(11,485)	1,108	(164)	(179)	(10,362)
Finance cost paid	(1,155)	(1,171)	-	-	(2,326)
Finance cost incurred	1,162	1,009	13	-	2,184
Exchange gain / loss (net)	82	(185)	-	17	(120)
Net debt as at 31 March 2021	**13,080**	**12,177**	**68**	**7,487**	**17,838**

43 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 2021	Proportion of ownership interest 31 March 2020
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%	100%

Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2021

44 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 2021	As at 31 March 2020
Current assets	3,168	2,784
Current liabilities	(450)	(570)
Net current assets	**2,718**	**2,214**
Non - current assets	1,519	1,392
Non - current liabilities	(136)	(132)
Net non-current assets	**1,383**	**1,260**
Net assets	**4,101**	**3,474**
Accumulated NCI	**1,116**	**950**

(₹ in lakhs)

Summarised statement of profit and loss	Year ended 31 March 2021	Year ended 31 March 2020
Revenue	3,647	3,414
Profit for the year	619	415
Other comprehensive income / (loss)	8	(17)
Total comprehensive income	**627**	**398**
Profit allocated to NCI	164	111
Other comprehensive income / (loss) allocated to NCI	2	(4)

(₹ in lakhs)

Summarised cash flows	Year ended 31 March 2021	Year ended 31 March 2020
Net cash generated from operating activities	**803**	762
Net cash generated from / (used in) investing activities	**48**	(456)
Net cash used in financing activities	**(309)**	(58)
Net increase in cash and cash equivalents	**542**	**248**

Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2021

45 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 and its subsidiary companies (where transactions have taken place during the year, except for control relationships where parties are disclosed irrespective of transactions):

Key Management Personnelsss	KMPs - Parent Company:- Ms. Harshbeena Zaveri, Vice Chairman and Managing Director Mr. S. C. Rangani, Executive Director Mr. D. S. Sahney Mr. Tashwinder Singh Mr. Ashank D. Desai Mr.Rustom Desai Ms. Vishakha Maheshwari KMPs - Subsidiary companies (other than those covered above):- Mr. J. D. Diwan (till 8 February 2021) Mr. Vivek Sahai Mr. Claude D'Gama Rose Mr. K K P Sinha Mr. Arvinder Singh Kohli Mr Kishore Ochani
Relatives of KMP	Ms. Hanwantbir Kaur Sahney
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 Ms. Harshbeena Zaveri is a partner	New Indo Trading Company (with effect from 15 May 2019)
Trust which has substantial interest in the Parent Company and in which a 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 Technolgies 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 2021

(II) Transactions with related parties during the year: (₹ in lakhs)

Name of related party	Nature of Transaction	Transactions during the year ended		Receivable as at		Payable as at	
		31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020
NRB Industrial Bearings Limited	Sale of finished goods	**-**	-	**18**	18	**-**	-
First Engineering Technolgies Private Limited	Purchase of property, plant and equipment	**-**	7	**-**	-	**-**	-
	Sale of finished goods	**-**	3	**4**	4	**-**	-
	Purchase of raw materials	**3**	13	**9**	9	**-**	-
	Miscellaneous expenses	**-**	1	**-**	-	**-**	-
	Sales promotion expenses	**-**	4	**-**	-	**-**	-
First Technology BV	Purchase of services	**247**	134	**-**	-	**41**	-
New Indo trading	Service charges	**5**	5	**-**	-	**-**	1
(Late) Trilochan Singh Sahney Trust 1 (shares held by a trustee in his individual name)	Final Dividend paid	**-**	1,150	**-**	-	**-**	-
(Late) Mr. T.S Sahney	Dividend paid (*)	**-**	0	**-**	-	**-**	-
Ms. Hanwantbir Kaur Sahney	Rental income (*)	**1**	0	**-**	-	**-**	-
Ms. Harshbeena Zaveri	Remuneration	**450**	521	**-**	-	**-**	-
	Dividend paid	**-**	356	**-**	-	**-**	-
	Sitting fee and commission	**32**	29	**-**	-	**30**	30
Mr. S. C. Rangani	Remuneration	**109**	113	**-**	-	**-**	-
	Commission, sitting fees and dividend	**2**	0	**-**	-	**1**	1
Mr. D. S. Sahney	Sitting Fees and Commission	**7**	3	**-**	-	**5**	1
	Dividend paid	**-**	29	**-**	-	**-**	-
Mr. Kishore Ochani	Remuneration	**334**	242	**-**	-	**-**	-
Mr. A S Kohli	Remuneration	**24**	26	**-**	-	**-**	-
	Sitting Fees and Commission	**2**	-	**-**	-	**1**	-
	Dividend Paid (*)	**-**	0	**-**	-	**-**	-
	Advance for expenses	**-**	-	**3**	3	**-**	-
Mr. K K P Sinha	Renumeration	**30**	29	**-**	-	**3**	-
Other KMPs (Directors)	Sitting fees and commission to non-executive directors	**48**	45	**-**	-	**31**	16
Trusts	Contribution to provident fund trust - Employer's Contribution	**7**	5	**-**	-	**4**	0
	Contribution to provident fund trust - Employee's Contribution	**7**	9	**-**	-	**1**	1
	Contribution to gratuity fund trust	**180**	193	**-**	-	**-**	-

* Amount lower than ₹ 1 Lakhs

Note:

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 2021

(III) Key managerial personnel compensation **(₹ in lakhs)**

Particulars	31 March 2021	31 March 2020
Short term employee benefits	**924**	903
Post-employment benefits	**22**	28
Total compensation (*)	**946**	**931**

(*) This aforesaid amount does not include benefits determined on actuarial basis as the same is not determinable for individuals.

46 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 2021	31 March 2020
Property, plant and equipment (specific assets)	**5,733**	6,248
Current asset	**53,827**	56,306

47 Contingent liabilities, Capital and other commitments **(₹ in lakhs)**

	Particulars	31 March 2021	31 March 2020
a	Contingent liabilities not provided for		
	Income Tax	**2,603**	2,603
	Sales tax, value added tax and local body tax	**253**	237
	MSME Interest	**105**	-
	Provident Fund (Refer note 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 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 ₹ 194 lakhs and ₹ 81 lakhs respectively as at 31 March 2020 as reflected in their latest audited balance sheets. 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's bank accounts and had recovered an amount of ₹ 3 lakhs in an earlier year. The subsidiary has contested the above demand and on a writ petition filed by the subsidiary 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 subsidiary denies all the allegations made against it since the subsidiary 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 subsidiary does not expect any liability in this regard.		
	Note: 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. From November 2020, the Holding Company and one of its Indian subsidiary company (which are covered under this statue) have started making the deduction and payment of provident fund basis the revised definition of "basic wages". For the period 1 April 2019 to 31 October 2020 the Holding Company and one of its Indian subsidiary company have recognised a provision of ₹ 90 lakhs as per the revised definition, for which they are awaiting further clarifications before depositing the same with the authorities.		

Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2021

	Particulars	31 March 2021	31 March 2020
b	Commitments Estimated value of contracts remaining to be executed on capital account and not provided for (net of advances)	**2,695**	2,499

48 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 ₹ 568 lakhs (P.Y. ₹ 750 lakhs) is recognized as expense and included in "Note No. 33 - Employee benefits expenses"

(₹ in lakhs)

Particulars	31 March 2021	31 March 2020
i) Employer's contribution to provident fund	**283**	441
ii) Employer's contribution to family pension fund	**209**	139
iii) Employer's contribution to superannuation fund	**76**	104
iv) Employer's contribution to social security fund	**55**	66
Total	**623**	**750**

(B) Defined benefit plan :

The Group has the following defined benefits plans:

Particulars	Remarks
Gratuity	Funded through Trust/ 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

Particulars	31 March 2021	31 March 2020
Expected return on plan assets	**6.49% - 6.80%**	6.59% - 6.87%
Discount rate (per annum)	**6.49% - 6.80%**	6.59% - 6.87%
Rate of salary increase(*)	**6% - 10%**	6% - 10%
Rate of employee turnover	**2% - 11%**	2% - 11%
Mortality rate during employment	**Indian Assured Lives Mortality (2006-08)**	Indian Assured Lives Mortality (2006-08)
Mortality rate after employment	**N.A.**	N.A.

These assumptions were developed by the management with the assistance of independent actuarial appraisers. Discount factors are determined close to each year end by reference to government bonds of relevant economic markets and that have terms to maturity approximating to the terms of the related obligation. Other assumptions are based on management's historical experience.

(*) Takes into account the inflation, seniority, promotions and other relevant factors

Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2021

ii Changes in the present value of defined benefit obligation **(₹ in lakhs)**

Particulars	31 March 2021	31 March 2020
Present value of obligation at the beginning of the year	**3,617**	3,334
Interest cost	**243**	254
Current service cost	**184**	165
Actuarial (gain) /loss	**3**	159
Benefits paid	**(292)**	(295)
Present Value of obligation at the end of the year	**3,755**	**3,617**

iii Changes in the fair value of plan assets **(₹ in lakhs)**

Particulars	31 March 2021	31 March 2020
Fair value of plan assets at beginning of the year	**3,076**	3,150
Interest income	**207**	241
Contributions	**181**	231
Benefits paid	**(292)**	(295)
Return on plan assets, excluding amount recognised in net interest expense	**471**	(251)
Fair value of plan assets at the end of the year	**3,643**	**3,076**

iv Assets and liabilities recognised in the balance sheet **(₹ in lakhs)**

Particulars	31 March 2021	31 March 2020
Present value of the defined benefit obligation at the end of the year	**3,755**	3,617
Less: Fair value of plan assets at the end of the year	**(3,643)**	(3,076)
Net liability recognised	**112**	**541**
Recognised under provisions/ (assets)		
Current assets	**(14)**	(13)
Current provisions (*)	**126**	554

(*) (Excludes ₹ Nil (31 March 2020: ₹ Nil) provided on fixed / actual basis)

v Expenses recognised in the statement of profit and loss **(₹ in lakhs)**

Particulars	31 March 2021	31 March 2020
Current Service Cost	**184**	165
Net interest (income)/ expense	**36**	13
Net gratuity cost recognised in the current year	**220**	**178**
Included in note 33 'Employee benefits expense'	**220**	**178**

vi Expenses recognised in the statement of other comprehensive income (OCI) **(₹ in lakhs)**

Particulars	31 March 2021	31 March 2020
Actuarial (gains) / losses	**3**	159
Return (differential) on plan assets, excluding interest income	**(471)**	251
Net (income) / expense for the year recognised in OCI (Refer note 37)	**(468)**	**410**

Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2021

vii Reconciliation of net asset / (liabilities) recognised: **(₹ in lakhs)**

Particulars	31 March 2021	31 March 2020
Net assets / (liabilities) recognised at the beginning of the year	**(540)**	(184)
Company contributions	**181**	231
Gain / (loss) recognised in OCI	**468**	(410)
Expenses recognised in the statement of profit and loss	**(220)**	(178)
Net assets / (liabilities) recognised at the end of the year	**(112)**	**(541)**

viii Categories of assets

Particulars	31 March 2021	31 March 2020
Insurance fund	**100%**	100%
Total	**100%**	**100%**

ix Senstivity 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 2021	31 March 2020
Delta Effect of +1% Change in Rate of Discounting	**59**	(461)
Delta Effect of -1% Change in Rate of Discounting	**(57)**	511
Delta Effect of +1% Change in Rate of Salary Increase	**494**	508
Delta Effect of -1% Change in Rate of Salary Increase	**(448)**	(462)
Delta Effect of +1% Change in Rate of Employee Turnover	**257**	(292)
Delta Effect of -1% Change in Rate of Employee Turnover	**(263)**	298

The present value of the defined benefit obligation calculated with the same method (projected unit credit) as the defined benefit obligation recognised in the consolidated balance sheet. The sensitivity analysis is based on a change in one assumption while not changing any other assumptions. This analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in the assumptions would occur in isolation of one another since some of the assumptions may be co-related.

x Maturity analysis of the benefit payments: From the fund: **(₹ in lakhs)**

Projected benefits payable in future years from the date of reporting:

Particulars	31 March 2021	31 March 2020
1 year	**445**	413
2 to 5 years	**1,835**	1,724
6 to 10 years	**1,478**	1,521
More than 10 years	**2,421**	2,290

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 2021

(i) Actuarial assumptions

Particulars	31 March 2021	31 March 2020
Mortality rate	**Indian Assured Lives Mortality (2012-14)**	Indian Assured Lives Mortality (2012-14)
Discount rate (per annum)	**5.69%**	5.66%
Interest rate guarantee (per annum)	**8.50%**	8.50%
Attrition rate based on ages :		
Upto 30 years	**3%**	3%
31 to 40 years	**2%**	2%
Above 40 years	**1%**	1%

(ii) Assets and liabilities relating to defined benefit provident fund **(₹ in lakhs)**

Particulars	31 March 2021	31 March 2020
Present value of the defined benefit obligation at the end of the year	**231**	269
Less: Fair value of plan assets at the end of the year	**(231)**	(276)
Net (assets) / liabilities recognised by the trust	-	(7)

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)

Particulars	31 March 2021	31 March 2020
Government of India securities	**6%**	8%
State government securities	**23%**	23%
High quality corporate bonds	**23%**	27%
Equity shares of listed companies	**9%**	10%
Special deposit scheme	**30%**	26%
Funds managed by Insurer	**1%**	1%
Bank balance and others	**8%**	5%
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 2021		31 March 2020	
	Decrease	Increase	Decrease	Increase
Change in Discount Rate by - / + 1%	**231**	**230**	270	269
Change in Interest Rate guarantee by - / + 1%	**226**	**236**	265	275

Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2021

(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.

(vi) Maturity profile of defined benefit obligation:

Particulars	31 March 2021	31 March 2020
Weighted average duration (based on discounted cash flows)	**4 years**	4 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 34, is ₹ 144 lakhs (31 March 2020: ₹ 181 lakhs) Liability towards provision for compensated absences amounted to ₹ 1,039 lakhs as at 31 March 2021. (31 March 2020: ₹ 992 lakhs).

49 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 business segment has been disclosed as below:

Geographical non-current assets (property, plant and equipment, other intangible assets, CWIP, 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

(₹ in lakhs)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
1) Segment revenue		
- Within India	**56,878**	61,179
- Outside India	**19,362**	16,416
2) Carrying amount of segment Non current assets		
- Within India	**38,591**	39,290
- Outside India	**3,864**	3,673

None of the customer contribute materially to the revenue of the Group.

Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2021

50 Research and development expenses of the Holding Company:

(₹ in lakhs)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
(i) Charged to the consolidated statement of profit and loss	**1,357**	1,442
(ii) Capitalized to property, plant and equipment	**48**	204

51 Ind AS 116- Leases

(i) Right-of-use assets (ROU)

(Included in Property, plant and equipment)

(₹ in lakhs)

Particulars	Leasehold land	Buildings and flats	Vehicles	Total
Gross carrying value				
As at 1 April 2019	5	251	11	267
Additions	-	-	-	-
Disposals	-	-	-	-
Balance as at 31 March 2020	**5**	**251**	**11**	**267**
Additions	-	20	4	24
Disposals	-	(23)	(7)	(30)
Balance as at 31 March 2021	**5**	**248**	**8**	**261**
Accumulated depreciation				
As at 1 April 2019	-	-	-	-
Charge for the year (*)	0	116	5	121
Disposal / adjustment	-	-	-	-
Balance as at 31 March 2020	**0**	**116**	**5**	**121**
Charge for the year (*)	0	109	5	114
Disposal / adjustment	-	(23)	(7)	(30)
Balance as at 31 March 2021	**0**	**202**	**3**	**205**
Net carrying value				
Balance as at 31 March 2020	**5**	**135**	**6**	**146**
Balance as at 31 March 2021	**5**	**46**	**5**	**56**

(*) Amount lower than ₹ 1 Lakh

(ii) Amount recognised in profit and loss for the year ended 31 March 2021

(₹ in lakhs)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Interest cost on lease liabilities	**13**	26
Depreciation on right of use assets	**114**	121
Rental expense(Refer note a)	**231**	304

Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2021

(a) Breakdown of rent

(₹ in lakhs)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Short-term lease expense	**92**	71
Low value lease expense	**139**	233
Total lease expense	**231**	**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) Lease liabilities

(₹ in lakhs)

Particulars	Amount
Balance as at 1 April 2019	-
Adjustment on transition to Ind AS 116	332
Add: Movement during the year	-
Add: Interest cost accrued during the year	26
Less: Payment of lease liabilities	(163)
Balance as at 31 March 2020	**195**
Add: Movement during the year	24
Add: Interest cost accrued during the year	13
Less: Payment of lease liabilities	(164)
Balance as at 31 March 2021	**68**

(iv) Maturity analysis of lease liabilities

(₹ in lakhs)

As at 31 March 2021	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Lease liabilities				
Land and buildings	39	10	7	7
Vehicles	4	1	-	-
As at 31 March 2021	**43**	**11**	**7**	**7**

(₹ in lakhs)

As at 31 March 2020	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 2021	**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 2021

Company as a lessor

The Company has given premises on operating leases. These lease arrangements range for a period between 12 months to 5 years and include both cancellable and non cancellable leases. Most of the leases are renewable for further period on mutually agreeable terms and also include escalation clauses.

(₹ in lakhs)

Maturity analysis – contractual undiscounted cash flows	Year ended 31 March 2021	Year ended 31 March 2020
Lease receivable		
Within one year	**96**	96
After one year but not more than five years	**72**	168
More than five years	**-**	-
As at 31 March 2021	**168**	**264**

52 COVID-19 impact

The spread of COVID-19 pandemic and consequent lockdown imposed by the Government of India had impacted the business of the Group. The Group has considered the possible effects that may result from the pandemic relating to COVID-19 and had taken into consideration internal and certain external sources for estimating the impact 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, and expects to recover the carrying amount of its assets. The estimate involved in deriving the conclusion on impact of global health pandemic might vary from date of approval of these consolidated financial statements and the Group will continue to closely monitor any material changes due to future economic conditions which may have an impact on the operation of the Group.

Significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2021

53 For Disclosures mandated by Schedule III to Companies Act 2013, by way of additional information, refer below:

(₹ in lakhs)

2020-2021

Name of Entity	Net assets (Total assets - Total liabilities)		Share in profit or loss		Share in other 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	50,954	96.34%	4,373	78.51%	684	100.89%	5,057	80.94%
Indian subsidiary company								
SNL Bearings Limited	3,012	5.70%	455	8.17%	6	0.88%	461	7.38%
Foreign subsidiary companies								
NRB Bearings (Thailand) Limited	1,050	1.99%	392	7.04%	(17)	-2.51%	375	6.00%
NRB Bearings Europe GmbH	85	0.16%	16	0.29%	2	0.30%	18	0.29%
NRB Bearings USA Inc.	51	0.10%	22	0.39%	1	0.15%	23	0.37%
Minority interest in subsidiary	1,116	2.11%	164	2.94%	2	0.29%	166	2.66%
	56,268		5,422		678		6,100	
Less: Elimination	(3,380)	-6.40%	148	2.66%	-	0.00%	148	2.37%
	52,888	100.00%	5,570	100.00%	678	100.00%	6,248	100.00%

(₹ in lakhs)

2019-2020

Name of Entity	Net assets (Total assets - Total liabilities)		Share in profit or loss		Share in other 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	88.73%	(479)	86.31%	2,466	89.22%
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	70	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	3.34%	(4)	0.72%	107	3.87%
	50,087		3,388		(555)		2,833	
Less: Elimination	(3,447)	-7.39%	(69)	-2.08%	-	0.00%	(69)	-2.50%
	46,640	100.00%	3,319	100.00%	(555)	100.00%	2,764	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 2021

54 Earnings per share

(₹ in lakhs)

The earnings per equity share is computed by dividing the net profit attributable to the equity shareholders for the year by weighted average number of equity shares outstanding at the year end.

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Net profit after tax for the year attributable to owners (₹ in lakhs)	**5,406**	3,208
Weighted average number of equity shares outstanding during the year	**96,922,600**	96,922,600
Basic and diluted earnings per share (₹)	**5.58**	3.31
Face value per share (₹)	**2.00**	2.00

Note:

The Group does not have any outstanding dilutive potential equity shares as at 31 March 2021 and 31 March 2020. Consequently, basic and diluted earnings per share of the Company remain the same.

55 Previous year figures

Previous year figures have been regrouped or rearranged, wherever considered necessary to make them comparable with those of the current year.

Notes 1 to 55 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 date

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

Adi P. Sethna
Partner
Membership No.: 108840

Place : Mumbai
Date : 02 June 2021

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: 02 June 2021

NOTES

FINANCIAL HIGHLIGHTS

Rs. in lakhs

Year Ended	**31.03.17**	**31.03.18**	**31.03.19**	**31.03.20**	**31.03.21**
Sales (Net)					
Domestic	57,377	64,990	72,701	58,473	53,646
Exports	13,292	16,957	19,889	15,757	18,410
Sales Total	**70,669**	**81,947**	**92,590**	**74,230**	**72,056**
Operating Profit	10,193	15,096	16,523	7,258	8,730
Profit Before Tax	6,758	12,031	14,268	4,163	5,211
Tax (Net)	1,825	3,840	4,391	1,218	838
Profit After Tax	5,122	8,315	9,741	2,466	5,057
Retained Earnings	3,516	6,682	8,366	(1,462)	5,057
Dividend	1,357	1,357	1,163	3,295	-
Tax on dividend	250	276	212	633	-
Earnings per share (FV Rs.2)	5	8	10	3	5
Dividend %	70	70	130	40	-
Shareholders' Funds	32,353	39,035	47,400	45,897	50,954
Funds Employed	40,751	59,399	73,276	79,046	73,774
Fixed Assets (Gross)	55,845	60,178	68,849	74,664	76,241
Fixed Assets (Net)	21,849	23,602	28,506	32,099	31,326
Fixed Asset Turnover (times)	3	3	3	2	2
Net Current Assets	14,043	17,229	14,122	14,110	21,607
Working Capital Turnover (times)	5	5	7	5	3
Shareholder Nos	11,273	22,141	25,264	23,343	45,403
Employee Nos	1,613	1,557	1,557	1,467	1,436

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