

## 12th ANNUAL REPORT

### Financial Year 2022-23

<b>Board of Directors:</b>	Mr. Devesh Singh Sahney - Chairman and Managing Director Mrs. Aarti Devesh Sahney - Non Executive Director Mr. Nikhilesh Panchal - Independent Director (Resigned on 31.03.2023) Mr. Ashish Chhugani - Independent Director Mr. Samrat Zaveri – Independent Director Mr. Anurag Toshniwal - Additional Director (Non-Executive & Independent) (Appointed w.e.f 25.05.2023) Mrs. Sejal Dinesh Mehta - Additional Director (Non-Executive & Independent) (Appointed w.e.f 25.05.2023)
<b>Key Managerial Personnel:</b>	Mr. Devesh Singh Sahney - Chairman and Managing Director Mrs. Gulestan Kolah - Chief Financial Officer Mrs. Vandana Yadav - Company Secretary and Compliance Officer
<b>Bankers:</b>	Bank of Maharashtra
<b>Statutory Auditor:</b>	Deloitte Haskins & Sells
<b>Internal Auditor:</b>	J. K. Delvadavala & Company
<b>Secretarial Auditor:</b>	AJS and Associates
<b>Registered Office:</b>	2nd floor, Dhannur building, 15, Sir P.M. Road, Fort, Mumbai - 400 001, Maharashtra, India Tel.: 022-45417500
<b>Factory Premises:</b>	B-18, Five Star, M.I.D.C Area, D-Zone, Shendra, Aurangabad - 431 154 Maharashtra, India
<b>Registrar and Transfer Agents:</b>	Universal Capital Securities Pvt. Ltd. C 101, 247 Park, LBS Road, Vikhroli, West, Mumbai – 400083. Tel.: +91 22 49186178-79 Email: <a href="mailto:info@unisec.in">info@unisec.in</a>
<b>CIN:</b>	L29253MH2011PLC213963
<b>GST No.:</b>	27AADCN5657L1ZY
<b>Website:</b>	<a href="http://www.nrbindustrialbearings.com">www.nrbindustrialbearings.com</a>
<b>Email Address:</b>	<a href="mailto:investorcare@nibl.in">investorcare@nibl.in</a>

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Dear Shareholders,

I am delighted to present to you the annual report for the fiscal year 2022-2023 of **NRB Industrial Bearings Limited**. Your company has continued to thrive in the ever-evolving global industrial bearings market, thanks to our unwavering focus on delivering high-quality products and exceptional customer service.

The global bearings market has been growing significantly, and we are proud to have maintained our position as a leading player in this market. According to The Business Research Company, the global bearings market grew by 9% at a compound annual growth rate (CAGR) over the past year. The Russia-Ukraine war has disrupted the chances of global economic recovery from the COVID-19 pandemic, at least in the short term. Economic sanctions on multiple countries have led to supply chain disruptions, causing inflation across goods and services and affecting many markets worldwide. The bearings market is expected to grow at an annual rate of 8.6% in the next five years.

At NRB Industrial Bearings Limited, we have capitalised on these trends through constant investment in research and development as well as our commitment to providing innovative and reliable bearing solutions. We have been investing in our manufacturing facilities and improving our production processes. Additionally, we have been targeting the rapidly growing manufacturing sector in developing countries to meet the growing demand for our products. We are happy to report that our efforts have paid off, and we have registered substantial business growth in 2022–23.

We have achieved several other milestones, including the JIPM Award for TPM Excellence in Category 'A' and the highest-ever domestic and export business. Our success is a testament to the dedication and hard work of our talented NIBL team, who have continued to deliver exceptional value to our customers and stakeholders despite the challenging economic landscape.

Looking ahead, emerging markets, such as India, are expected to be key drivers of growth in the global market. India's economic outlook for 2024 is positive, with reports from The International Monetary Fund (IMF) expecting India to grow by 5.9% in FY 2023–24 and at an average rate of 6.1% over the next five years.

Despite the challenges presented, we remain focused on expanding our presence in emerging markets and delivering innovative and reliable bearing solutions to our customers. We are also committed to sustainability and social responsibility, and we will continue to prioritise these values in all our operations.

We would like to take this opportunity to express our gratitude to our shareholders for their continued support and confidence in our vision. We also want to thank our customers, partners, NIBL Team, and communities for their trust and collaboration, which have been critical to our success.

In conclusion, we are excited about the future of NRB Industrial Bearings Limited, and we are confident in our ability to continue delivering value to all our stakeholders. We remain committed to our mission of creating consistent value for our customers and supply chain partners, maximising shareholder value, and achieving long-term growth.

Thank you for your continued support.

Sincerely,

**Devesh Sahney**  
**Chairman & Managing Director**  
**NRB Industrial Bearings Limited**

### **AGM Notice**

To,  
The Members,  
NRB Industrial Bearings Limited,

Notice is hereby given that the 12th Annual General Meeting ("AGM") of the members of NRB Industrial Bearings Limited will be held on Tuesday, August 08th, 2023, at 2.00 P. M through video conference ("VC")/ other audio-visual means ("OAVM") facility to transact the following items of business. The deemed venue of the meeting shall be the registered office of the Company, situated at 15, Dhannur, Sir P. M. Road, Fort Mumbai 400001.

#### **ORDINARY BUSINESS:**

1. To receive, consider and adopt:
  - a. The Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2023, together with the Reports of the Board of Directors and the Auditors thereon; and
  - b. The Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2023, together with the Report of the Auditors thereon.
2. To appoint a Director in the place of Mrs. Aarti Devesh Sahney (DIN: 08579914), who retires by rotation and being eligible, has offered herself for re-appointment.
3. **To appoint Statutory Auditor and to fix their remuneration and in this regard, pass the following resolution as an Ordinary Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), and pursuant to the recommendations of the Audit Committee and the Board of Directors, M/s. SRBC & CO LLP, (Firm's Registration No. 324982E/E300003), be and is hereby appointed as Statutory Auditors of the Company to hold office for a period of five years, from the conclusion of the 12th Annual General Meeting till the conclusion of the 17th Annual General Meeting, in place of M/s. Deloitte Haskins & Sells, Chartered Accountants, (Firm's Registrations No. 117365W) whose tenure expires at the 12th Annual General Meeting, at such remuneration plus reimbursement of actual out of pocket expenses, as may be incurred by them in connection with the audit of accounts of the Company, as may be mutually agreed between the Board of Directors of the Company and the said Auditors."

#### **SPECIAL BUSINESS:**

4. **To approve material related party transactions with NRB-IBC Bearings Private Limited pursuant to Section 188 of the Companies Act, 2013**

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

**"RESOLVED THAT** pursuant to the provisions of Section 188 of the Companies Act, 2013 read with Rule 15(3) of the Companies (Meetings of Board and its Powers) Rules 2014 and Regulation 23 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 ("**SEBI Listing Regulations**") and other applicable provisions, if any, including statutory modification/s or re-enactment/s thereof for the time being in force, the consent of the members be and is hereby accorded for entering into arrangements/transactions/contracts with NRB-IBC Bearings Private Limited, being a Related Party as per SEBI Listing Regulations, relating to transactions as detailed in the explanatory statement, on such terms and conditions as the Board in its absolute discretion may deem fit, which may exceed the materiality threshold limit as prescribed under the SEBI Listing Regulations, PROVIDED HOWEVER THAT the said contract(s)/ arrangement(s)/transaction(s) shall be carried out at arm's length basis and in the ordinary course of business of the Company and the aggregate amount/value of all such arrangements/transactions/contracts remaining outstanding at the end of any day shall not exceed Rs.15,00,00,000/- (Rupees Fifteen Crores) till the 13th AGM of the Company, for a period not exceeding fifteen months;.

**RESOLVED FURTHER THAT** the Members of the Company do hereby approve and accord approval to the Board, to sign and execute all such documents, deeds and writings, including filing the said documents, etc. and do all such acts, deeds and things and take necessary steps as the Board may in its absolute discretion deem necessary, desirable or

expedient to give effect to this resolution and to settle any question that may arise in this regard and incidental thereto, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers herein conferred, to any Director(s), Chief Financial Officer, Company Secretary or any other Officer(s) /Authorized Representative(s) of the Company, to do all such acts and take such steps, as may be considered necessary or expedient, to give effect to the aforesaid resolution(s).

**RESOLVED FURTHER THAT** all actions to be taken by the Board in this regard be and hereby approved and confirmed in all respects.”

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

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

**Registered Office:**

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

Place: Mumbai

Date: 25th May, 2023

**NOTES FOR SHAREHOLDERS' ATTENTION:**

- 1) In view of the COVID-19 pandemic, the Ministry of Corporate Affairs, Government of India (“MCA”) issued General Circular Nos. 14/2020, 17/2020, 20/2020, 02/2021, 19/2021, 21/2021, 2/2022 and 10/2022 dated April 8, 2020, April 13, 2020, May 5, 2020, January 13, 2021, December 8, 2021, December 14, 2021, May 5, 2022 and December 28, 2022, respectively, (“MCA Circulars”) allowing, inter-alia, conducting of AGMs through Video Conferencing / Other Audio-Visual Means (“VC / OAVM”) facility on or before September 30, 2023, in accordance with the requirements provided in paragraphs 3 and 4 of the MCA General Circular No. 20/2020. The Securities and Exchange Board of India (“SEBI”) also vide its Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020; Circular No. SEBI/HO/CFD/ CMD2/CIR/P/2022/62 dated May 13, 2022; and Circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023 (“SEBI Circulars”) has provided certain relaxations from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) due to the COVID-19 pandemic. In compliance with these Circulars, provisions of the Act and Listing Regulations, the 12th AGM of the Company is being conducted through VC / OAVM facility, without the physical presence of Members at a common venue. The deemed venue for the 12th AGM shall be the Registered Office of the Company.
- 2) The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 (the Act) with respect to Item No. 3 and Item No. 4 of the Notice is annexed hereto and forms part of this Notice. The relevant details for the Item No. 2 of the Notice pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and Secretarial Standard - 2 on General Meetings issued by the Institute of Company Secretaries of India (“ICSI”) in respect of the Director seeking re-appointment at this AGM are also annexed to this Notice.
- 3) The meeting shall be deemed to be conducted at the Registered Office of the Company situated at 15, Dhannur, Sir P. M. Road, Fort Mumbai City Mh 400001
- 4) **Proxies:**

The Annual general meeting for the FY 2022-23 will be held under VC/OAVM, where the physical attendances of members

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

5) **Book Closure:**

The Register of Members and Share Transfer Books of the Company will remain **closed from Wednesday 2th August 2023 to Tuesday 8th August, 2023 (both days inclusive)**.

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

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

- 6) The company has provided to the shareholders the facility of attending the meeting through video conferencing and e-voting pursuant to the important Circulars issued by the Ministry of Corporate Affairs ('MCA') clarifying the procedures/directives laid down to conduct Annual General meeting under Covid-19 circumstances for the FY 2022-23:

Sr. No	Circular No
1	General Circular No. 14/2020 dated 8th April, 2020
2	General Circular No 17/2020 dated 13th April, 2020
3	General Circular No. 20/2020 dated 5th May, 2020
4	General Circular No. 02/2021 dated 13th January, 2021
5	General Circular No. 02/2022 dated 5th May, 2022
6	General Circular No 10/2022 dated December 28, 2022

7) **Annual Report physical copies:**

- (a) In compliance with the aforementioned provisions of the Act and Listing Regulations, electronic copy of the Annual Report for the Financial Year 2023 is being sent to all the Members whose e-mail addresses are registered with the Company / Depository Participant(s) for communication purposes.
- (b) Notice by way of an advertisement is published in Free Press Journal circular (English language newspaper) and Navshakti (Marathi language newspaper; principle vernacular language of the district where the company is registered) intimating the issue of Notice and copies of Financial Statements via. Email on their registered email ids.
- (c) In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, January 13, 2021, and January 5, 2023 Notice of the AGM along with the Annual Report 2022-23 is being sent only through electronic mode to those Members whose email addresses are registered with the Company / Depositories up to 7th July, 2023. Members may note that the Notice and Annual Report 2022-23 will also be available on the Company's website [www.nrbindustrialbearings.com](http://www.nrbindustrialbearings.com), websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively, and on the website of CDSL [www.evotingindia.com](http://www.evotingindia.com).
- 8) The shareholders who are holding shares in de-mat form and have not yet registered their e-mail IDs, are requested to register their e-mail IDs with their Depository Participant at the earliest, to enable the Company to use the same for serving documents to them electronically. Hereinafter, shareholders holding shares in physical form may kindly register their e-mail IDs with the Registrar & Share Transfer Agent by sending an e-mail at [info@unisec.in](mailto:info@unisec.in). The Annual Report of

the Company and other documents proposed to be sent through e-mail would also be hosted on the Company's website [www.nrbindustrialbearings.com](http://www.nrbindustrialbearings.com).

- 9) Members willing to attend the Annual general meeting (AGM) are requested to email their details (Members who hold shares in dematerialized form are requested to email their Client ID and DP ID numbers for identification) for attending the Annual general meeting minimum 48 hours prior to the AGM. The Company shall make sure the necessary connectivity test prior to the AGM.
- 10) The details Pursuant to the Regulation 36(3) of the SEBI Listing Regulations read with Clause 1.2.5 of the Secretarial Standards-2 regarding the appointment, reappointment and approval of remuneration of Directors are annexed to this notice.
- 11) Members seeking any information with regard to the financial statements or any matter to be placed at the AGM, are requested to write to the Company on or before Tuesday, August 01, 2023 through email on [investorcare@nibl.in](mailto:investorcare@nibl.in). The same will be replied by the Company suitably.
- 12) As mandated by SEBI, effect from April 01, 2019 except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in dematerialised mode with a depository. Accordingly, the Members of the Company were requested to open a demat account and submit physical securities to their DPs.
- 13) Members holding shares in physical form are requested to address all their correspondence including change of address, mandates etc. to the Company and Registrar and Share Transfer Agents Viz. Universal Capital Securities Private Limited, C 101, 247 Park, LBS Road, Vikhroli West, Mumbai -400 083, Tel.: +91, 22 49186178-79, Fax: +91 22 49186060, The Members holding shares in dematerialized form should approach their respective Depository Participants for the same.
- 14) Members holding shares in physical mode may register/ update their email address/ mobile no. and any other details in prescribed form ISR-1 with the Registrar and Transfer Agent ("RTA") of the Company i.e. Universal Capital Securities Private Limited as required under SEBI Circular No. SEBI/HO/MIRSD/ MIRSD\_RTAMB/P/CIR/2021/655 dated November 3, 2021 and clarification vide Circular No. SEBI/HO/MIRSD/MIRSD-RTAMB/P/CIR/2021/687 dated December 14, 2021. Norms for updation are also available at the website of the Company at [www.nrbindustrialbearings.com](http://www.nrbindustrialbearings.com).
- 15) Members holding shares in physical form in identical order of names in more than one folio are requested to send to the Company or RTA, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be returned to such Members after making requisite changes thereon.
- 16) Members holding shares in single name are advised to avail the nomination facility by filing Form SH-13, as prescribed under the Act with the Company. Members holding shares in electronic mode may contact their respective depository participant for availing this facility.
- 17) Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
- 18) All documents referred to in the accompanying Notice and the Explanatory Statement, Registers and all other documents will be available for inspection in electronic mode during business hours on all days except Saturdays, Sundays and public holidays upto the date of the AGM. Members can inspect the same by sending an email to the Company at [investorcare@nibl.in](mailto:investorcare@nibl.in).
- 19) Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
- 20) The business set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Instructions and other information relating to e-voting are given in this Notice under Instruction for Members attending Meeting through VC/OAVM.
- 21) In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the Meeting.
- 22) Share transfer documents and all correspondence relating thereto, should be addressed to the Company and Universal Capital Securities Private Limited, C 101, 247 Park, LBS Road, Vikhroli West, Mumbai – 400083, Registrars and Transfer Agent of the Company.

23) To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned DP and holdings should be verified.

24) **E-Voting:**

- a. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Secretarial Standard on General Meetings (SS-2) issued by the Institute of the Company Secretaries of India ("ICSI"), Regulation 44 of Listing Regulations 2015, and the Circulars issued by the MCA dated April 8, 2020, April 13, 2020, May 5, 2020 and December 28, 2022 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the 12th AGM to those Members participating in the 12th AGM to cast vote through e-voting system during the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited ("CDSL ") for facilitating voting through electronic means, as the authorised agency. The facility of casting votes by a member using remote e-voting system as well as e-voting on the date of the AGM will be provided by CDSL, the Company is pleased to provide the e-voting facility (the "Remote e-voting") to its Members holding Shares in physical or dematerialized form, as on the cut-off date, being day, 1st August , 2023, to exercise their right to vote by electronic means on any or all of the businesses specified in the accompanying Notice.
- b. The Company have appointed Mr. Sanjog Naravankar, Practicing Company Secretary of SVN and Associates, Practicing Company Secretaries (ACS No. 37746), as the Scrutinizer for conducting the Remote e-voting and the voting process at the AGM in a fair and transparent manner and he has communicated his willingness to be appointed as such and will be available for same.
- c. Once the vote on a resolution is cast by a member, the member shall not be allowed to change it subsequently or cast the vote again.
- d. Voting rights shall be reckoned on the paid-up value of shares registered in the name of the member/ beneficial owner (in case of electronic shareholding) as on the **cut-off date i.e. Tuesday, August 1st, 2023**. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the Depositories as on the cut-off date only shall be entitled to vote. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only.
- e. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through **VC/OAVM will be made available to at least 1000 members on first come first served basis**. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
- f. The facility for joining the meeting shall be kept open at least 15 minutes before the time scheduled to start the meeting and shall not be closed till the expiry of 15 minutes after scheduled time of meeting.
- g. The members present in the meeting through VC/OAVM facility and have not cast their vote on resolution through remote e-voting and are otherwise not barred from doing so, shall be allowed to vote through e-voting system in the meeting.
- h. The Scrutinizer, after scrutinizing the votes cast at the meeting, through remote e-voting, will not later than 48 hours of conclusion of the Meeting, make a consolidated Scrutinizer's Report and submit the same to the Chairperson or any other person as authorized by the Chairperson. The results declared along with the consolidated Scrutinizer's Report shall be hosted on the website of the Company [www.nrbindustrialbearings.com](http://www.nrbindustrialbearings.com) and on the website of CDSL viz. [www.evotingindia.com](http://www.evotingindia.com). The results shall simultaneously be communicated to the Stock Exchanges.
- j. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e. Tuesday, 8th August 2023.
- k. Information and other instructions relating to e-voting are as under:
  - (i) The voting period begins on Saturday, August 5th, 2023, at 9.00 a.m. and ends on Monday, August 7th, 2023 at 5.00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialized



form, as on the cut-off date (record date) of Tuesday, 1st August 2023 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholder's/retail shareholders is at a negligible level.

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

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

**Step 1 : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.**

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

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

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with <b>CDSL Depository</b>	<ol style="list-style-type: none"> <li>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 users to login to Easi / Easiest are requested to visit cdsi website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab.</li> <li>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 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 &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at cdsi website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li> <li>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 <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with <b>NSDL Depository</b>	<ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select “Register Online for IDeAS “Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants (DP)</b>	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider 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 abovementioned website.

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

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at : 022 - 4886 7000 and 022 - 2499 7000

**Step 2: Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.**

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

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

	<b>For Physical shareholders and other than individual shareholders holding shares in Demat.</b>
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>● Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>
Dividend Bank Details 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. <ul style="list-style-type: none"> <li>● If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.</li> </ul>

- (iii) After entering these details appropriately, click on “SUBMIT” tab.
- (iv) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (v) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (vi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (vii) 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.
- (viii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (ix) 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.

- (x) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xi) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xii) 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.
- (xiii) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.
- (xiv) **Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
  - It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - Alternatively Non Individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [investorcare@nibl.in](mailto:investorcare@nibl.in) (designated email address by company) , if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

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

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

9. Only those shareholders, who are present in the AGM/EGM 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 EGM/AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the EGM/AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders may be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

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

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

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at toll free no. 1800 22 55 33

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, Mafatal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call toll free no. 1800 22 55 33.

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

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

**Registered Office:**

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

**Place: Mumbai**

**Date : 25th May, 2023**

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

#### **Item 3:**

The Members of the Company at the 7th Annual General Meeting ('AGM') held on August 02, 2018, had approved the re-appointment of Deloitte Haskins & Sells, Chartered Accountants (ICAI Firm Registration No.117365W) ("Deloitte"), as the Statutory Auditors of the Company for a period of 5 years commencing from the conclusion of the 7th AGM until the conclusion of the 12th AGM. Accordingly, Deloitte would be completing its second term of five years at the conclusion of this 12th AGM.

In accordance with the provisions of Section 139, 142 and other applicable provisions of the Companies Act, 2013 ('the Act') read with the Companies (Audit and Auditors) Rules, 2014, the Company can appoint or reappoint an audit firm as Statutory Auditors for not more than two terms of five consecutive years.

The Board of Directors, at its meeting held on May 25, 2023, based on the recommendation of the Audit Committee, approved the appointment of M/s. SRBC & CO LLP, (Firm's Registration No. 324982E/E300003) for the first term of five years to hold office from the conclusion of the 12th AGM till the conclusion of the 17th AGM to be held in the year 2028, at a remuneration upto 38 Lakhs plus applicable taxes and reimbursement of out-of-pocket expenses and proposed the same for approval of the members. Besides the audit services, the Company would also obtain certifications which are to be mandatorily received from the statutory auditors under various regulations. The Board of Directors and the Audit Committee shall approve the revision in the remuneration of the statutory auditors, for the balance part of the tenure, based on the performance review and any additional efforts on account of changes in regulations or management processes, business acquisitions, internal restructurings or other considerations.

M/s. SRBC & CO LLP has consented to their appointment and confirmed that their appointment if made, would be in accordance with Section 139 read with Section 141 of the Act. M/s. SRBC & CO LLP has also furnished a declaration confirming its independence in terms of section 141 of the Act and declared that it has not taken up any prohibited non-audit assignments for the Company. Based on the recommendation made by the Audit Committee, after considering the experience and expertise of M/s. SRBC & CO LLP, the Board recommends the appointment of M/s. SRBC & CO LLP for the term of 5 years, as set out in the Resolution no. 3, for approval of the Members as an Ordinary Resolution.

None of the Director, Key Managerial Personnel, or their respective relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution.

#### **Item 4:**

As per the provisions of Section 188 of the Companies Act, 2013, transactions with related parties which are on an arm's length basis and in the ordinary course of business, are exempted from the obligation of obtaining prior approval of shareholders. However, such transactions, if material, require the approval of shareholders through a resolution, notwithstanding the fact that the same are at an arm's length basis and in the ordinary course of business, as per the requirements of the provisions of Regulation 23(4) of the SEBI Listing Regulations.

SEBI has notified SEBI (Listing Obligation and Disclosure Requirements) (Sixth Amendment) Regulation, 2021, effective from April 1, 2022. Pursuant to the amendments to clause (zc) of Regulation 2(1) read with the proviso to Regulation 23(1) of the SEBI Listing Regulations, which will be effective from April 1, 2022, transactions involving transfer of resources, services or obligations between a listed entity or any of its subsidiaries on one hand and a related party of the listed entity or any of its subsidiaries on the other hand will be considered as "related party transactions", and as "material related party transactions", if the transaction to be entered into individually or taken together with previous transactions during a financial year, exceeds Rs. 1,000 crore or 10% of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity, whichever is lower. Further, such material related transaction shall require prior approval of shareholders through resolution and no related party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not.

The Company lends/borrows funds and guarantees to its group entities from time to time including NRB-IBC Bearings Private Limited, as and when there is requirement of funds for working capital needs. The said transactions are in ordinary course of business and at arms' length and approved by the Audit Committee and the Board of the Directors vide its meeting held on February 9, 2023.

The Company may be required to enter contracts and / or transactions and / or arrangements, as stated below. These transactions, between the Company and / or its Associate companies on one side and related party of the Company on the other side, may exceed the materiality threshold limit as prescribed under the SEBI Listing Regulations. All these transactions will be executed at an arm's length basis and in the ordinary course of business of the Company / or its Associate companies and have been approved by the Audit committee and the Board of Directors at their respective meetings held on February 9, 2023.

The Company vide postal ballot notice dated February 9, 2022, sought approval of the Shareholders for entering into material related party transactions for the Company/its subsidiaries on one hand and a related party of the listed entity on the other hand for financial year 2023-24. The said transactions were approved by the Shareholders and passed with requisite majority on March 20, 2023.

Subsequently, SEBI vide Circular No. SEBI/HO/CFD/CMD1/ CIR/P/2021/662 dated April 08, 2022 has issued clarification on the period of validity of the omnibus approval where the transactions are material and shareholders' approval is also required. The said Circular specifies that the shareholders' approval of omnibus RPTs approved in an AGM shall be valid upto the date of the next AGM for a period not exceeding fifteen months. In case of omnibus approvals for material RPTs, obtained from shareholders in General meetings other than AGMs, the validity of such omnibus approvals shall not exceed one year.

In view of the aforesaid clarification issued by SEBI, approval of the shareholders is sought for the material related party transactions to be entered between the Company and/or its subsidiaries on one side and related party of the Company on the other side, which may exceed the materiality threshold limit as prescribed under the SEBI Listing Regulations from 12th AGM till 13th AGM of the Company, for a period not exceeding fifteen months. All these transactions will be executed at an arm's length basis and in the ordinary course of business of the Company / or its subsidiaries and have been approved by the Audit committee and the Board of Directors at their respective meetings.

Therefore, keeping in view the intent of the Companies Act, 2013, SEBI Listing Regulations, and for better corporate governance, the Company seeks approval of the Members is sought for the following transactions / arrangements entered into with NRB-IBC Bearings Private Limited:

The key details regarding the transactions /arrangements and disclosure as required under Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 are given below for perusal:

Transactions between the Company with its related parties

Name of Related Party	Nature of Relationship	Nature of the director or key managerial personnel who is related, if any	Nature, material terms, and particulars of Transactions	Amount (₹ in Cr.) * for the relevant financial year	Period
NRB-IBC BEARINGS PRIVATE LIMITED	Related Party as per Accounting Standards and Listing Regulations	Common Director	Inter-Corporate Deposits / Inter corporate loans, guarantees/ Allocation and Reimbursement of common expenses paid or received/ availing or rendering of services / leave and license / Sale or purchase of Semi-finished goods, finished goods, Raw Material/ Rent/ Job Work Income/ Service Charges/ Royalty income, etc	15 cr	from 12th AGM till 13th AGM of the Company, for a period not exceeding fifteen months

# **NRB**

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## **INDUSTRIAL**

Except the Promoters, Directors and their relatives (to the extent of their shareholding in the Company), and the Key Managerial Personnel mentioned herein above, no other Directors or the relatives of the Directors or Key Managerial Personnel are concerned or interested, financially or otherwise in the resolution at Item no. 4 of the Notice.

The Board of Directors recommends the resolution for approval of Shareholders by way of Ordinary Resolution as set out in item no. 4

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

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

**Registered Office:**

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

**Place: Mumbai**

**Date : 25th May, 2023**



**Annexure: I****Details of the Directors Seeking appointment/ Re-appointment in the forthcoming Annual General Meeting**

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

<b>Name of the Director</b>	<b>Mrs. Aarti Sahney (DIN: 08579914)</b>
Date of Birth (Age)	27/07/1970 (52 years)
Nationality	Indian
Occupation	Business
Date of Appointment	21/08/2021
Date of first appointment on the Board	07/10/2019
Qualifications	Bachelor of Arts, University of Mumbai from Saint Xavier's College, Business Leadership Program at Harvard Business School.
Experience/ Expertise in specific functional areas	Brief resume with qualifications, experience and nature of expertise of Mrs. Aarti Sahney is stated in the Directors' Profile section of the Corporate Governance Report.
Terms and Conditions of Appointment	Appointed as Non-Executive, Non-Independent Director of the Company & shall be liable to retire by rotation.
Remuneration to be paid	Eligible for sitting fees and commission (if any), as approved by the Board
Remuneration last drawn	Not applicable
Directorships held in other companies (excluding foreign companies and Section 8 Companies)	Sahney Technologies Private Limited
Membership of Committees in other Public Limited Companies (includes only Audit & Stakeholders Relationship Committee)	None
No. of shares held in the Company as on March 31, 2023	2,04,114
Number of Board meetings attended during the year	4
Relationship with other directors, KMPs	Mr. Devesh Singh Sahney (Husband)

## DIRECTOR'S REPORT

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

The Directors submit this 12th Annual Report of NRB Industrial Bearings Limited (the "Company" or "NIBL") along with the Audited Financial Statements for the Financial Year (FY) ended March 31, 2023. Consolidated performance of the Company and its Associates has been referred to wherever required.

### 1. Financial Overview:

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

(Rs. In Lakhs)

Particulars	For the Financial Year ended March 31,2023	For the Financial Year ended March 31,2022
Revenue from Operations	8072.74	6944.31
EBITA	551.37	695.07
Tax Expenses	-	-
Profit/(Loss) after Tax	(1312.19)	(982.31)
Other Comprehensive Income	30.99	17.07
Total Comprehensive Income	(1343.18)	(999.38)
Earnings Per Share	(5.42)	(4.05)

This report of the Board of Directors along with its Annexures, Management Discussion and Analysis Report, Corporate Governance Report, Financial Statements along with their Notes are prepared for the period from April 1, 2022 to March 31, 2023 (hereinafter referred as "financial year").

#### b. Transfer to Reserves:

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

#### c. Dividend:

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

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

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

#### e. Public Deposits:

Your Company has not accepted or renewed any deposits under Chapter V of the Companies Act, 2013 read with Companies (Acceptance of Deposit) Rules, 2014, during the Financial Year 2022-2023.

#### f. Loan from Directors

During the Financial Year 2022-23, the Company has not accepted loans from the directors of the Company for which the Company has received the declaration that the said loan is not from the borrowed funds.

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

There were no significant and material orders passed by any Regulators or Courts or Tribunals during the financial year ended March 31, 2023, impacting the going concern status and Company's operations in future.

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

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

### 2. Operational Overview:

FY 2022-23 began on a positive note with increased demand and volume. OEM customers demonstrated well-planned production activities, while aftermarket requirements started slowly but gradually picked up. Overall, the business environment was stable, with positive demand in the industrial market. Market demand started increasing in Q2, and requirements stabilised with strong forecasts. Despite the demanding times, your company achieved growth and maintained business continuity.

NRB Industrial Bearings Limited boasts a world-class manufacturing facility and a fully equipped Research and Development center dedicated to meeting customer expectations and addressing new demands. The R&D Centre focuses on upgrading existing products to fulfil customer performance expectations and also works on new developments.

A comprehensive Go-to-Market strategy has been prepared by your company, with a focus on expanding into new segments and increasing business share. Robust action plans are being implemented to reach customers and provide cost-effective engineering and bearing solutions. Expansion of the distribution network and the addition of new OEM customers, along with an expanded product portfolio, are key objectives.

The export business strategy primarily focuses on application-specific and area-specific strategies to expand international business and product offerings through new product developments.

Our growth strategy is driven by the OEM segment, which includes textiles, material handling, agriculture, industrial electrical, vibratory motors, and industrial transmission. This segment enables us to showcase our solution offerings. The distribution network is being expanded to serve customers in all locations within the industrial market, with a specific focus on segments such as agriculture, jute, textiles, metal, cement, and mining. Ensuring the availability of our products through channel partners for the maintenance and repair needs of industrial customers is another priority.

The approach of “Positive attitude and Knowledge sharing” has been emphasised since the previous year. This approach has helped establish NRB Industrial Bearings Limited as a Complete Solution Provider. The company has improved brand acceptability through value addition and expanded reach.

Market dynamics play a critical role in demand fluctuations, and your company is evaluating the gradually evolving dynamics of the market to align its growth strategy accordingly. Overall, NRB Industrial Bearings Limited is focused on leveraging its strengths, expanding its product portfolio, strengthening customer relationships, and adapting to market dynamics to drive growth and maintain its position as a leading player in the industrial bearings market.

**a) Financial Results:**

Your Company's turnover stood at Rs. 8072.74 for the financial year ended March 31, 2023 as against Rs.6944.31 lakhs in the previous year. Company registered rise in growth of 13.97% over previous year.

Export turnover of your Company for the financial year 2023 was Rs. 2454 lakhs as against previous year Rs. 2162.63 lakhs.

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

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

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

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

**d) Change in Share Capital:**

• **Increase in the Authorized Share Capital:**

During the financial year, vide postal ballot notice dated 9th February, 2023 the authorized share capital of the Company has been increased from Rs. 85,00,00,000/- (Rupees Eighty-Five Crores only) divided into 2,50,00,000 equity shares of Rs. 2/- each and 8,00,00,000 preference shares of ' 10/- each to Rs. 99,00,00,000/- (Rupees Ninety-Nine Crore only) divided into 2,50,00,000 equity share of Rs. 2/- each and 9,40,00,000 preference shares of Rs. 10/- each

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

During the year, the Company allotted 65,00,000 Cumulative Redeemable Non-Convertible Preference shares of a face value of Rs. 10/- each for an amount aggregating to Rs. 6,50,00,000/- (Rupees Six Crores Fifty Lakh only) to Mr. Devesh Singh Sahney (DIN: 00003956) Chairman and Managing Director on 31st March, 2023

Further, the Company approved the allotment of 75,00,000 Cumulative Redeemable Non-Convertible Preference shares of a face value of Rs. 10/- each for an amount aggregating to Rs. 7,50,00,000/- (Rupees Seven Crores Fifty Lakh only) to Mr. Devesh Singh Sahney (DIN: 00003956) Chairman and Managing Director on 25th May, 2023

Details of Increase in increase in the Authorized Share Capital and Issue and Allotment of Preference shares are stated in the notes to accounts of Financial Statements, forming part of this Annual Report.

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

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

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

#### **Re-appointments:**

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

Cessation:

- b) During the period, there was resignation of Mr. Nikhilesh Panchal (DIN: 00041080) as Independent Director of the company which company received on 31 March, 2023. The Company has placed on record their sincere appreciation of the contribution made by Mr. Nikhilesh Panchal during his tenure on the Board of the Company.
- c) Pursuant to Section 203 of Companies Act 2013, the Key managerial personnel's (KMPs) of the Company are:
- Mr. Devesh Singh Sahney, Chairman and Managing Director
  - Mrs. Gulestan Kolah, Chief Financial Officer
  - Mrs. Vandana Yadav, Company Secretary and Compliance Officer
- d) All the Independent Directors have furnished declaration in accordance with the provisions of Section 149 (7) of the Companies Act, 2013 regarding meeting the criteria of independence as provided under Section 149 (6) read with Regulation 16 (1) (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

As required by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the provisions of the Companies Act, 2013, the Board has framed a Familiarization Program for the Independent Directors of the Company in order to update them with the nature of industry in which the Company operates and business model of the Company in order to familiarize

them with their roles, rights, responsibilities, etc. The details of the above mentioned Familiarization Program is uploaded on the website of the Company [www.nrbindustrialbearings.com](http://www.nrbindustrialbearings.com).

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

### **5. Board Evaluation:**

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

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

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

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

### **7. Business Risk Management:**

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

business risk, statutory compliances and environmental risk.

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

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

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

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

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

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

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

All Related Party Transactions are presented to the Audit Committee and the Board. Omnibus approval is obtained for the transactions which are foreseen and repetitive in nature. A statement of all related party transactions is presented before the Audit Committee on a quarterly basis, specifying the nature, value and terms and conditions of the transactions. Further, the details of the transactions with Related Party are provided in the Company's financial statements in accordance with the Accounting Standards.

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

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

As on March 31, 2023, the Company has two Associate Companies viz. NRB-IBC Bearings Private Limited and NIBL-Korta Engineering Private Limited.

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

During the FY 2022-23 sales turnover of the Company was 1932.46 lacs as compared to previous FYs turnover of Rs. 1319.48 lacs. Domestic Sales Turnover increased from 831.90 Lacs to Rs 1064.03 lacs. Domestic market grew healthy. Export Sales Turnover increased to 868.43 lacs from Rs. 487.58 lacs. New customers were added in this financial year which would help the company with favorable results in coming years.

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

During the FY 2022-2023 the Sales Turnover of the Company was 936.04 lacs as compared to previous FYs turnover of Rs. 595.02 lacs. Domestic Sales Turnover increased from 587.82 lacs to Rs. 932.54 lacs. The Export Sales Turnover decreased from 07.20 lacs to Rs.3.50 lacs. New customers were added in this financial year which would help the company with favorable results in coming years.

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

There are no qualifications, reservations or adverse remarks made by the Statutory Auditors in their report on the Financial Statements of the Company for year ended March 31, 2023. The notes to the accounts are self-explanatory to comments/observations made by the Auditors in their report and do not require further explanation.

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

#### **13. Remuneration Policy:**

In compliance with Section 178(3) of the Companies Act, 2013 and on the recommendation of Nomination and Remuneration Committee, the Board framed a Nomination and Remuneration policy, which is generally in line with the existing industry practice and applicable laws. The main object of the said policy is to select and appoint Directors, Key Managerial Personnel and Senior Management and to ensure that the level

and composition of remuneration is reasonable and sufficient to attract, motivate and retain the talent within the organization. Details of remuneration paid to Directors and KMP's forms part of Corporate Governance Report which is annexed to this Annual Report.

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

#### **14. Meetings of the Board**

4 meetings of the Board of Directors were held during the financial year 2022-23 and the gap between two consecutive board meetings was within the limits prescribed under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The details of the number of meetings held and attended by each Director are provided in the Corporate Governance Report, which forms part of this Annual Report.

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

In accordance with Section 177 of the Companies Act, 2013, the Company have constituted the Audit Committee. The Company Secretary acts as the secretary to the committee. The Audit Committee acts as a link between the statutory auditors, internal auditors and the Board of Directors. During the year under review, there was resignation of Mr. Nikhilesh Panchal (DIN: 00041080) as Independent Director of the company on 31<sup>st</sup> March, 2023. The Audit Committee consists of three Directors Mr. Ashish chhugani, as the Chairman, Mr. Devesh Sahney, and Mr. Samrat Zaveri as the members of the Committee.

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

The Company has adopted a Vigil Mechanism / Whistle Blower Policy for Directors and employees to report genuine concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct and to provide for adequate safeguards against victimization of persons who may use such mechanism. The said policy is hosted on the website of the Company [www.nrbindustrialbearings.com](http://www.nrbindustrialbearings.com).

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

circumstances.

#### **16. Credit Rating of Securities:**

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

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

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

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

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

#### **18. Auditors:**

##### **a) Statutory Auditors**

M/s Deloitte Haskins & Sells, who are the statutory auditors of your Company, hold office until the conclusion of this year's AGM. The Board has recommended appointment of S R B C & CO. LLP (SRBC), Chartered Accountants, as statutory auditors of the Company in place of M/s Deloitte Haskins & Sells, the existing auditors of the

Company, for a period of 5 years from the conclusion of this 12th Annual General Meeting (AGM) to be held in 2023 till the conclusion of the 17th AGM to be held in 2028. In this connection, the attention of the Members is invited for approval of Item No. 3 of the Notice, for appointment of Statutory Auditors.

The Auditor's Report on the Standalone and Consolidated Financial Statement of the Company for the Financial Year 2022-23, does not contain any qualification, reservation or adverse remark.

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

**b) Secretarial Auditor:**

Pursuant to the provisions of section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. AJS & Associates, Practising Company Secretary to undertake the Secretarial Audit of the Company for the financial year 2022-23. The report on Secretarial Audit is annexed as 'Annexure IV' to this Report. The Secretarial Audit Report does not contain any qualification, reservations or adverse remarks.

**19. Maintenance of Cost Records**

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

**20. Secretarial Standards**

The Company has complied with the applicable Secretarial Standards during the Financial Year 2022-23.

**21. Particulars of employees:**

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

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

The Company is committed to provide healthy environment to all employees and thus, does not

tolerate any discrimination or harassment in any form.

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

**23. Listing with Stock Exchange**

The Equity Shares of the Company are continuing to be listed on the BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE"). The Company has paid Annual Listing Fees for the Financial Year 2022-23 to both the Stock Exchanges well within the specified time.

**24. Extract of Annual Return:**

The extract of Annual Return of the Company as on March 31, 2023 is available on the Company's website and can be accessed at [www.nrbindustrialbearings.com](http://www.nrbindustrialbearings.com).

**25. Corporate Governance Report:**

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

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

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

**27. Management Discussion and Analysis:**

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

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

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

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

### 29. Cautionary Statement:

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

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

### 30. Directors Responsibility Statement:

Your Directors wish to inform Members that the Audited Accounts containing Financial Statements for the Financial Year 2022-23 are in conformity with the requirements of the Companies Act, 2013. Your Company's financial statements reflect fairly, the form and substance of transactions carried out during the year and reasonably present the financial condition and results of operations.

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

a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

- b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) the directors had prepared the annual accounts on a going concern basis;
- e) the directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively and
- f) Internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors and external consultants, including audit of internal financial controls over financial reporting by the statutory auditors, and the reviews performed by management and the relevant board committees, including the audit committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during FY 2022-23.
- g) Company has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information;
- h) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### 31. Appreciation:

Your Directors wish to place on records their sincere appreciation to all the Employees of the Company for the efforts, efficient work management, loyal services, commitment and dedication that developed the culture of professionalism. Your Directors also thank and express gratitude to the Company's Customers,



Vendors and Institutions. Your Directors also wish to express deep sense of gratitude to all our Bankers, Central and State Governments and their departments and the local authorities for the continued support.

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

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

**Devesh Singh Sahney**  
Chairman and Managing Director  
DIN : 0000395

**Place: Mumbai**  
**Date : 25th May, 2023**

## ANNEXURE I

Information as required under Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 forming part of Directors' Report for the year ended March 31, 2023:

**a) Conservation of Energy:**

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

1. Installed Solar plant of 367 Kwp capacity.

ii. Steps taken by the company for utilizing alternate sources of energy: Installed Solar plant of 367 Kwp capacity.

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

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

**c) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods: Power saving of Rs 10 lakhs per year**

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

Sr. No.	Parameter	2022-23	Previous Year (2021-22)
<b>Purchased</b>			
1	Purchased power units, (in KWh)	47,47,968	44,19,604
2	Purchased power amount (Rs in lakhs)	442.39	358.29
3	Purchased power rate (in Rs per KWh)	9.37	8.11
4	Own power generation DG , (in KWh)	35,680	23,100
5	Solar power generation, (in KWh)	1,73,251	
<b>Through Diesel Generator</b>			
5	Units generated, (in KWh )	35,680	23,100
6	Diesel oil consumed (in liters)	9,285	6,780
7	Power generation (KWh per liter)	3.84	3.41
<b>Through Steam Turbine / Generator</b>			
8	Propane gas consumption (in tons)	14.80	14.59
9	Tons of steel heat treated per ton of propane gas consumed.	35	29.27
10	Propane gas cost in Rs per ton	75,400	88,850
<b>Consumption per unit production</b>			
11	Production value of bearings (in Rs Lakhs)	8175.43	6,828
12	Electricity (purchased, own generation DG and Solar), consumed in KWh per Rs lakh value of bearings produced	606.32	661
13	HT furnace production (in ton)	518	427.12

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

1. Electricity: 4747968 KWh Units in FY 2022-23 as compared 4419604 KWh Units in FY 2021-22.

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

1. New Product development - 54 no's of new products developed.

2. Development for special applications – Combined Axial & Radial Thrust Bearings, Thrust bearing and Needle bearing with 300 mm and 315 mm outside diameter respectively. Range extension of cylindrical roller bearing with outside diameter of 180 mm. Low friction ball bearings for motor applications and long life spherical bearing.

3. Development of new product lines - Needle bush bearings (16 sizes).

4. Equipment development – Single line shell manufacturing for bush bearings and a special design of hammering barrel for needle manufacturing to save time and energy consumption.

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

1. Developed 54 new products to enhance business in existing and new market segments, existing and new customers in the domestic and export market.
2. Improved process, product quality and performance.

**c) Future Plan of action:**

1. Extension of product range of full complement needle bush bearings.
2. Extension of product range of needle roller and roller thrust bearings.
3. Development of linear guides
4. Development of slewing ring bearings.
5. WIR housed units for food industry
6. Development of sensor bearings
7. Patent filing

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

1. Capital	:	FY: 2022-23	:	Nil	PY: 2021-22 : NIL
2. Recurring	:	FY: 2022-23	:	Rs.194.52 Lakhs	PY: 2021-22: Rs.101.48 Lakhs
3. Total	:	FY: 2022-23	:	Rs.194.52 Lakhs	PY: 2021-22: Rs.101.48 Lakhs
4. Total R&D as a percentage of Total turnover					FY 2022-23 : 2.40 %
					PY 2021-22 : 1.46%

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

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

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

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

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

1. Process and product quality improvement through low cost automation.
2. New products like bush bearings for new / existing markets & customers
3. New design of thrust bearing cages to improve bearing performance.
4. Product validation through life testing rig.
5. Import substitution for a customer by cam follower ring.

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

**Exchange earnings and outgo: -**

Total Foreign Exchange earnings: FY 2022-23 Rs. 2546 Lakhs, PY: Rs. 2175.30 Lakhs

Total Foreign Exchange outgo: FY 2022-23 Rs. 648.69 Lakhs, PY: Rs. 202.42 Lakhs

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

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

**Place: Mumbai  
Date : 25th May, 2023**

## Annexure II Form No. AOC-2

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

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

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

All the transactions were at arm's length during the period under review. Company has not entered into any contract/arrangement/transaction with its related parties which are not in ordinary course of business in the FY 2022-23. All the related party transactions forms part of the financials note no. 37.

Sr. No.	Particulars	Remarks
(b)	Nature of contracts/arrangements/transactions	Not Applicable as all transactions are at arm's length
(c)	Duration of the contracts / arrangements/transactions:	
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
(e)	Justification for entering into such contracts or arrangements or transactions:	
(f)	Date(s) of approval by the Board	
(g)	Amount paid as advances, if any	
(h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	

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

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

Sr. no.	Nature of relationship	Names of related parties
(a)	Associate	NRB IBC Bearings Private Limited NIBL- Korta Engineering Private Limited (formerly known as Korta Engineering India Private Limited)
(b)	Key Management Personnel (KMP)	'Mr. Devesh S. Sahney, Chairman and Managing Director Mr. Nikhilesh Panchal* Mrs. Aarti Sahney Mr. Ashish Chhugani Mr. Samrat Nirmal Zaveri Mrs. Harshbeena S. Zaveri, sister of Mr. Devesh Singh Sahney
(c)	Relative of Key Management Personnel	'Ms. Mallika Sahney - AGM Strategy, daughter of Mr. Devesh Singh Sahney
(d)	A Company over which KMP are able to exercise significant influence.	Khaitan & CO. (upto 31st March, 2023)

Sr. no.	Nature of relationship	Names of related parties
(e)	A Company over which relatives of KMP are able to exercise significant influence.	NRB Bearings Limited NRB Bearings (Thailand) Limited Sahney Technologies Private Limited

\* Resignation of Mr. Nikhilesh Panchal as Independent Director on March 31, 2023

- (b) **Nature of contracts/arrangements/transactions:** Ongoing business transactions which forms part of financial statements in Notes to accounts, Note no.: 37
- (c) **Duration of the contracts/ arrangements/ transactions:** As per business requirements, pre-approval from audit committee taken on quarterly basis.
- (d) **Salient terms of the contracts or arrangements or transactions including the value, if any:** Ongoing business transactions which forms part of financial statements in Notes to accounts, Note no.: 37
- Date(s) of approval by the Board, if any:** Each Quarter approval as per transactions entered on May 24, 2022, August 05, 2022, November 10, 2022 and February 09, 2023.
- (f) **Amount paid as advances, if any:** Not applicable.

On behalf of the Board  
For NRB Industrial Bearings Limited

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

Place: Mumbai  
Date : 25th May, 2023

**Annexure III**  
**Form No. AOC-1**

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

**Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures****Part "A": Subsidiaries**

Company does not have any Subsidiaries as on March 31, 2023, hence Not Applicable.

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

Name of associates/Joint Ventures	NRB-IBC Bearings Private Limited	NIBL-Korta Engineering Private Limited
Latest audited Balance Sheet Date	31.03.2023	31.03.2023
Shares of Associate/Joint Ventures held by the company on the year end, No. of shares held	42,00,000	10,50,000
Amount of Investment in Associates/Joint Venture @ face value of Rs. 10/- each share	Rs. 4,20,00,000/-	Rs. 1,05,00,000/-
Extend of Holding%	35%	35%
Description of how there is significant influence	35% shareholding of NRB Industrial Bearings Limited (NIBL) and 35% shares held by Estate of Late Trilochan Singh Sahney, Former Chairman of NIBL and forming part of promoter group of NIBL shareholding.	35% shareholding of NRB Industrial Bearings Limited (NIBL) and 45.02% shares held by Estate of Late Trilochan Singh Sahney, Former Chairman of NIBL and formed part of promoter group of NIBL shareholding.
Reason why the associate/joint venture is not consolidated	N.A	N.A
Net worth attributable to shareholding as per latest audited Balance Sheet as on March 31, 2023.	425.69	(166.94)
Profit/Loss for the year	134.50	76.39
Considered in Consolidation	NIL	23.19

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

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

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

Place: Mumbai  
Date : 25th May, 2023

**ANNEXURE 'IV'****MR-3****Secretarial Audit Report**

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

**FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023**

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

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

Based on my verification of the Company's Books, Papers, Minutes Books, Forms and Returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives in soft copies during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the financial year ended 31st March, 2023, ("During the year" or "during the Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained and provided in soft copies by **NRB INDUSTRIAL BEARINGS LIMITED** ("the Company") as given in **Annexure I**, for the financial year ended on 31st March, 2023, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder for specified sections notified and came into effect from 12th September, 2013 and sections and Rules notified and came into effect from 1st April, 2014 and amendments thereof;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Reserve Bank of India Act, 1934;
- (v) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment (not applicable to the Company during the Period);
- (vi) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (to the extent applicable to the Company under regulation 30 of Disclosures under Regulation 30 of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011);
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - d. The Securities and Exchange Board of India (Share based employee benefits and sweat equity) Regulations, 2021, (not applicable to the Company during the Audit period);
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2021 (not applicable to the Company during the Audit period);
  - f. The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993

(to the extent applicable to the Company during the Audit period), and

- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (not applicable to the Company during the Audit period), and;

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

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

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

**I further report that:**

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

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

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

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

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

**FCS M. No.: 9832**

**For AJ S & ASSOCIATES**

**COP No.: 12028**

**Date: - May 25, 2023**

**Place: - Mumbai**

**(Ajit .J. SHARMA)**  
**Proprietor**  
**UDIN:F009832E00038342**

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### **ANNEXURE - I**

List of documents verified:

1. Memorandum & Articles of Association of the Company.
2. Annual Report for the period ended March 31, 2023
3. Minutes of the meetings of the Board of Directors, Audit Committee, Nomination & Remuneration Committee, and Stakeholders' Relationship Committee held during the financial year under report.
4. Minutes of General Body Meetings held during the financial year under report.
5. Agenda papers submitted to all the directors / members for the Board Meetings and Committee Meetings.
6. Declarations received from the Directors of the Company pursuant to the provisions of 184 of the Companies Act, 2013.
7. Intimations received from directors under the prohibition of Insider Trading Code.
8. E-Forms filed by the Company, from time-to-time, under applicable provisions of the Companies Act, 2013 and attachments thereof during the financial year under report.



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

**For AJS & ASSOCIATES**

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

**Date:- 25 May 2023**  
**Place: - Mumbai**

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**Annexure II**

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

My report (for FY 2022-23) of even date is to read along with this letter.

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

**For AJS & ASSOCIATES**

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

**Date:- 25 May 2023**  
**Place: - Mumbai**

### ANNEXURE V

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

Requirements of Rule 5 (1)		Details
(i)	the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;	Mr. Devesh Singh Sahney - 58 : 1 Chairman & Managing Director
(ii)	the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	<b>Directors:</b> Mr. Devesh Singh Sahney , CMD - 29% Mrs. Gulestan Kolah, CFO - 17% Mrs. Vandana Yadav,, CS - N.A
(iii)	the percentage increase in the median remuneration of employees in the financial year;	19%
(iv)	the number of permanent employees on the rolls of company;	253 employees as on 31.03.2023
(v)	average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	Average Salary Increase for KMPs (other than CMD and WTD): - 21%  Average Salary Increase for non KMPs: - 16%
(vi)	Affirmation that the remuneration is as per the remuneration policy of the company.	Remuneration paid during the year ended March 31, 2023 is as per the Remuneration Policy of the Company

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

Sr. No.	Name of Director/KMP	Designation	Date of Resignation/Appointment
1	Nikhilesh Panchal	Independent Director	Resignation on 31st March,2023

## MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

### I. Outlook/ Business Overview

The Indian economy showed signs of recovery in FY 2022–23, with increased demand and the manufacturing sector operating at nearly full capacity. Domestic demand for all products, including engineering and industrial products, experienced growth during this period.

Economic reports indicate that the Indian economy has grown positively and substantially in 2022–23, following a contraction during the COVID-19 pandemic in 2020–21. Overall, industrial activities in the domestic market are thriving, although export business, particularly in Europe, has been fluctuating due to the ongoing war situation. The agriculture and allied sectors have remained stable and have shown sustainable growth in 2022–23.

For the fiscal year 2023-24, the Indian economy is estimated to grow at around 6%. However, maintaining a high growth trajectory presents a challenge due to uncertainties arising from the ongoing geopolitical crisis, which has led to a surge in global financial market volatility. It is important to note that the impact of these uncertainties is primarily limited to specific countries. The driving force behind industrial growth is India's domestic demand, and the initiation of new infrastructure projects further boosts this demand. The Indian economy is well positioned to tackle the challenges of 2023–24 and continue its growth.

In FY 2022–23, NRB Industrial Bearings Limited focused on cost containment, optimising resource utilisation, and restructuring actions to address the changing demand environment. These efforts allowed us to provide the best value to our customers and achieve a growth rate of 16% during this period.

In the Indian bearing market, approximately 60% of the consumption is fulfilled through domestic production, while the remaining 40% is fulfilled through imports. Demand dynamics show that Original Equipment Manufacturers (OEMs) account for 60% of the demand, while the rest is driven by the aftermarket and exports.

The industrial segment relies heavily on domestically manufactured bearings, which are used in applications such as general machines and motors, electrical equipment (fans and appliances), and heavy industries. Indian-bearing manufacturers derive a

significant share of their revenue from exports and the aftermarket business.

The growth in the OEM sector in the Indian market is a positive indication of the acceptability of Indian-made products in terms of their quality and performance, both domestically and globally. Effective supply chain management and a cost-effective approach are crucial for maintaining growth in the industrial segment. The global bearing market is mature, with dynamic market demand closely related to the engineering industry and capital goods.

Continuous upgrading of existing products to optimise performance, along with new product development, serves as the growth engine for engineering products. Offering comprehensive combined solutions and ensuring total ownership are critical for profitable growth. Research and Development (R&D) will play a vital role in developing new solutions and offering innovative bearing solutions to meet evolving market needs.

In conclusion, NRB Industrial Bearings Limited has capitalised on the recovering Indian economy and focused on cost containment and resource optimisation to achieve a growth rate of 16% in FY 2022–23. The company recognises the importance of supply chain management, cost-effectiveness, continuous product development, and innovation in maintaining growth in the industrial segment. By staying at the forefront of technological advancements and investing in R&D, we aim to provide high-quality bearing solutions that meet the demands of our customers.

### II. Financial Condition

#### 1. Changes in Share Capital:

During the year under review, there was change in the share capital of the Company. The authorized share capital of the Company increased from Rs. 85,00,00,000/- (Rupees Eighty-Five Crores only) divided into 2,50,00,000 equity shares of Rs. 2/- each and 8,00,00,000 preference shares of Rs. 10/- each to Rs. 99,00,00,000/- (Rupees Ninety Nine Crore only) divided into Rs. 5,00,00,000/- (Rupees Five Crore only) of 2,50,00,000 equity share of Rs. 2/- each and Rs. 94,00,00,000/- (Rupees Ninety Four Crore only) of 9,40,00,000 preference shares of Rs. 10/- each.

During the year, the Company allotted 65,00,000 Cumulative Redeemable Non-Convertible Preference

shares of a face value of Rs. 10/- each for an amount aggregating to Rs. 6,50,00,000/- (Rupees Six Crores Fifty Lakh only) to Mr. Devesh Singh Sahney (DIN: 00003956) Chairman and Managing Director on 31st March, 2023

Further, the Company approved the allotment of 75,00,000 Cumulative Redeemable Non-Convertible Preference shares of a face value of Rs. 10/- each for an amount aggregating to Rs. 7,50,00,000/- (Rupees Seven Crores Fifty Lakh only) to Mr. Devesh Singh Sahney (DIN: 00003956) Chairman and Managing Director on 25th May, 2023

Details of Increase in increase in the Authorized Share Capital and Issue and Allotment of Preference shares are stated in the notes to accounts of Financial Statements, forming part of this Annual Report.

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

## 2. Reserves and Surplus

The balance of Capital Reserve as at March 31, 2023 amounted to Rs. 5700.16, Retained Earnings of the Company for the financial year ended March 31, 2023 stood at Rs. (13456.91) and deemed capital contribution is Rs. 5919.68 lakhs.

## 3. Fixed Assets

During the year, we capitalized Rs. 84.60 lakhs to our gross block comprising Rs. 5.78 lakhs for Furniture & Fixture, Rs. 5 lakhs for Computer, Rs. 71.25 lakhs for Plant & Machinery and Rs. 2.57 lakhs for office equipment's.

## 4. Deferred tax assets / liabilities

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

## 5. Trade receivables

Trade receivables amounted to Rs. 2045.96 lakhs as at March 31, 2023 compared to Rs. 1842.45 lakhs as March 31, 2022.

Debtors are at 24.78 % of revenues for the year ended March 31, 2023, compared to 26.05% as on March 31, 2022.

## 6. Cash and cash equivalents

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

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

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

(Rs. in Lakhs)

Particulars	31st March, 2023	31st March, 2022
Capital advance	48.58	2.71
Security deposits	102.43	46.62
<b>Total</b>	<b>151.01</b>	<b>49.33</b>

Capital advances represent amount paid in advance on capital expenditure.

### Non-current Investments

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

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

Further there's no change for the year ended March 31, 2023.

## 8. Liabilities

### Long term Liabilities

(Rs. in Lakhs)

Particulars	31st March, 2023	31st March, 2022
Secured Term Loan	537.56	901.68
Other Loan	5333.07	4501.91
<b>Total</b>	<b>5870.63</b>	<b>5403.59</b>

### Term Loan from Bank

#### Secured:

(a) Rs. 102.05 lakhs (March 31, 2022 Rs. 166.54 lakhs) secured by second charge on all present and future stock and book debts of the Company and second pari

pasu charge over immovable Property, plant and equipment (buildings), leasehold land of the Company and its movable plant & machinery, furniture & fixtures and other movables at its factory at Shendra (near Aurangabad). The working capital term loan is repayable in balance 21 equal monthly installments of Rs. 5.50 lakhs each till 7 December 2024 and carried interest rate of 7.5 % p.a.

Rs. 98.77 lakhs (March 31, 2022 Rs. 98.62) secured by second charge on all present and future stock and book debts of the Company and second pari pasu charge over immovable Property, plant and equipment (buildings), leasehold land of the Company and its movable plant & machinery, furniture & fixtures and other movables at its factory at Shendra (near Aurangabad). The working capital term loan is repayable in 36 equal monthly instalments of Rs. 2.73 lakhs each till 7 December 2026 after end of moratorium period of 24 months and carries interest rate of 7.5 % p.a.

(b) Rs. 361.68 lakhs (March 31, 2022 Rs. 403.37) secured by first pari- pasu charge over Land and Building situated at Shendra, MIDC Aurangabad. The working capital term loan is repayable in remaining 63 monthly instalments Rs. 8.91 lakhs each till August 2028 and carries interest rate of 14 % .

(c) Rs. 115.09 lakhs (March 31, 2022 Rs. 143.14) secured by hypothecation of vehicles. Out of these, the term loan of Rs. 126.49 lakhs (March 31, 2021 Rs. 126.49) carrying interest rate of 7.65 % is repayable in remaining 53 equal monthly instalments by August, 2026 and the term loan of Rs. 13.62 lakhs (March 31, 2022 Rs. 16.65) carrying interest rate of 7.65 % is repayable in remaining 57 equal monthly instalments by December, 2026.

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

(d) Rs. 13.41 lakhs (March 31, 2021 Rs. 23.53 lakhs) secured by hypothecation of vehicles. Out of these, the term loan of Rs. 3.24 lakhs (March 31, 2021 Rs. 10.54 lakhs) carrying interest rate of 8.63 % is repayable in remaining 5 equal monthly instalments by August, 2023, the term loan of Rs. 10.17 lakhs (March 31, 2022 Rs. 12.81 lakhs) carrying interest rate of 8.21 % is repayable in remaining 32 equal monthly instalments by November, 2025. The term loan of Rs. Nil (March 31st , 2022 Rs. 0.18 Lakhs) carrying interest rate of 8.82% is fully repaid in April, 2022.

(e) Rs. Nil (March 31, 2022 Rs. 268.02 lakhs) secured by first pari- pasu charge over Land and Building situated at Shendra, MIDC Aurangabad and first pari-pasu over Plant and Machinery situated at Shendra, MIDC Aurangabad and pledge of Nil shares (March 31, 2022 600,000 shares) of NRB Bearings Limited held by a director of the Company. The working capital term loan is fully paid in March 2023 and carries interest rate of 13 % .

(f) Rs. Nil lakhs (March 31, 2022 Rs. 62.91 lakhs) secured by second pari- pasu charge over Land and Building situated at Shendra, MIDC Aurangabad and second pari-pasu over Plant and Machinery situated at Shendra, MIDC Aurangabad and pledge of Nil shares (March 31, 2022 600,000 shares) of NRB Bearings Limited held by a director of the Company. The working capital term loan is fully paid in March 2023 and carries interest rate of 13 % .

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

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

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

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

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

65 Lakhs 2% Redeemable Cumulative Non-Convertible Preference shares of Rs. 10 each fully paid

up were issued to a Promoter shareholder in March 2023 with redemption at the end of 10 years.

### Short term Liabilities

(Rs. In Lakhs)

Particulars	31st March, 2023	31st March, 2022
Current Maturities of Long Term Debt	153.43	264.45
Current Liabilities	105.60	92.61
<b>Total</b>	<b>259.03</b>	<b>357.06</b>

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

### 9. Provisions

Short term provisions for the previous financial year ended March 31, 2022 was Rs.55.34 Lakhs compared to Rs. 20.79 Lakhs for the financial year ended March 31, 2023.

Long term provisions for the previous financial year ended March 31, 2022 was Rs.28.65 Lakhs compared to Rs. 37.82 Lakhs for the financial year ended March 31, 2023.

### 10. Revenue from Operations

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

Particulars	For the Financial Year ended March 31, 2023	For the Financial Year ended March 31, 2022
Revenue from Operations	8072.74	6944.31
EBITA	551.37	695.07
Loss Before Tax	(1312.19)	(982.31)
Tax Expenses	-	-
Loss after Tax	(1312.19)	(982.31)
Other Comprehensive Income	30.99	17.07
Total Comprehensive Income	(1343.18)	(999.38)
Earnings Per Share	(5.42)	(4.05)

### DETAILS FOR DIRECTORS REPORT

In the Human Resources Report you can explore how we motivate, engage and care for our talent. Meet our workforce

and see how we develop the future of work at NIBL Group.

### III. Environment, Health and Safety

A safe workplace is an efficient workplace. It promotes physical and mental wellbeing of employees. When the proper safety protections are in place, employees feel safe doing their job, are more productive, are more likely to take personal accountability and be engaged in work. It prevents workplace accidents, injuries, and occupational illness, thereby ensuring the overall health and safety of employees.

We at NIBL provides trainings to employees on the safety measures and has zero tolerance towards negligence provoking hazards accidents. There are regular programs conducted in order to literate employees at shop floor level and staff.

There are mock fire drills conducted so that employees are equipped to handle any kind of accidental situations. A safe working place enhances productivity and efficiency. When employees feel secure, they can focus on their tasks without unnecessary distractions or fear of injury. It also reduces the number of accidents, disruptions, and downtime caused by injuries, which can significantly impact productivity.

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

### IV. Human Resources

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

Your Company has always worked towards to be an 'Employer of Choice' by driving teams to focus on achieving the goals and work on continuous improvement. A positive work culture and strong teamwork is contributing to a harmonious and productive work environment. The company culture cultivates collaboration, productivity and satisfaction among its employees.

Your Company culture has achieved improved teamwork, increased productivity and efficiency, enhanced job satisfaction and productive collaboration.

And, most importantly, a positive workplace environment reduces stress in employees.

**Core Values:**

Core values are fundamental beliefs and principles that guide individuals, organizations, and societies in their actions and decision-making processes. These values represent the foundational principles upon which individuals and groups build their identity, culture, and relationships. We believe workplace values are the guiding principles to you about the way you work every employee of your company will be bringing into practice use these deeply held principles to choose between right and wrong ways of working, and also to take important decisions at work.

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

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

Your Company aims to have a discrimination-free workplace. Guidance on a harassment-free workplace is adopted in Company's Code of Conduct and the Company's Human Resource, Sexual Harassment and Affirmative Action Policies. Creating a harassment-free workplace takes into account the commitment from both leadership and employees at all levels.

Creating a harassment-free workplace is crucial for fostering a safe and inclusive environment where all individuals can thrive and contribute to their fullest potential. To establish a harassment-free workplace, here are clear policies are defined. Regular training sessions (classroom as well as e-learning) are conducted for all employees to raise awareness about harassment, its impact, and the responsibilities of each individual to prevent and address it. These compliance trainings are mandatory for all employees.

A zero-tolerance policy for harassment is established in the company which is also included in the Induction Training process.

**Safety Governance Structure**

Safety is of utmost importance. Your Company had organized Safety Week at our Shendra plant, wherein we provided fire safety training to our employees and conducted safety mock drill. The employees participated enthusiastically in the competitions organized as a part of the Safety Week celebrations.

This year's theme of the National Safety Week was "Our Aim - Zero Harm". The theme emphasizes the significance of protecting society as a whole and creating more opportunities to improve our safety culture. The goal of the safety week is to spread safety awareness amongst all the employees to make the workplace safer. The competitions are a motivation to people to make the workplace safer for all.

**Equal opportunity to all**

NIBL recognizes and values the differences in employee 'backgrounds and skills' and promotes equal access to employment and supply opportunities without discrimination. We agree not to discriminate against any employee or job applicant because of race, color, religion, national origin, sex, physical or mental disability, or age.

All the cases are evaluated objectively and fairly. Any alleged violation of the equal opportunity policies, will be investigated and, if found valid, acted upon.

**Positive working environment:**

Company emphasis and make all possible efforts to create a positive working environment for its employees. We believe in creating workplaces where there is trust, cooperation, safety, risk-taking support, accountability, and equity. Such environment encompasses a level of respect, empathy and overall understanding between colleagues.

Company arranges various employee engagement activities to bring them closer and making a great place to work. Engaged employees care about their work and about the performance of the company, and feel that their efforts make a difference. Employee engagement activities like competitions, celebration of national festivals are carried out. The weekly "Chai Pe Samwaad" awards the achievements of the team members, celebrates birthdays, and acts as a forum to bring together all functions to know the achievements and support required to meet the objectives.

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

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

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

The economic and business environment is fast evolving, and with the rapid transformation of technology and the impact of cultural changes, society and consumers are also transforming on multiple dimensions. Your Company is operating in an industry that faces price volatility in raw materials and is dependent on agricultural commodities that need to

meet stringent quality standards and on natural resources where alternatives are not viable.

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

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

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

<b>Sr. No.</b>	<b>Ratios</b>	<b>FY 2022-23</b>	<b>FY 2021-22</b>	<b>Explanation for significant change</b>
a.	Debtors Turnover	3.97	3.80	Not applicable
b.	Inventory Turnover	1.48	1.30	Not applicable
c.	Interest Coverage Ratio	1.65	1.09	Overall Revenue has decreased by 25 % and several cost reduction measures taken has resulted in positive EBITDA
d.	Current Ratio	0.61	0.58	Not applicable
e.	Debt Equity Ratio	(8.28)	(26.60)	The debt has decreased in current year as compared to previous year. However, the shareholder equity has reduced due to losses for the year.
f.	Operating Profit Margin (%)	14%	9%	Overall Revenue has Increased by 17% and several cost reduction measures taken has resulted in positive EBITDA
g.	Net Profit Margin (%)	-17.01%	-14.15%	Not applicable



## CORPORATE GOVERNANCE REPORT

Your Directors are pleased to present your Company's Report on Corporate Governance for the Financial Year ended March 31, 2023.

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

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

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

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

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

### 1. Board of Directors:

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

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

Category	Name of Directors	Designation	No. of shares held as on March 31, 2023
Directors	Mr. Devesh Singh Sahney	Executive Chairman and Managing Director	11,65,830
	Mrs. Aarti Devesh Sahney	Non-Executive Director	2,04,114
	Mr. Nikhilesh Panchal*	Independent Director	NIL
	Mr. Ashish Chhugani	Independent Director	NIL
	Mr. Samrat Zaveri	Independent Director	NIL

\*Resignation of Mr. Nikhilesh Panchal as Independent Director on 31st March, 2023

#### 1.2. Directors Profile:

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

##### Mr. Devesh Singh Sahney:

Mr. Devesh Singh Sahney (DIN: 00003956) is the Executive Chairman and Managing Director of NRB Industrial Bearings Limited and leads all aspects of the business from strategy to operations. Mr. Devesh Singh Sahney holds a Bachelor in Business Administration and Economics from Richmond University, London, a Master's degree in Business Administration from the Asian Institute of Management, Philippines and has studied Management Development from Harvard Business School, USA. After his graduation from the UK, he started his professional career working in the finance department at Larsen & Toubro (Mumbai), one of the largest technology, engineering, construction and manufacturing company in India. He later joined Credit Lyonnais, a French Bank.

In 1993, He joined NRB Bearings Limited and has held various positions of responsibility in the areas of Management Services, Information Technology, Plant Operations and Sourcing. His multitude of experience made him excel as a leader and he was appointed as Vice Chairman and on the Board of Schneeberger India. In addition to his professional experience, He is an active member of the Entrepreneurs Organization's Bombay Chapter since 2004 and the Young Presidents Organization (YPO).

### **Directorship:**

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

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

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

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

### **Mr. Nikhilesh Panchal \*(Resignation on 31st March, 2023)**

Mr. Nikhilesh Panchal (DIN: 00041080) is practicing lawyer and a Solicitor for more than 24 years registered with Bar Council of Maharashtra and Goa, and a registered Solicitor with the Bombay Incorporated Law Society and Law Society of England & Wales, United Kingdom. He is also a registered Patent and Trade Mark Attorney. Mr Nikhilesh Panchal is a partner at M/s. Khaitan & Co.

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

Apart from NRB Industrial Bearings Limited, Mr. Nikhilesh Panchal has and continues to serve as a Director on the Board of Directors of several companies, some of such Companies are Swaraj Engnies Ltd. Mahindra Engnies Steel Company Ltd. etc.

### **Mr. Ashish Chhugani**

Mr. Ashish Chhugani (DIN: 00009654) is a qualified MBA from Duke University and M.Com from Mumbai University and has over 32 years of experience spanning private equity, venture capital, investment banking and commercial banking of which 23 years have been directly in venture capital and private equity banking.

### **Areas of expertise include:**

- a) Private equity & debt / Venture Capital Investments in technology / BPO, financial services, infrastructure & real estate.
- b) Post investment portfolio monitoring, mentoring and support.
- c) Managing and implementing exits.
- d) Fund raising for various investment strategies.

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

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

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

**Directorship:**

Apart from NRB Industrial Bearings Limited, Mr. Ashish Chhugani has served as a Director on the Board of several other companies some of the recent companies are Ignis Capital Advisors Limited and Acron Fund consultant Private limited

**Mr. Samrat Zaveri**

Mr. Samrat Zaveri (DIN: 00374104) is a graduate from HR College of Commerce & Economics (Mumbai University), Diploma in Business Case Study Program from Harvard University, Diploma in Disruptive Thinking from Harvard University and Diploma in Grow Your Business from Harvard University and has over 28 years of experience in Retail, E-commerce & Gem & Jewellery Industry.

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

**Directorship:**

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

- Shaze Luxury Retail Private Limited
- Big Island Trading Private Limited
- TBZ Nirmal Zaveri Private Limited
- Trendsmith (India) Limited

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

The details of attendance of each Director at the Board Meetings held during the Financial Year and the last Annual General Meeting (AGM), along with the number of Companies and Committees where she/he is a Director/ Member/ Chairperson and the relationship between the Directors inter-se, as on March 31, 2023, are given below:

Name	Category	Relation-ship with other Directors	Attendance at the Board Meetings	Attendance at AGM held on August 19, 2022	1No of other Director-ships	Committee position in India	
						Chairman	Member
Mr. Devesh Singh Sahney	Executive-Chairman & Managing Director	Husband of Mrs. Aarti Sahney	4 out of 4	Yes	4	0	1
Mrs. Aarti Devesh Sahney	Non- Executive Non Independent Director	Wife of Mr. Devesh Sahney	4 out of 4	Yes	1	0	0
Mr. Nikhilesh Panchal	Independent Director	None	3 out of 4	Yes	6	2	5
Mr. Ashish Chhugani	Independent Director	None	4 out of 4	Yes	0	1	1
Mr. Samrat Zaveri	Independent Director	None	4 out of 4	No	4	1	1

<sup>1</sup>Aforesaid directorships do not include directorship held in foreign companies and companies incorporated under Section 8 of the Companies Act, 2013.

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

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

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

\*Resignation of Mr. Nikhilesh Panchal as Independent Director on 31st March, 2023

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

4 (Four) Board Meetings were held during the financial year 2022-23 on May 24, 2022, August 5, 2022, November 10, 2022, February 9, 2023, and the gap between two consecutive board meetings did not exceed one hundred and twenty days.

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

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

The Board recommends the above re-appointments for approval of the Shareholders at the ensuing AGM. The detailed profiles of the Ms. Aarti Sahney (DIN: 08579914) including particulars of his experience, skills or attributes are provided in the Notice convening the AGM.

**1.6. Familiarization program:**

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

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

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

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

Sr. No.	List of skills/ expertise/ competence	Availability of the core skills/ expertise/ competence as on March 31, 2023
1.	Knowledge of the Bearing Industry	✓
2.	Sales and Marketing Functions	✓
3.	Business Strategy Function	✓
4.	Planning and Sourcing	✓
5.	Risk Management	✓
6.	Finance, Accounting and Costing	✓
7.	Legal and Regulatory compliance	✓
8.	Corporate Governance	✓
9.	Human Resource Management	✓
10.	Risk Mitigation Planning and Management	✓

As on March 31, 2023, all the Directors of the Company are having the aforesaid requisite core skills, expertise and competences.

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

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

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

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

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

A separate meeting of the Independent Directors of the Company was held on August 5th, 2022 as per Schedule IV of the Act and Regulation 25 of the Listing Regulations, to review the performance of all Non-Independent Directors, the Board as a whole and the performance of the Chairperson of the Company taking into account the views of other executive and non-executive directors. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and its Committees towards effective and reasonable performance and discharge of their duties. All the Independent Directors have participated in the Meeting.

## **2 Audit Committee:**

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

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

The Audit Committee comprised of Mr. Ashish Chhugani (Chairman), Mr. Devesh Singh Sahney, Mr. Nikhilesh Panchal and Mr. Samrat Zaveri as members. Mr. Ashish Chhugani was present at the Annual General Meeting held on August 19, 2022.

During the financial year 2022-23, the Audit Committee met 4 (four) times on May 24, 2022, August 5, 2022, November 10, 2022, February 9, 2023. The gap between two consecutive meetings did not exceed 120 (one hundred and twenty) days.

The attendance details are given below:

<b>Name of the Directors</b>	<b>Category</b>	<b>Designation</b>	<b>No. of meetings attended</b>
Mr. Ashish Chhugani	Non-Executive Independent Director	Chairman	4 out of 4
Mr. Devesh Singh Sahney	Executive Director	Member	4 out of 4
Mr. Nikhilesh Panchal*	Non-Executive Independent Director	Member	3 out of 4
Mr. Samrat Zaveri	Non-Executive Independent Director	Member	4 out of 4

\* Mr. Nikhilesh Panchal resigned as an Independent Director on 31st March, 2023

## 2.2. Terms of Reference:

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

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

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

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

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

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

The Nomination and Remuneration Committee (NRC) comprised of Mr. Nikhilesh Panchal (Chairman), Mr. Ashish Chhugani and Mr. Samrat Zaveri as members. Mr. Nikhilesh Panchal was present at the Annual General Meeting held on August 19, 2022.

The Committee met 4 (four) times during the year on May 24, 2022, August 5, 2022, November 10, 2022, February 9, 2023 and the attendance details are given below:

<b>Name of the Directors</b>	<b>Category</b>	<b>Designation</b>	<b>No. of meetings attended</b>
Mr. Nikhilesh Panchal *	Non-Executive Independent Director	Chairman	3 out of 4
Mr. Ashish Chhugani	Non-Executive Independent Director	Member	4 out of 4
Mr. Samrat Zaveri	Non-Executive Independent Director	Member	4 out of 4

\*Resignation of Mr. Nikhilesh Panchal as Independent Director on 31st March, 2023.

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

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

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



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

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

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

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

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

**4. Remuneration of Directors:**

Company's Chairman and Managing Director, Mr. Devesh Singh Sahney has received Rs. 1,48,05,881 (Rupees One crore forty-eight lakh five thousand eight hundred and eighty-one) as Managerial Remuneration according to the provisions of Section 197 of the Companies Act, 2013 for the Financial Year ended March 31, 2023.

Details of remuneration paid to other non-executive directors in the form of sitting fees during the financial year 2022-23 are given as under:

Sr. No	Particulars of Remuneration	Name of Directors			Total Amount
	<b>Independent Directors</b>	<b>Mr. Nikhilesh Panchal</b>	<b>Mr. Ashish Chhugani</b>	<b>Mr. Samrat Zaveri</b>	
	Fee for attending board / committee meetings	110000	150000	150000	410000
	Commission	0	0	0	0
	Others, please specify	0	0	0	0
	<b>Total</b>	<b>110000</b>	<b>150000</b>	<b>150000</b>	<b>410000</b>
	<b>Other Non-Executive Directors</b>	<b>Mrs. Aarti Devesh Sahney</b>	NA	NA	
	Fee for attending board / committee meetings	60,000			60000
	Commission	-			0
	Others, please specify	-			0
	<b>Total</b>	<b>60,000</b>			<b>60000</b>

**5. Stakeholders' Relationship Committee:**

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

**5.1. Composition, Meeting and Attendance:**

The Stakeholders' Relationship Committee comprised of Mr. Samrat Zaveri (Chairman), Mr. Nikhilesh Panchal and Mr. Ashish Chhugani as members. Mr. Samrat Zaveri took a leave of absence from attending Annual General Meeting held on 19th August, 2022

During the year under review, the Stakeholders' Relationship Committee met 02 (two) times on May 24, 2022 and August 5, 2022

Name of the Directors	Category	Designation	No. of meetings attended
Mr. Samrat Zaveri	Non-Executive Independent Director	Chairman	2 out of 2
Mr. Nikhilesh Panchal*	Non-Executive Independent Director	Member	1 out of 2
Mr. Ashish Chhugani	Non-Executive Independent Director	Member	2 out of 2

\*Mr. Nikhilesh Panchal resigned as Independent Director on 31st March, 2023

### 5.2. Terms of Reference:

The terms of reference of the Committee are:

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

### 5.3. Compliance Officer:

Name and Designation of the Compliance Officer	*Mrs. Vandana Yadav - Company Secretary
Address	15, Dhannur, Sir P. M. Road, Fort, Mumbai - 400001
Telephone Number	022-45417500
E-mail	investorcare@nibl.in

### 5.4. Details of Shareholders' Complaints

Details of investor complaints received and resolved during the year ended March 31, 2023 are as follows:

Complaints Pending as on 01/04/2022	Complaints Received during the year	Complaints Resolved during the year	Complaints Pending as on 31/03/2023
Nil	Nil	Nil	Nil

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

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

Financial Year	AGM	Date	Time	Venue
2021-22	11th	August 19, 2022	02.00 PM	Video Conferencing
2020-21	10th	August 21, 2021	02.00 PM	Video conferencing
2019-20	9th	August 4, 2020	02.00 PM	Video conferencing

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

AGM	Date of AGM	Special Resolution
11th	August 19th , 2022	<p>Resolution No. 3: Approve Re- appointment of Mr. Devesh Singh Sahney (DIN: 00003956) as Managing Director, liable to retire by rotation</p> <p>Resolution No. 4: Approval of the Remuneration of Mr. Devesh Singh Sahney (DIN: 00003956), Chairman and Managing Director of the Company for the period from October 01, 2022 to September 30, 2025.</p> <p>Resolution No. 5: Consider and Approve for making Investments, Granting Loans, Giving Guarantees, Providing Securities in excess of limits specified under Section 186 of the Companies Act, 2013</p>
10th	August 21st, 2021	<p>Resolution No. 3: Appointment of Mr. Samrat Zaveri (DIN: 00374104) as an Independent Director of the Company.</p> <p>Resolution No. 4: Approval of the Remuneration of Mr. Devesh Singh Sahney (DIN: 00003956), Chairman and Managing Director of the Company for the period from October 01, 2021 to September 30, 2022.</p> <p>Resolution No. 5: Approval of Commission to Non-Executive Directors of the Company.</p>
9th	August 4th , 2020	<p>Resolution No. 4: appointment of Mr. Ashish Chhugani (din: 00009654) as an independent director for a second term of five years.</p>

### 6.3. Postal Ballot:

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

- i. To increase the Authorized Capital of the Company and amend the Memorandum of Association of the Company by way of ordinary resolution
- ii. To approve material related party transactions with NRB-IBC Bearings Private Limited pursuant to Section 188 of the Companies Act, 2013 by way of ordinary resolution
- iii. To consider and approve a related party transaction pursuant to Section 188 of the Companies Act, 2013 by way of ordinary resolution
- iv. To consider and approve to advance any loan including any loan represented by a book debt, or give any guarantee or provide any security pursuant to Section 185 of the Companies Act, 2013 by way of special resolution.
- v. To consider and approve to pledge, mortgage, hypothecate and/or charge all or any part of the moveable or immovable properties of the Company pursuant to Section 180 1(a) of the Companies Act, 2013 by way of special resolution.

\*The special resolution by way of postal ballot dated 9th February, 2022 for approval to pledge, mortgage, hypothecate and /or change all or any part of the moveable or immovable properties of the Company pursuant to Section 180 1(a) of the Companies Act, 2013, had not been passed by shareholders.

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

Sr. No.	Resolutions	Type of Resolution	Votes in favour (in No.)	Votes in favour (in %)	Votes casted against (In No.)	Votes casted against (in %)
1.	To increase the Authorized Capital of the Company and amend the Memorandum of Association of the Company	Ordinary Resolution	27,57,157	54.07%	23,42,156	45.93%
2.	To Approve material Related Party Transaction with NRB-IBC Bearings Private Limited Pursuant to Section 188 of the Companies Act, 2013	Ordinary Resolution	7,11,136	97.96%	14,800	2.04%
3.	To Consider and approve a Related Party Transaction Pursuant to Section 188 of the Companies Act, 2013	Ordinary Resolution	7,10,886	97.93%	15,050	2.07%
4.	To consider and approve to advance any loan including any loan represented by a book debt or give any guarantee or provide any security pursuant to Section 185 of the Companies Ac,2013	Special Resolution	7,22,666	99.76%	1,720	0.24%
5.	To consider and approve to pledge, mortgage, hypothecate and /or change all or any part of the moveable or immoveable properties of the Company pursuant to Section 180 1(a) of the Companies Act, 2013	Special Resolution	27,56,675	54.06%	23,42,638	45.94%

**6.5. Procedure of Postal Ballot:**

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

- i. The Company had appointed Mr. Sanjog Naravankar, (Membership No. A37746) proprietor of M/s. SVN & Associates, Practicing Company Secretary, as the scrutinizer to conduct the postal ballot voting process in a fair and transparent manner.
- ii. The Company had appointed Central Depository Services (India) Limited (CDSL) as the Service Provider, for the facility of electronic voting to the shareholders of the company.
- iii. The Company has completed the dispatch of notice of postal ballot along with ballot form electronically on February 15, 2023 to its members whose names appeared on Register of Members/ List of Beneficiaries as at the close of business hours on February 15, 2023.
- iv. The voting period for postal ballot began on February 17, 2023 and concluded on March 18, 2023.
- v. The scrutinizer declared the voting result of postal ballot on March 20, 2023.
- vi. The detail voting results of the postal ballot is available on the website of the Company at [www.nrbindustrialbearings.com](http://www.nrbindustrialbearings.com).

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

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

**7. Means of Communication:**

The quarterly and annual results are generally published in English newspaper in Free Press Journal and in Marathi newspaper in Navshakti respectively and are simultaneously posted on the Company's website at [www.nrbindustrialbearings.com](http://www.nrbindustrialbearings.com) and are also sent to the BSE Limited and National Stock Exchange of India Limited. The

Annual Report of the Company is also available on the website of the Company in a user friendly and downloadable form. No presentations were made to the institutional investors and to the analysts during the FY 2022-23.

## 8. General Shareholder Information:

### 8.1. 12th Annual General Meeting:

Date	Time	Venue
8th August, 2023	2.00 pm	Through Video Conferencing

### 8.2. Financial Calendar:

Financial Year : April 1 to March 31

Adoption of Quarterly Results :

For the quarter ended	
June 30, 2023	: On or before August 14, 2023
September 30, 2023	: On or before November 14, 2023
December 31, 2023	: On or before February 14, 2024
March 31, 2024	: On or before May 30, 2024

**8.3. Book closure dates:** The Register of Members and Share Transfer Book shall remain close from Wednesday 2nd August 2023 to Tuesday 8th August, 2023 (both days inclusive).

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

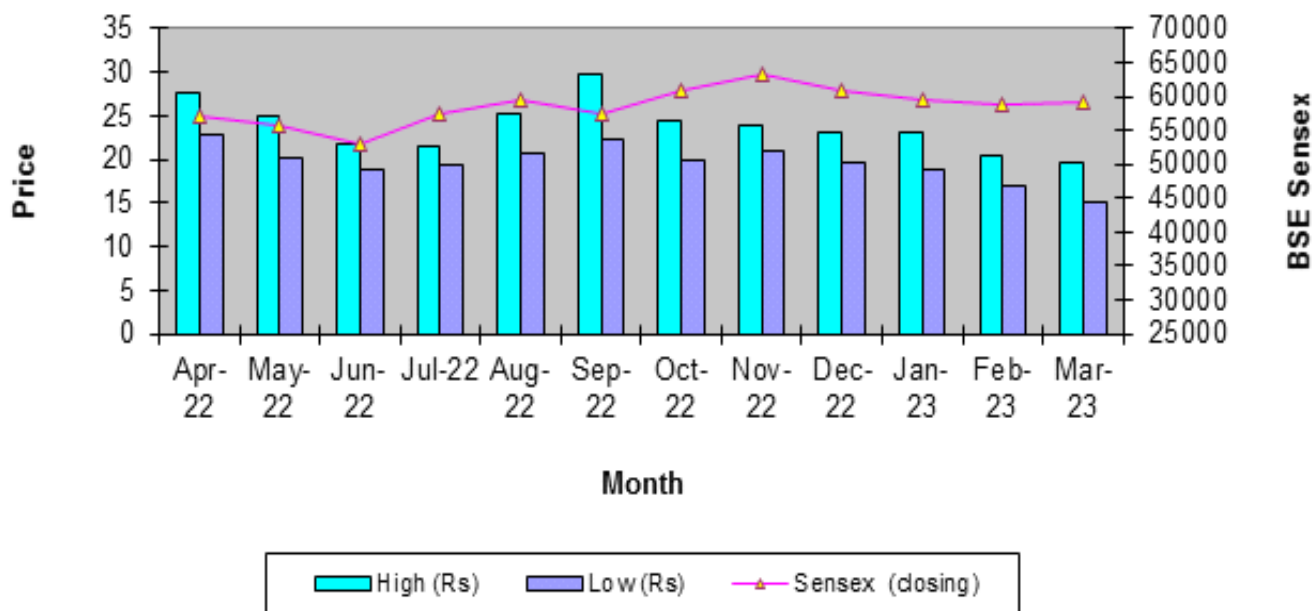
Name and address of the Stock Exchanges	Stock Code/ID
BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai Samachar Marg, Mumbai, Maharashtra – 400001	535458
National Stock Exchange of India Limited Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra East, Mumbai, Maharashtra 400051	NIBL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

The Company has paid Annual Listing fees to the Stock Exchanges for the year 2022-23.

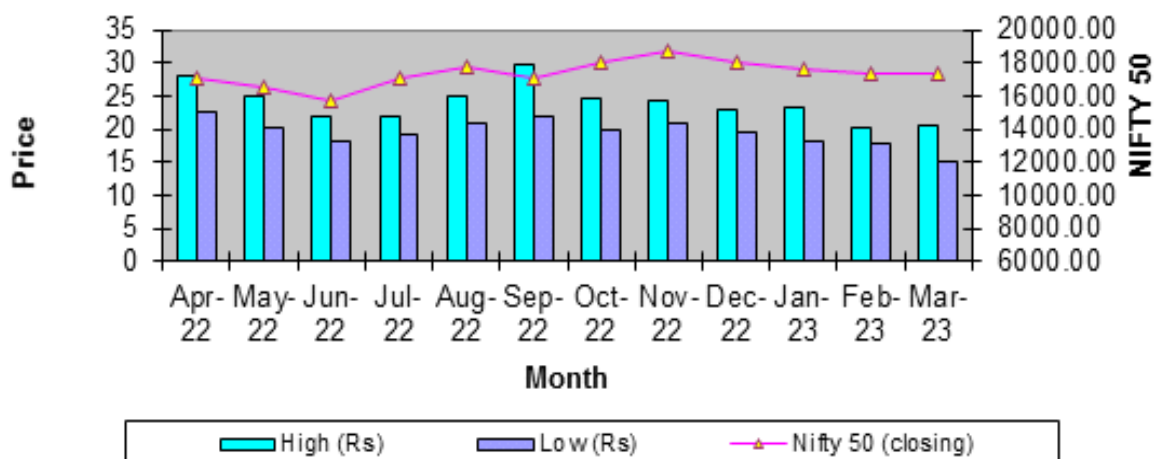
### 8.5. Stock Market Data and their Performance v/s S&P BSE Sensex and CNX Nifty

Month	BSE Limited			Month	National Stock Exchange of India Limited		
	High (Rs)	Low (Rs)	Sensex (Closing)		High (Rs)	Low (Rs)	Nifty 500 (Closing)
Apr-22	27.7	22.7	57060.87	Apr-22	28.2	22.5	17102.55
May-22	25	20.25	55566.41	May-22	25.15	20.3	16584.55
Jun-22	21.85	18.7	53018.94	Jun-22	21.8	18.25	15780.25
Jul-22	21.6	19.3	57570.25	Jul-22	22.10	19.25	17158.25
Aug-22	25.15	20.7	59537.07	Aug-22	25.05	20.80	17759.30
Sep-22	29.85	22.2	57426.92	Sep-22	29.90	22.10	17094.35
Oct-22	24.4	20	60746.59	Oct-22	24.7	20.00	18012.20
Nov-22	23.9	21	63099.65	Nov-22	24.3	20.75	18758.35
Dec-22	23	19.7	60840.74	Dec-22	23	19.65	18105.30
Jan-23	23.1	18.7	59549.9	Jan-23	23.25	18.2	17662.15
Feb-23	20.45	17	58962.12	Feb-23	20.30	18	17303.95
Mar-23	19.59	15.05	58991.52	Mar-23	20.5	15.05	17359.75

**Price v/s BSE Sensex**



**Price v/s Nifty 50**



**8.6. Distribution of shareholding as on March 31, 2023:**

Slab of Shareholding	No. of Shareholders	No. of Shares	% of Shares
1 – 500	8666	913664	3.77
501 – 1000	550	458313	1.89
1001 – 2000	289	442383	1.83
2001 – 3000	111	285059	1.18
3001 – 4000	63	223668	0.92
4001 – 5000	45	210619	0.87
5001 – 10000	74	537748	2.22
10001 and above	90	21159124	87.3
<b>Total</b>	<b>9888</b>	<b>24230650</b>	<b>100</b>

**8.7. Shareholding Pattern as on March 31, 2023:**

Category	No. of Shares Held	Percentage
<b>Promoter &amp; Promoters Group</b>		
Individuals	6058478	25.00
Individuals (NRI)	2340906	9.66
Trust	94,38,910	38.95
<b>Institutions</b>		
Mutual Funds	1,750	0.01
<b>Non-Institutions</b>		
Individuals	5485819	22.65
Others	904787	3.73
<b>Total</b>	<b>2,42,30,650</b>	<b>100.00</b>

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

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

C 101, 247 Park, LBS Road, Vikhroli West, Mumbai – 400083.  
 Tel.: +91 22 28207203-05, 49186178-79

**8.9. Shares Transfer System:**

99.59% of the equity shares of the Company are in electronic form. Transfers of these shares are done through depositories with no involvement of the Company. As regards transfer of shares held in physical form the transfer documents could be lodged with Universal Capital Securities Private Limited, C 101, 247 Park, LBS Road, Vikhroli West, Mumbai -400 083, Tel.: +91 22 28207203-05, 49186178-79, Fax: +91 22 28207207

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

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

As on March 31, 2023, 2,41,27,421 Equity Shares representing 99.59% of the Company's paid-up Equity Share Capital have been dematerialized. Trading in Equity Shares of the Company on Stock Exchanges is permitted only in dematerialized form as per notification issued by SEBI. Shareholders seeking demat/ remat of their shares need to approach their Depository Participants (DP) with whom they maintain a demat account. The DP will generate an electronic request and will send the physical share certificates to the Share Transfer Agent of the Company. Upon receipt of the request and share certificates, the Share Transfer Agent will verify the same. Upon verification, the Share Transfer Agent will request National Securities Depository Limited (NSDL) / Central Depository Services (India) Limited (CDSL) to confirm the demat request. The demat account of the respective shareholder will be credited with equivalent number of shares. In case of rejection of the request, the same shall be communicated to the shareholder.

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

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

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

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

During the year 2022-23, the Company had managed the foreign exchange risk and hedged to the extent considered necessary. The details of foreign currency exposure are disclosed in Notes to the Annual Accounts.

### **8.13. Plant Location:**

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

### **8.14. Address for Correspondence:**

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

## **9. Disclosures:**

### **9.1. Materially significant related party transactions**

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

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

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

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

The Company has adopted a Vigil Mechanism/ Whistle Blower Policy for Directors and employees to report genuine concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct and to



provide for adequate safeguards against victimization of persons who may use such mechanism. The said policy is hosted on the website of the Company [www.nrbindustrialbearings.com](http://www.nrbindustrialbearings.com). The mechanism provides for addressing the complaints to Audit Committee and direct access to the Chairperson of the Audit Committee in exceptional circumstances. Further no personnel have been denied access to the Chairman of the Audit Committee.

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

As per the Regulation 15 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the corporate governance provisions mentioned in regulations 17, 17A, 18, 19, 20, 21, 22, 23, 24, 24A, 25, 26, 27 and clauses (b) to (i) and (t) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V Para C of Schedule V are not applicable to the Company based on the paid up equity share capital and net worth criteria of the Company. However, the Company is complying with most of the Corporate Governance requirements on voluntary basis as a good secretarial practice and to create long term shareholder's value and enhances interest of other stakeholders. In addition to the above the Company has complied with the following on-mandatory requirements:

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

#### 9.5. Subsidiary Company

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

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

The Company did not raise any funds through preferential allotment or qualified institutions placement during the Financial Year 2022-23.

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

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

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

Total fees paid to Deloitte Haskins & Sells

Sr. No.	Particulars	Fees (In Lakhs)
1.	Audit, review of unaudited quarterly results and Audit of Consolidated Financials Statements and regulatory compliances	37.50
2.	Taxation Matter	5.50
4.	Out of Pocket Expenses	0.99
	<b>Total</b>	<b>43.99</b>

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

Number of Complaints filed during the year 2022-23	Number of Complaints disposed-off during year	Number of Complaints Pending as on March 31, 2023
NIL	NIL	NIL

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

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

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

As per the Regulation 15 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the corporate governance provisions mentioned in regulations 17, 17A, 18, 19, 20, 21, 22, 23, 24, 24A, 25, 26, 27 and clauses (b) to (i) and (t) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V Para C of Schedule V are not applicable to the Company based on the paid up equity share capital and net worth criteria of the Company. However, the Company has incorporated the Corporate Governance Report in its Annual Report as a good secretarial practice and to create long term shareholder's value and enhances interest of other stakeholders. NRB Industrial Bearings Limited believes that good governance generates goodwill among business partners, customers and investors and earns respect from society at large.

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

<b>Sr. No.</b>	<b>Particulars</b>	<b>Status</b>
a)	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year i.e. as on April 1, 2023.	Nil
b)	Number of shareholders who approached issuer for transfer of shares from suspense account during the year 2022-2023	Nil

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

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

**Place: Mumbai**

**Date: May 25, 2023**

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

I, Devesh Singh Sahney, Chairman and Managing Director of NRB Industrial Bearings Limited, hereby declare that all the members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct of Board of Directors and Senior Management, for the year ended March 31, 2023.

**Place: Mumbai**

**Date: May 25, 2023**

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

### MD / CFO CERTIFICATION

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

- a) We have reviewed financial statements and the cash flow statement for the financial year ended March 31, 2023 and that to the best of our knowledge and belief, we state that:
  - i. These statements do not contain any materially untrue statements or omit any material fact or contain any statements that might be misleading;
  - ii. These statements together present a true and fair view of the Company’s affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or in violation of the Company’s Code of Conduct.
- c. We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting of the Company and have disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or proposed to take to rectify these deficiencies.
- d. We have indicated to the Auditors and the Audit Committee:
  - i. Significant changes, if any, in internal control over financial reporting during the year;
  - ii. Significant changes in accounting policies during the period and that the same have been disclosed in the notes to the financial statements; and
  - iii. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company’s internal control system over the financial reporting.

**For NRB Industrial Bearings Limited**

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

**Devesh Singh Sahney**  
**Chairman and Managing Director**

**Place: Mumbai**

**Date: May 25, 2023**

**PRACTICING COMPANY SECRETARIES CERTIFICATE TO THE MEMBERS OF NRB INDUSTRIAL BEARINGS LIMITED ON COMPLIANCE OF THE CONDITION OF CORPORATE GOVERNANCE FOR THE YEAR ENDED 31ST MARCH, 2023.**

To  
The Members,  
NRB Industrial Bearings Limited,  
15, Dhannur, Sir P. M. Road, Fort  
Mumbai - 400001 IN

1. We have examined the compliance of conditions of corporate governance by NRB INDUSTRIAL BEARINGS LIMITED (**“the Company”**) for the year ended 31st March 2023, as per Listing Agreement executed by the Company with the BSE Limited (‘BSE’) and the National Stock Exchange of India Limited (‘NSE’) for the period from 1st April, 2022 to 31st March, 2023 as prescribed in regulations 17 to 27, 46 (2) (b) to (i) and para C , D and E of Schedule V of Chapter IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**“LODR”**).
2. We state that the compliance of conditions of Corporate Governance is the responsibility of the management, and our examination was limited to the procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance.
3. It is neither an audit nor an expression of opinion on the financial statements of the Company. In our opinion, and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the LODR.
4. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.
5. This certificate is issued solely for the purposes of complying with the aforesaid Regulations and may not be suitable for any other purpose.

**M No.: 9832**  
**COP No. 12028**

**For AJS Associates**  
**Company Secretaries**

**Date: May 25, 2023**  
**Place: Mumbai**

**Ajit J Sharma**  
**(Proprietor)**  
**UDIN: F009832E000383436**

## INDEPENDENT AUDITOR'S REPORT

To The Members of NRB INDUSTRIAL BEARINGS LIMITED

Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the accompanying standalone financial statements of **NRB Industrial Bearings Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and its loss, total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

### Basis for Opinion

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

### Emphasis of Matter

We draw attention to Note 17A(h) to the standalone financial statements regarding the increase in the authorized share capital of the Company by passing members' resolution through postal ballot and conversion of unsecured interest free loan into 2% Redeemable Cumulative Non-Convertible preference shares to a Promoter shareholder of Rs. 6.50 Crores.

In the event, the said Promoter pursues and is successful in setting aside the Scrutinizer's report then the impact, if any, of the above on the financial statements would depend on any future course of action by either parties in this regard.

Our opinion is not modified in this matter.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Sr. No.	Key Audit Matter	Auditor's Response
1	<b>Inventory - Provision for slow and non-moving inventory of finished goods.</b> <b>The Company is in the business of manufacturing of industrial bearings.</b> <b>Determination of saleability of slow moving and non-moving Finished Goods inventory involves significant management judgment and estimate.</b>	1. We have evaluated the design and tested the implementation of internal controls including operating effectiveness of such internal controls on the management's judgements exercised for provisions made and underlying data, assumption used and record maintained for determination of saleability of slow moving and non-moving finished goods.

Sr. No.	Key Audit Matter	Auditor's Response
	<p>The Company has certain non-moving finished goods inventory as at March 31, 2023 lying at factory. This inventory is physically verified quarterly by the Company. Management applies judgment in determining the appropriate provisions for such slow and non-moving finished goods inventory based upon its detailed analysis of old inventory, net realizable value, quarterly movement of such inventory, its physical condition, future use and sales projections for the said inventory. Accordingly determining the saleability of such slow / non-moving inventory and consequently, the amount of provision required for such inventory requires the Company to make significant judgment and estimates and therefore has been considered as a key audit matter.</p> <p>Refer to Note 2(f) and 11 of the standalone financial statements for the above matter.</p>	<p>2. We have evaluated the design and tested the implementation and operating effectiveness of review controls on the reasonableness of sales projections for the slow-moving Finished Goods inventory.</p> <p>3. We have performed audit procedures directly on the information (such as inventory ageing report amongst others) which is being relied upon by the management. This includes agreeing summary information to underlying data and tracing a selection of information from the entity's underlying data into the information as well as identifying and obtaining audit evidence to support the key assumptions underlying the estimate.</p> <p>4. We have observed physical verification of inventory conducted by the Company during the year and on a test check basis, verified the samples of provisions made with basis, assumptions, approval and supporting documents used by the management.</p>

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

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report including annexures to the Director's Report, Management's Discussion and Analysis Report and Corporate Governance Report but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon
- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

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

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

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

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

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

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

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

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

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

1. As required by Section 143(3) of the Act, based on our audit, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to standalone financial statements.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements - Refer Note 33(ii) to the standalone financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv. (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the note 43(iii) to the financial statements no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - (b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the note 43(iv) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.



- (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The Company has not declared or paid any dividend during the year and has not proposed final dividend for the year.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company w.e.f. April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.
2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

**Kedar Raje**  
**Partner**  
**(Membership No. 102637)**  
**(UDIN: 23102637BGXUTE2513)**

**Place: Mumbai**  
**Date: May 25, 2023**

### **ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT**

(Referred to in paragraph 1 (f) under ‘Report on Other Legal and Regulatory Requirements’ of our report of even date to the members of **NRB Industrial Bearings Limited** on the standalone financial statements for the year ended March 31, 2023)

#### **Report on the Internal Financial Controls with reference to standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls with reference to standalone financial statements of **NRB Industrial Bearings Limited** (“the Company”) as of March 31, 2023 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

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

The Company’s management is responsible for establishing and maintaining internal financial controls with reference to standalone financial statements based on the internal control 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 issued by the Institute of Chartered Accountants of India”. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to standalone financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. 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 was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls with reference to standalone financial statements .

#### **Meaning of Internal Financial Controls with reference to standalone financial statements**

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

**Inherent Limitations of Internal Financial Controls with reference to standalone financial statements**

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 control 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**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2023, based on the criteria for internal financial control with reference to standalone financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**Kedar Raje**  
**Partner**  
**(Membership No. 102637)**  
**(UDIN: 23102637BGXUTE2513)**

**Place: Mumbai**  
**Date: May 25, 2023**

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

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of **NRB Industrial Bearings Limited** on the standalone financial statements for the year ended March 31, 2023)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

#### **(i) Property, plant and equipment and Intangible assets:**

(a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment, capital work in progress and relevant details of right-of-use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a program of verification of property, plant and equipment so to cover all the items once every three years, which, in our opinion, is reasonable having regards to the size of the Company and the nature of its assets. In accordance with the programme all the items of property, plant and equipment were physically verified during the previous period.

(c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered title deed provided to us, we report that the title deed of the flat is held in the name of the Company as at the balance sheet date.

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

(d) The Company has not revalued any of its property, plant and equipment (including right-of-use assets) and intangible assets during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

#### **(ii) Inventories:**

(a) The inventories except for goods-in-transit and stocks held with third parties were physically verified during the year by the Management at reasonable intervals. In our opinion and based on information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. For stocks held with third parties at the year-end, written confirmations have been obtained and in respect of goods in transit, the goods have been received subsequent to the year end. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories/alternate procedures performed as applicable, when compared with the books of account.

(b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, at points of time during the year, from bank on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns or statements comprising stock statements and book debt statements filed by the Company with such bank are in agreement with the unaudited books of account of the Company of the respective quarters and no material discrepancies have been observed.

#### **(iii) Loans, Investments etc:**

(a) The Company stood guarantee during the year and details of which are given below:

(Rs. in Lakhs)

<b>Sr. No.</b>	<b>Particulars</b>	<b>Guarantees and Security given</b>
A.	Aggregate amount granted / provided during the year:	
	- Associates	675.00
B.	Balance outstanding as at balance sheet date in respect of above cases:	
	- Associates	675.00

The Company has not made any investments in, or security, and granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year other than those reported above.

- (b) The guarantees provided and security given and the terms and conditions of guarantees provided, during the year are, in our opinion, prima facie, not prejudicial to the Company's interest.
- (c) The Company has not provided any loans nor advances in the nature of loans during the year hence, reporting under clause iii (c), (d), (e) and (f) of the Order is not applicable

**(iv) Section 185 and 186:**

The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.

**(v) Public Deposits:**

The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.

**(vi) Cost Records:**

The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained by the Company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

**(vii) Statutory dues:**

According to the information and explanations given to us, in respect of statutory dues:

- (a) Undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, duty of Custom, Cess and other material statutory dues applicable to the Company have generally been regularly deposited by it with the appropriate authorities though there has been a delay in respect of remittance of Income tax and Profession tax dues.

There were no undisputed amounts payable in respect of Goods and Services tax, Provident Fund, Employees' State Insurance, Income-tax, duty of Custom, Cess and other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.

- (b) Details of statutory dues referred in sub-clause (a) above which have not been deposited on account of disputes as on March 31, 2023 are given below

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved (Rs.in Lakhs)	Amount Unpaid (Rs.in Lakhs)
Central Excise Act	Assessment Dues	Commissioner (Appeals)- Central Excise	FY 2014-15 to 2017-18	207.61	193.38

**(viii) Undisclosed Income:**

There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income-tax Act, 1961 (43 of 1961) during the year.

**(ix) Borrowings:**

- (a) Loans amounting to Rs. 3,684.15 Lakhs outstanding as at March 31, 2023 are repayable on demand and terms and

conditions for payment of interest thereon have not been stipulated. According to the information and explanations given to us, such loans and interest thereon have not been demanded for repayment during the financial year. In our opinion, the Company has not defaulted in the repayment of loans or in the payment of interest thereon during the year.

In our opinion other than mentioned above, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) To the best of our knowledge and belief, in our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) The Company has not made any investment in or given any new loan or advances to any of its associates during the year and hence, reporting under clause (ix)(e) of the Order is not applicable.
- (f) The Company has not raised loans during the year on the pledge of securities held in its associate companies.

**(x) Issue of securities:**

- (a) The Company has not issued any of its securities (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us, the Company has made private placement of shares during the year under review.

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

- a) the requirement of Section 42 of the Companies Act, 2013, as applicable, have been complied with; and
- b) the amounts raised have been applied by the Company during the year for the purposes for which the funds were raised. Also refer Emphasis of Matter section of our audit report.

**(xi) Fraud:**

- (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year.

**(xii) Nidhi company:**

The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

**(xiii) Related parties:**

In our opinion, the Company is in compliance with section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

**(xiv) Internal audit:**

- (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports issued to the Company during the year and covering the period upto March 31, 2023 for the period under audit.

**(xv) Non-cash transactions:**

In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

**(xvi) 45-IA:**

(a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.

(b) The Group does not have any CIC as part of the group and accordingly reporting under clause (xvi)(d) of the Order is not applicable.

**(xv) Cash loss:**

The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.

**(xvi) Resignation of statutory auditors:**

There has been no resignation of the statutory auditors of the Company during the year.

**(xvii) Ability to pay liabilities:**

On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

**(xviii) CSR unspent amount:**

The Company was not having net worth of Rs. 500 Crore or more, or turnover of Rs. 1,000 Crore or more or a net profit of Rs. 5 Crore or more during the immediately preceding financial year and hence, provisions of Section 135 of the Act are not applicable to the Company during the year. Accordingly, reporting under clause 3(xx)(a) and (b) of the Order is not applicable for the year.

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

**Kedar Raje  
Partner  
(Membership No. 102637)  
(UDIN: 23102637BGXUTE2513)**

**Place: Mumbai  
Date: May 25, 2023**

## BALANCE SHEET AS ON MARCH 31, 2023

(Rs. in lakhs)

Particulars		Notes	As at March 31, 2023	As at March 31, 2022
<b>A</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non-current assets</b>			
	(a) Property, plant and equipment	5	5,790.92	6,625.85
	(b) Right-of-use assets		692.41	700.59
	(c) Capital work-in-progress	7	264.72	264.72
	(d) Other Intangible assets	6	-	1.05
	(e) Financial assets			
	(i) Investments			
	(a) Investments in associates	8	525.00	525.00
	(ii) Trade Receivables	12	155.02	146.82
	(iii) Other financial assets	9	31.90	11.90
	(f) Non- Current tax assets (Net)	14	49.03	36.31
	(g) Other non-current assets	10	154.65	58.73
	<b>Total non - current assets</b>		<b>7,663.65</b>	<b>8,370.97</b>
<b>2</b>	<b>Current assets</b>			
	(a) Inventories	11	2,496.06	2,112.40
	(b) Financial Assets			
	(i) Trade receivables	12	1,890.94	1,695.63
	(ii) Cash and cash equivalents	13A	16.46	584.11
	(iii) Bank balances other than (ii) above	13B	45.45	5.45
	(iv) Other financial assets	9	25.65	8.63
	(c) Current tax assets (Net)	14	-	-
	(d) Other current assets	10	200.65	157.33
	<b>Total current assets</b>		<b>4,675.21</b>	<b>4,563.55</b>
	<b>Total assets (1+2)</b>		<b>12,338.86</b>	<b>12,934.52</b>
<b>B</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>Equity</b>			
	(a) Equity Share capital	15	484.61	484.61
	(b) Other Equity	16	(1,837.07)	(913.84)
	<b>Total equity</b>		<b>(1,352.46)</b>	<b>(429.23)</b>
	<b>Liabilities</b>			
<b>2</b>	<b>Non-current liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings	17A	5,870.63	5,403.59
	(ii) Trade payables			
	a) Total outstanding dues of Micro Enterprises and Small Enterprises		-	-
	b) Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	18	90.33	85.34
	(ii) Other financial liabilities	19	-	-
	(b) Deferred tax liabilities (Net)	15A	-	-
	(c) Provisions	21	37.82	28.65
	<b>Total non - current liabilities</b>		<b>5,998.78</b>	<b>5,517.58</b>
<b>3</b>	<b>Current liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings	17B	5,324.52	6,013.78
	(ii) Trade payables			
	a) Total outstanding dues of Micro Enterprises and Small Enterprises		-	-
	b) Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	18	2,239.76	1,684.44
	(iii) Other financial liabilities	19	1.87	-
	(b) Other current liabilities	20	105.60	92.61
	(c) Provisions	21	20.79	55.34
	<b>Total current liabilities</b>		<b>7,692.54</b>	<b>7,846.17</b>
	<b>Total liabilities (2+3)</b>		<b>13,691.32</b>	<b>13,363.75</b>
	<b>Total equity and liabilities (1+2+3)</b>		<b>12,338.86</b>	<b>12,934.52</b>

See accompanying notes to the financial statements

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

For and on behalf of the Board of Directors

D. S. Sahney  
Chairman and Managing Director

Gulestan Kolah  
Chief Financial Officer

Vandana Yadav  
Company Secretary

Kedar Raje  
Partner

Place : Mumbai  
Date : May 25, 2023

Place : Mumbai  
Date : May 25, 2023



## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023

(Rs. in lakhs)

	Particulars	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
I	Revenue from operations	22	8,072.74	6,944.31
II	Other income	23	182.40	128.35
III	<b>Total Income (I + II)</b>		<b>8,255.14</b>	<b>7,072.66</b>
IV	<b>Expenses</b>			
	Cost of materials consumed	24	3,616.14	2,783.15
	Changes in inventories of finished goods and work-in-progress	25	(217.13)	8.74
	Employee benefits expense	26	1,760.79	1,593.48
	Finance costs	27	965.77	783.31
	Depreciation and amortisation expense	28	928.78	911.15
	Other expenses	29	2,512.98	1,975.14
	<b>Total expenses (IV)</b>		<b>9,567.33</b>	<b>8,054.97</b>
V	<b>Loss before tax (III - IV)</b>		<b>(1,312.19)</b>	<b>(982.31)</b>
VI	<b>Tax Expense</b>			
	(1) Current tax		-	-
	(2) Deferred tax		-	-
	<b>Total tax expense</b>		<b>-</b>	<b>-</b>
VII	<b>Loss for the year (V - VI)</b>		<b>(1,312.19)</b>	<b>(982.31)</b>
	<b>Other comprehensive income</b>			
A	(i) Items that will not be reclassified to profit or loss			
	(a) Remeasurements of the defined benefit plans		30.99	17.07
	(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
VIII	<b>Total other comprehensive income (A (i-ii))</b>		<b>30.99</b>	<b>17.07</b>
IX	<b>Total comprehensive income for the year (VII-VIII)</b>		<b>(1,343.18)</b>	<b>(999.38)</b>
X	<b>Earnings per equity share</b>	31		
	(1) Basic (in Rs.)		(5.42)	(4.05)
	(2) Diluted (in Rs.)		(5.42)	(4.05)

See accompanying notes to the financial statements

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

For and on behalf of the Board of Directors

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

**Kedar Raje**  
Partner

**Gulestan Kolah**  
Chief Financial Officer

**Vandana Yadav**  
Company Secretary

Place : Mumbai  
Date : May 25, 2023

Place : Mumbai  
Date : May 25, 2023

### **STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2023**

(Rs. in lakhs)

<b>Particulars</b>	<b>For the year ended March 31, 2023</b>	<b>For the year ended March 31, 2022</b>
<b>Cash flows from operating activities</b>		
Profit after tax	(1,312.19)	(982.31)
Adjustments for:		
Finance costs	965.77	783.31
Allowance for doubtful debts	33.78	57.39
Bad debts / advances written off	8.40	-
Depreciation and amortisation expense	928.78	911.15
Loss on sale of Property, Plant & equipment	-	17.09
Liability no longer payable required written back	(26.59)	(22.48)
Interest Income	(1.02)	(8.20)
Foreign exchange loss/ (gain) unrealised	(64.97)	(38.87)
Operating profit before working capital changes	531.96	717.08
<b>Movements in working capital:</b>		
(Increase)/ decrease in trade receivables	(173.02)	(212.12)
(Increase)/decrease in inventories	(383.66)	68.50
(Increase)/decrease in other current assets	(43.32)	(33.44)
(Increase)/decrease in non current assets	(50.26)	(1.88)
(Increase)/decrease in other financial assets	(38.78)	(11.21)
Increase/(decrease) in trade payables	579.49	(459.72)
Increase/(decrease) in provisions	(56.38)	(4.96)
Increase/(decrease) in other liabilities	21.69	(147.94)
Cash generated from operations	387.72	(85.68)
Income taxes paid	(12.72)	1.84
<b>Net cash generated by / (used in) operating activities</b>	<b>375.00</b>	<b>(83.85)</b>

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2023

(Rs. in lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment	(139.27)	(230.93)
Proceeds from disposal of property, plant and equipment	-	12.87
Bank Balance not considered for cash and cash equivalents	(40.00)	-
Interest Income	2.79	7.52
<b>Net cash used in investing activities</b>	<b>(176.48)</b>	<b>(210.54)</b>
<b>Cash flows from financing activities</b>		
Proceed from non current borrowings	-	573.02
Repayment of non current borrowings	(364.12)	(532.40)
Proceeds/(repayment) from/of current borrowings(Refer Note 2 below)	(39.26)	660.23
Share Issue expenses paid	(13.30)	-
Interest paid	(349.49)	(242.69)
<b>Net cash generated by / (used in) financing activities</b>	<b>(766.17)</b>	<b>458.16</b>
<b>Net increase in cash and cash equivalents</b>	<b>(567.65)</b>	<b>163.77</b>
Cash and cash equivalents at the beginning of the year (refer Note 13A)	584.11	420.34
<b>Cash and cash equivalents at the end of the year (refer Note 13A)</b>	<b>16.46</b>	<b>584.11</b>

**Note:**

- 1 The above Statement of Cash Flow has been prepared under the "Indirect Method" setout in Ind AS 7 - Statement of Cash Flows.
- 2 The above excludes issue of preference shares Rs. 650.00 lakhs ( for year ended March 31, 2022 - Rs. NIL ) by adjusting against Promoter Director's loan, being non-cash transaction.

**See accompanying notes to the financial statements**

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

For and on behalf of the Board of Directors

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

**Kedar Raje**  
Partner

Place : Mumbai  
Date : May 25, 2023

**Gulestan Kolah**  
Chief Financial Officer

Place : Mumbai  
Date : May 25, 2023

**Vandana Yadav**  
Company Secretary

### Statement of changes in equity for the Year ended March 31, 2023.

#### A) Equity Share Capital

(Rs. in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Balance as at the beginning of the year	484.61	484.61
Changes in equity share capital during the year	-	-
Balance as at the end of the year	<b>484.61</b>	<b>484.61</b>

#### B) Other equity

(Rs. in lakhs)

Particulars	Reserves and Surplus			Total
	Capital reserve	Deemed capital contribution	Retained earnings	
<b>Balance at March 31, 2021</b>	<b>5,700.16</b>	<b>5,486.43</b>	<b>(11,101.05)</b>	<b>85.54</b>
Loss for the year	-	-	(982.31)	(982.31)
Other Comprehensive Income for the year - Remeasurement of net defined benefit obligation (net of taxes)	-	-	(17.07)	(17.07)
Share issue expenses for increase in authorised capital	-	-	-	-
<b>Total Comprehensive Income for the year</b>	<b>-</b>	<b>5,486.43</b>	<b>(999.38)</b>	<b>(913.84)</b>
Recognition of equity component on issue of redeemable preference shares	-	-	-	-
<b>Balance at March 31, 2022</b>	<b>5,700.16</b>	<b>5,486.43</b>	<b>(12,100.43)</b>	<b>(913.84)</b>
Loss for the year	-	-	(1,312.19)	(1,312.19)
Other Comprehensive Income for the year - Remeasurement of net defined benefit obligation (net of taxes)	-	-	(30.99)	(30.99)
<b>Total Comprehensive Income for the year</b>	<b>-</b>	<b>5,486.43</b>	<b>(1,343.18)</b>	<b>(1,343.18)</b>
Share issue expenses for increase in authorised capital	-	-	(13.30)	(13.30)
Recognition of equity component on issue of redeemable preference shares	-	433.25	-	433.25
<b>Balance at March 31, 2023</b>	<b>5,700.16</b>	<b>5,919.68</b>	<b>(13,456.91)</b>	<b>(1,837.07)</b>

See accompanying notes to the financial statements

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

For and on behalf of the Board of Directors

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

**Kedar Raje**  
Partner

**Gulestan Kolah**  
Chief Financial Officer

**Vandana Yadav**  
Company Secretary

Place : Mumbai  
Date : May 25, 2023

Place : Mumbai  
Date : May 25, 2023

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**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

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**1 Corporate information**

NRB Industrial Bearings Limited (the Company) was incorporated on 24th day of February, 2011 as a Private Limited Company under the provisions of the Companies Act, 1956 (the 1956 Act). On the acquisition of equity shares of the Company on 4th November, 2011 by NRB Bearings Limited, a public limited company, the Company in terms of Section 3 (1) (iv) (c) of the 1956 Act became a Public Limited Company and the name of the Company was changed from "NRB Industrial Bearings Private Limited" to "NRB Industrial Bearings Limited".

The Scheme of Arrangement (the Scheme) for the transfer of Industrial Bearings Undertaking of NRB Bearings Limited (NRB) to the Company under section 391 to 394 read with section 100 to 103 of the Companies Act, 1956 was sanctioned by the Hon'ble High Court of Judicature, Bombay on 24th August 2012. The Scheme, which has become operative from 25th September, 2012 upon filing of the certified copies of the Orders of the Hon'ble High Court with the Registrar of Companies became effective from 1st October, 2012 (the Appointed Date). Pursuant to the Scheme, with effect from the Appointed date the Industrial Bearings Undertaking of NRB is transferred and vested in the Company as a going concern, with all its assets, liabilities, properties, rights, benefits and interest therein subject to existing charges thereon.

In terms of the Scheme, in consideration of the transfer and vesting of the Industrial Bearings Undertaking of NRB, in respect of every 4 equity shares of Rs. 2 each, held by the shareholders of NRB, 1 equity share of Rs. 2 each fully paid up aggregating 24,230,650 equity shares have been issued and allotted on 31st October, 2012, to the shareholders of NRB whose names appeared in the Register of Members, as on 25th October, 2012, being the record date.

All the staff, workmen and employees of Industrial Bearings Undertaking of NRB in service as on 1st October, 2012 have become staff, workmen and employees of the Company without any break in their service.

In terms of the Scheme, the Company recorded all the assets and liabilities pertaining to the Industrial Bearings Undertaking, at the respective book values appearing in the books of NRB as on the Appointed Date. The Company credited to its share capital account, the aggregate face value of the equity shares issued by it pursuant to the Scheme. The difference of

Rs. 5,700.16 lakhs between excess of net assets and the amount credited as share capital after adjusting the cancellation of existing share capital of the Company held by NRB has been credited to Capital Reserve. The equity shares allotted have been listed on the Bombay Stock Exchange and the National Stock Exchange on 9th April, 2013.

The Company is engaged in the business of manufacturing and selling of all types of industrial bearings.

The address of its registered office is 2nd floor, Dhannur building, 15, Sir P.M. Road, Fort, Mumbai – 400 001, Maharashtra, India.

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

**2 Significant accounting policies****a. Statement of compliance and Basis of preparation and presentation**

These financial statements are the separate financial statements of the Company prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 read together with the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

All values are rounded off to the nearest lakhs.

The financial statements are presented in Indian currency (INR) which is the Company's functional and presentation currency.

The financial statements were approved for issue by the board of directors on May, 25 2023.

The financial statements have been prepared on an accrual basis under the historical cost convention except for certain financial instruments which have been measured at fair value at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

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Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

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

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

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

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

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

#### **b. Property, plant and equipment**

Property, plant and equipment are stated at cost of acquisition, including any attributable cost for bringing the asset to its working condition for its intended use less accumulated depreciation and less accumulated impairment, if any. Cost includes financing cost relating to borrowed funds attributable to the construction or acquisition of qualifying tangible assets upto the date the assets are ready for use.

An item of property, plant and equipment is derecognised upon disposal or when no future

economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of profit or loss when the asset is derecognized. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Depreciation on tangible property, plant and equipment is calculated on straight line basis based on the useful life in accordance with part C of Schedule II of the Companies Act, 2013 other than the following assets class for which useful life has been determined based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, etc.

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

#### **c. Intangible assets acquired separately**

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

#### **d. Impairment of assets**

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in

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**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

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order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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

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

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

**e. Foreign currencies**

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

**f. Inventories**

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

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

**g. Revenue recognition**

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

Sale of goods

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

Sale of services

Sale of services are recognised at a point in time.

Dividend and interest income

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

Rental income

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

**h. Leasing**

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

### **NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

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#### **The Company as lessor**

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other income'.

#### **The Company as lessee**

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company recognises a right-of-use asset and a lease liability at the lease commencement date except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term. Lease term is a non-cancellable period together with periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option.

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

After the commencement date, the right-of-use asset is measured at cost less any accumulated depreciation and any accumulated impairment losses, and the lease liability is measured by (i) increasing the carrying amount to reflect interest on the lease liability; (ii) reducing the carrying amount to reflect the lease payments made; and (iii) remeasuring the carrying amount to reflect any

reassessment or lease modifications, or to reflect revised in-substance fixed lease payments. Interest on the lease liability in each period during the lease term is the amount that produces a constant periodic rate of interest on the remaining balance of the lease liability. Interest expense on the lease liability is a component of finance costs.

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

The Company has adopted Ind AS 116 using the modified retrospective approach effective April 1, 2019.

The Company has adopted modified retrospective approach where lease liability measured at present value of remaining lease payment discounted at the incremental borrowing rate at the date of initial application and right to use asset is equal to lease liability adjusted by the amount of any prepaid or accrued lease payments. The Company has paid the entire lease premium for the lease hold land as a result of which there is no corresponding Lease liability against the Right-of-Use asset. The nature of expenses in respect of operating leases has changed from lease rent, included in other expenses, in previous year to depreciation cost for the right-to-use asset.

#### **i. Employee benefits**

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

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

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

For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses is reflected immediately in the Balance Sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in the Other Comprehensive Income is reflected immediately in retained earnings and is not reclassified to Statement of Profit or Loss.



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**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

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Past service cost is recognised in Statement of Profit or Loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the defined benefit liability. Defined benefit costs are categorised as follows

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

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

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

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

Short-term and other long-term employee benefits:

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

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

**j. Borrowing costs**

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

use or sale. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in Statement of Profit or Loss in the period in which they are incurred. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan.

**k. Taxes on Income**

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

Current tax

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

Deferred tax

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses could be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would

### **NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

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follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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

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

#### **I. Provisions**

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

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

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

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

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

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

Cash flows are reported using the indirect method, whereby profit/ (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

#### **p. Financial instruments**

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

#### **Financial assets:**

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

#### **Investments in associates**

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

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

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

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

The Company derecognises a financial asset

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**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

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

**Financial liabilities and equity instruments****Classification as debt or equity**

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

**Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all its liabilities. Equity instrument issued by the Company are recognised at the proceeds received, net of direct issue costs. Repurchase of the Company's own equity instrument is recognised and deducted directly in equity. No gain or loss is recognised in the Statement of Profit or Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

**Compound financial instruments**

The component parts of compounded financial instruments (non-convertible preference shares) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of financial liability and an equity instrument.

At the date of issue, the fair value of liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recognised as a liability on an amortised cost basis using the effective interest method until extinguished at the instrument's maturity date.

Equity is determined by deducting the amount of the liability component from the fair value of the compound financial instrument as a whole.

This is recognised and included in equity, and is not subsequently remeasured.

Transaction costs that relate to the issue of the instrument are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the instrument using the effective interest method.

**Financial Liabilities**

All the financial liabilities are subsequently measured at amortised cost using the effective interest method or at fair value through profit or loss, depending on the classification of the financial liabilities.

**Derecognition of financial liabilities:**

The Company derecognises financial liabilities when, and only when, the Company's obligation are discharged, cancelled or have expired. An exchange between the lender of debt instrument with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the term of an existing liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Statement of profit or loss.

**Derivative financial instruments:**

The Company enters into derivative contracts to manage its exposure to foreign exchange rate risk and interest rate risk, including call spread currency option and interest rate swap.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The

### **NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

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resulting gain or loss is recognised in the Statement of Profit or Loss immediately.

#### **3 Use of estimates and judgments**

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses etc. at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are included in the following notes:

Note No.2.b	Property, plant & equipment
Note No.2.c	Intangible assets acquired separately
Note No.2.i	Employee benefits

#### **4 Recent accounting pronouncements**

Ministry of Corporate Affairs (“MCA”) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, the Ministry of Corporate Affairs (MCA) has notified Companies (Indian Accounting Standards) Amendment Rules, 2023. This notification has resulted into amendments in the following existing accounting standards which are applicable to company from April 1, 2023.

- (i) Ind AS 101 – First-time Adoption of Indian Accounting Standards
- (ii) Ind AS 103 – Business Combinations
- (iii) Ind AS 107 – Financial Instruments Disclosures
- (iv) Ind AS 109 – Financial Instruments
- (v) Ind AS 115 – Revenue from Contracts with Customers
- vi. Ind AS 1 – Presentation of Financial Statements
- vii. Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors
- viii. Ind AS 12 – Income Taxes
- ix. Ind AS 34 – Interim Financial Reporting

The Company is in the process of evaluating the impact of the application of above standards on the Company’s standalone financial statements.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

### NOTE 6 - Property, plant and equipment

(Rs. in lakhs)

Description	Cost or deemed cost				Accumulated depreciation and impairment				Net Carrying amount
	Balance As at 01.04.22	Additions	Deductions	Balance As at 31.03.23	Balance As at 01.04.22	For the year	On Deductions/Amortisation	Balance As at 31.03.23	Balance As at 31.03.23
<b>Refer foot note 2</b>									
Buildings									
Own Use	3,407.43 (3,407.43)	-	-	3,407.43 (3,407.43)	1,078.15 (964.89)	113.28 (113.26)	-	1,191.43 (1,078.15)	2,216.00 (2,329.28)
Given under operating lease	307.11 (307.11)	-	-	307.11 (307.11)	93.02 (82.76)	10.26 (10.26)	-	103.28 (93.02)	203.83 (214.11)
	3,714.54 (3,714.54)	-	-	3,714.54 (3,714.54)	1,171.17 (1,047.65)	123.54 (123.52)	-	1,294.71 (1,171.17)	2,419.83 (2,543.37)
Leasehold Improvement	154.51 (154.51)	-	-	154.51 (154.51)	76.24 (63.45)	12.79 (12.79)	-	89.03 (76.24)	65.48 (78.27)
Plant and Machinery									
Own Use	7,303.10 (7,320.25)	71.25 (27.61)	- (44.76)	7,374.35 (7,303.10)	3,903.32 (3,254.57)	678.73 (663.49)	- (14.74)	4,582.05 (3,903.32)	2,792.30 (3,399.78)
Given under operating lease	90.41 (90.41)	-	-	90.41 (90.41)	40.28 (33.57)	6.71 (6.71)	-	46.99 (40.28)	43.42 (50.13)
	7,393.51 (7,410.66)	71.25 (27.61)	- (44.76)	7,464.76 (7,393.51)	3,943.60 (3,288.14)	685.44 (670.20)	- (14.74)	4,629.04 (3,943.60)	2,835.72 (3,449.91)
Furniture and fixtures									
Own Use	255.74 (252.09)	5.78 (3.65)	-	261.52 (255.74)	142.12 (126.05)	16.50 (16.08)	-	158.62 (142.12)	102.90 (113.61)
Given under operating lease	2.50 (2.50)	-	-	2.50 (2.50)	1.51 (1.35)	0.16 (0.16)	-	1.67 (1.51)	0.83 (0.99)
	258.24 (254.59)	5.78 (3.65)	-	264.02 (258.24)	143.63 (127.40)	16.66 (16.24)	-	160.29 (143.64)	103.73 (114.60)
Computers									
Own Use	91.95 (76.07)	5.00 (15.88)	-	96.95 (91.95)	71.16 (66.33)	5.41 (4.83)	-	76.57 (71.16)	20.38 (20.79)
Given under operating lease	0.44 (0.44)	-	-	0.44 (0.44)	0.44 (0.44)	-	-	0.44 (0.44)	-
	92.39 (76.51)	5.00 (15.88)	-	97.39 (92.39)	71.60 (66.77)	5.41 (4.83)	-	77.01 (71.60)	20.38 (20.79)
Office equipments									
Own Use	83.80 (80.69)	2.57 (3.11)	-	86.37 (83.80)	78.81 (75.42)	2.80 (3.39)	-	81.61 (78.81)	4.76 (4.99)
Given under operating lease	0.35 (0.35)	-	-	0.35 (0.35)	0.35 (0.34)	-	-	0.35 (0.35)	-
	84.15 (81.04)	2.57 (3.11)	-	86.72 (84.15)	79.16 (75.36)	2.80 (3.40)	-	81.96 (79.16)	4.76 (4.99)
Electrical installations									
Own Use	558.31 (558.31)	-	-	558.31 (558.31)	393.66 (352.23)	41.43 (41.43)	-	435.09 (393.66)	123.22 (164.65)
Given under operating lease	36.09 (36.09)	-	-	36.09 (36.09)	25.45 (22.77)	2.68 (2.68)	-	28.13 (25.45)	7.96 (10.64)
	594.40 (594.40)	-	-	594.40 (594.40)	419.11 (375.00)	44.10 (44.11)	-	463.21 (419.11)	131.18 (175.29)
Vehicles	303.18 (116.85)	-	-	303.18 (303.18)	64.54 (42.72)	28.79 (21.82)	-	93.33 (64.54)	209.85 (238.64)
<b>Sub Total (A)</b>	<b>12,594.91</b>	<b>84.60</b>	<b>(44.76)</b>	<b>12,679.51</b>	<b>5,969.06</b>	<b>919.53</b>	<b>(14.74)</b>	<b>6,888.59</b>	<b>5,790.92</b>
<b>Sub Total (B)</b>	<b>(12,403.09)</b>	<b>(236.58)</b>	<b>(44.76)</b>	<b>(12,594.91)</b>	<b>(5,086.89)</b>	<b>(896.91)</b>	<b>(14.74)</b>	<b>(5,969.06)</b>	<b>(6,625.85)</b>

**Notes:**

**1. Assets pledged as security**

Loan taken by associate companies NRB - IBC Bearings Private Limited of Rs 475 Lakhs (outstanding as at 31st March, 2023 is Rs 199.95 Lakhs) and NIBL-Korta Engineering Private Limited of Rs. 200 Lakhs (outstanding as at 31st March, 2023 is Rs. 199.95 Lakhs) are secured by a second pari passu charge over immovable property, plant and equipment (buildings), leasehold land of the Company and its movable fixed assets at its factory at Shendra (near Aurangabad).

Refer Note 17A and Note 17B on Borrowings.

**2. Previous year figures are indicated in brackets**

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

### Note 6 : Other Intangible Assets

(Rs. in lakhs)

Particulars	Software (Other than internally generated)
<b>I. Deemed cost</b>	
Balance as at April 1, 2022	57.05
Additions	-
Disposals	-
Balance as at March 31, 2023	57.05
Balance as at April 1, 2021	57.05
Additions	-
Disposals	-
Balance as at March 31, 2022	57.05
<b>II. Accumulated amortisation and impairment</b>	
Balance as at April 1, 2022	56.00
Amortisation expense	1.05
Eliminated on disposal of assets	-
Balance as at March 31, 2023	57.05
Balance as at April 1, 2021	49.97
Amortisation expense	6.03
Eliminated on disposal of assets	-
Balance as at March 31, 2022	56.00
<b>III. Net Carrying amount (I-II)</b>	
Balance as at March 31, 2023	-
Balance as at March 31, 2022	1.05

### Note 7 : Capital Work in Progress

(Rs. in lakhs)

#### Capital Work in Progress Ageing Schedule

Particulars	Amount of Capital Work in Progress for the period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>As at March 31, 2023</b>					
Project in progress	-	-	-	264.72	264.72
<b>Total</b>	-	-	-	264.72	264.72
<b>As at March 31, 2022</b>					
Project in progress	-	-	-	264.72	264.72
<b>Total</b>	-	-	-	264.72	264.72

#### Projectwise Breakup of Capital Work in Progress

Particulars	Amount of Capital Work in Progress for the period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>As at March 31, 2023</b>					
Expansion of Production line	-	-	-	264.72	264.72
<b>Total</b>	-	-	-	264.72	264.72
<b>As at March 31, 2022</b>					
Expansion of Production line	-	-	-	264.72	264.72
<b>Total</b>	-	-	-	264.72	264.72

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

### Note 8 : Investments

(Rs. in lakhs)

Particular	As at March 31, 2023			As at March 31, 2022		
	No. of shares	Amount Current	Amount Non Current	No. of shares	Amount Current	Amount Non Current
<b>A. Investments carried at cost</b>						
<b>Unquoted Investments (fully paid)</b>						
<b>(a) Investments in equity instruments of Associate</b>						
Equity Shares (of Rs. 10 each) in NRB-IBC Bearings Private Limited (NIBC)	4,200,000	-	420.00	4,200,000	-	420.00
Equity Shares (of Rs. 10 each) in NIBL - Korta Engineering Private Limited Limited	1,050,000	-	105.00	1,050,000	-	105.00
<b>Investments carried at cost</b>	<b>5,250,000</b>	<b>-</b>	<b>525.00</b>	<b>5,250,000</b>	<b>-</b>	<b>525.00</b>
<b>Total investments at cost</b>	<b>5,250,000</b>	<b>-</b>	<b>525.00</b>	<b>5,250,000</b>	<b>-</b>	<b>525.00</b>
<b>Aggregate amount of unquoted investments</b>			<b>525.00</b>			<b>525.00</b>
<b>Aggregate amount of impairment in value of investments</b>		<b>-</b>	<b>-</b>		<b>-</b>	<b>-</b>

### Note 9 : Other financial assets/Others

(Rs. in lakhs)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Current	Non-current	Current	Non-current
(a) Interest accrued on fixed deposits	1.87	-	3.63	-
(b) Fixed Deposits with a Bank and Financial Institution	-	-	5.00	-
(c) Receivable from related party ( Refer Note below)	23.78	-	-	-
(d) Security Deposits	-	20.00	-	-
(e) Other financial asset	-	11.90	-	11.90
<b>Total</b>	<b>25.65</b>	<b>31.90</b>	<b>8.63</b>	<b>11.90</b>

### Note: Receivable from related Party include debts due from:

(Rs. in lakhs)

	As at March 31, 2023	As at March 31, 2022
Private company in which directors are directors		
NIBL- Korta Engineering Private Limited (Refer note 37)	23.78	-
<b>Total</b>	<b>23.78</b>	<b>-</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

### Note 10 : Other assets

(Rs. in lakhs)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Current	Non- Current	Current	Non- Current
Security Deposits	-	82.43	-	46.62
Duties/taxes paid under protest	-	14.23	-	-
Capital advances	-	48.58	-	2.71
VAT receivable	20.58	-	20.58	-
Balances with Government Authorities other than Income Taxes.				
GST credit receivables	36.58	-	-	-
Others:				
(a) Export incentives receivable	57.39	-	49.00	-
(b) Advances to employees	5.08	-	9.86	-
(c) Advances to suppliers	31.95	21.50	34.68	21.50
Less: Allowance for doubtful advances	-	(21.50)	-	(21.50)
Prepayments	49.07	9.40	43.21	9.40
<b>Total</b>	<b>200.65</b>	<b>154.65</b>	<b>157.33</b>	<b>58.73</b>

### Note 11 : Inventories

(Rs. in lakhs)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Inventories (lower of cost and net realisable value)			
(a) Raw materials	647.50		566.05	
- Goods in Transit	21.32	668.82	-	566.05
(b) Work-in-progress		614.16		691.28
(c) Finished goods		1,012.17		717.92
(d) Stores and spares		200.91		137.15
<b>Total</b>		<b>2,496.06</b>		<b>2,112.40</b>

#### Notes:

- The cost of inventories recognised as an expense during the year was Rs. 3,934.38 lakhs (for the year ended March 31, 2022: Rs. 3,203.34 lakhs).
- The cost of inventories recognised as an expense includes Rs. 23 Lakhs (during year ended March 31, 2022: Rs. 80 lakhs) in respect of write-downs of inventory to net realisable value and Rs. Nil (during year ended March 31, 2022: Rs. Nil) in respect of the Slow moving Provision. The cost of inventories reduced by Rs. Nil (during year ended March 31, 2022: Rs. 83.41 lakhs) in respect of reversal of write-downs of inventory to net realisable value.
- The mode of valuation of inventories has been stated in note 2 (f).
- Assets pledged as security  
Refer Note 17A and 17B on Borrowings.



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

### Note 12 : Trade receivables

(Rs. in lakhs)

Particulars	As at March 31, 2023				As at March 31, 2022			
	Current		Non Current		Current		Non Current	
(a) Undisputed trade receivables considered good (Refer Note 41)	1,890.94		155.02		1,695.63		146.82	
(b) Undisputed trade receivables, Credit impaired	269.85		-		236.07		-	
	2,160.79		155.02		1,931.70		146.82	
Allowance for expected credit loss	(269.85)	1,890.94	-	155.02	(236.07)	1,695.63	-	146.82
<b>Total</b>		<b>1,890.94</b>		<b>155.02</b>		<b>1,695.63</b>		<b>146.82</b>

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

(Rs. in lakhs)

	As at March 31, 2023	As at March 31, 2022
Private company in which directors are directors		
NIBL- Korta Engineering Private Limited (Refer note 37)	13.36	11.54
NRB IBC Bearings Private Limited (Refer note 37)	1.67	-
	<b>15.03</b>	<b>11.54</b>

Also refer Note 40 - (a)

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

At March 31, 2023 and as at March 31, 2022, the Company had no customer that owed the Company more than 10% of total receivables outstanding.

### Movement in the expected credit loss allowance

(Rs. in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>Balance as at beginning of the year</b>	236.07	178.68
Movement in the expected credit loss allowance on trade receivables calculated at life time expected credit losses.	33.78	57.39
<b>Balance at end of the year</b>	<b>269.85</b>	<b>236.07</b>

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

#### Trade Receivables Ageing

(Rs. in lakhs)

Particulars	As at March 31, 2023							Total
	Unbilled	Not Due	Outstanding for the following period from due date of payments:					
			Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	-	1,087.50	572.88	122.72	36.52	55.27	171.07	2,045.96
Undisputed Trade Receivables – credit impaired	-	-	-	33.78	21.39	50.52	164.16	269.85
Disputed Trade Receivables – considered good	-	-	-	-	-	-	-	-
Disputed Trade Receivables – credit Impaired	-	-	-	-	-	-	-	-
Less: Allowance for credit loss	-	-	-	33.78	21.39	50.52	164.16	269.85
<b>Total Trade Receivables</b>								<b>2,045.96</b>

(Rs. in lakhs)

Particulars	As at March 31, 2022							Total
	Unbilled	Not Due	Outstanding for the following period from due date of payments:					
			Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	-	1,018.66	539.30	99.70	24.96	1.62	158.20	1,842.45
Undisputed Trade Receivables – credit impaired	-	-	-	-	21.39	50.52	164.16	236.07
Disputed Trade Receivables – considered good	-	-	-	-	-	-	-	-
Disputed Trade Receivables – credit Impaired	-	-	-	-	-	-	-	-
Less: Allowance for credit loss	-	-	-	-	21.39	50.52	164.16	236.07
<b>Total Trade Receivables</b>								<b>1,842.45</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

### Note 13 : Cash and Cash equivalents and Other bank balances

(Rs. in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>A. Cash and cash equivalents</b>		
(a) Cash on hand	0.76	0.35
(b) Balances with banks in current accounts	15.70	583.76
<b>Total</b>	<b>16.46</b>	<b>584.11</b>
<b>B. Other bank balances</b>		
Balances with banks in earmarked deposit account (held as security against the sanctioned facility of letter of credit and the bank guarantees to the Company) exceeding three months but less than twelve months	45.45	5.45
<b>Total</b>	<b>45.45</b>	<b>5.45</b>

Also refer Note 40(a)

### Note 14 : Current tax assets and liabilities

(Rs. in lakhs)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Current	Non- Current	Current	Non- Current
<b>Current tax assets</b>				
Tax refund receivable	-	49.03	-	36.31
<b>Total</b>	<b>-</b>	<b>49.03</b>	<b>-</b>	<b>36.31</b>

### Note No. 14A : Current Tax and Deferred Tax

(Rs. in lakhs)

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

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>Current Tax</b>		
In respect of current year	-	-
In respect of previous years	-	-
<b>A</b>	-	-
<b>Deferred Tax</b>		
In respect of current year	-	-
In respect of previous years	-	-
<b>B</b>	-	-
<b>Total Income tax expense recognised in the current year (A+B)</b>	<b>-</b>	<b>-</b>

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

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

(Rs. in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Deferred tax (credit) / charge on:		
Remeasurement of defined benefit obligation	-	-

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

(Rs. in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>(Loss) before tax from continuing operations</b>	<b>(1,312.19)</b>	<b>(982.31)</b>
<b>Current Tax</b>	-	-
Income Tax	-	-
Charge/(credit) in respect of previous years	-	-
Adjusted against unabsorbed Depreciation	-	-
<b>Current Tax Total</b>	-	-
<b>Deferred Tax</b>		
Effect of expenses that are allowable on payment basis	(2.84)	14.97
Depreciation	(6.92)	147.89
Unabsorbed Business Losses	9.76	(162.86)
Exceptional Gain	-	-
Unabsorbed Depreciation	-	-
Others	-	-
Income tax expense recognised In profit or loss from continuing operations	-	-

The tax rate used for the year 2022-23 is 26.00% (25% + health and education cess @ 4% ) and year 2021-22 is 26.00% (25% + health and education cess @ 4% ) and reconciliations payable on taxable profits under the Income Tax Act, 1961.

**Note No. 14B : Current Tax and Deferred Tax**

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

(Rs. in lakhs)

Particulars	For the Year ended March 31, 2023			
	Opening Balance	Recognised in profit and Loss	Recognised in OCI	Closing Balance
<u>Tax effect of items constituting deferred tax assets / (liabilities)</u>				
Property, Plant and Equipment	(818.75)	(6.92)	-	(825.67)
Provision for doubtful debts and advances	66.97	8.78	-	75.75
Provision for Employee Benefits	21.84	(14.66)	8.06	15.24
Effect of expenses that are allowable on payment basis	9.24	3.02	-	12.27
Unabsorbed Business Losses	720.70	9.76	(8.06)	722.42
Exceptional Gain	335.00	-	-	335.00
Unabsorbed Depreciation	(335.00)	-	-	(335.00)
<b>Net Tax Asset (Liabilities)</b>	-	-	-	-

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

### (d) Movement in Deferred tax balances

(Rs. in lakhs)

Particulars	For the Year ended March 31, 2022			
	Opening Balance	Recognised in profit and Loss	Recognised in OCI	Closing Balance
<u>Tax effect of items constituting deferred tax assets / (liabilities)</u>				
Property, Plant and Equipment	(966.64)	147.89	-	(818.75)
Provision for doubtful debts and advances	52.05	14.92	-	66.97
Provision for Employee Benefits	18.69	(1.29)	4.44	21.84
Effect of expenses that are allowable on payment basis	7.91	1.33	-	9.24
Unabsorbed Business Losses	888.00	(162.87)	(4.44)	720.70
Exceptional Gain	335.00	-	-	335.00
Unabsorbed Depreciation	(335.00)	-	-	(335.00)
<b>Net Tax Asset (Liabilities)</b>	-	-	-	-

### (e) Amounts on which Deferred tax asset has not been created:

Deferred tax assets on carry forward unused tax losses have been recognised to the extent of deferred tax liabilities on taxable temporary differences available. It is expected that any reversals of the deferred tax liability would be offset against the reversal of the deferred tax asset.

#### As at March 31, 2023

(Rs. in lakhs)

Nature of unrecognised deferred tax assets	No expiry	Expiring within one year	Expiring in Greater than one year, less than five years	Expiring in Greater than five years	TOTAL
Business Loss	-	-	-	2,248.56	2,248.56
Unabsorbed depreciation	6,252.66	-	-	-	6,252.66
<b>Total</b>	<b>6,252.66</b>	-	-	<b>2,248.56</b>	<b>8,501.22</b>

#### As at March 31, 2022

(Rs. in lakhs)

Nature of unrecognised deferred tax assets	No expiry	Expiring within one year	Expiring in Greater than one year, less than five years	Expiring in Greater than five years	TOTAL
Business Loss	-	-	-	3,406.90	3,406.90
Unabsorbed depreciation	5,839.24	-	-	-	5,839.24
<b>Total</b>	<b>5,839.24</b>	-	-	<b>3,406.90</b>	<b>9,246.14</b>

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

#### Note 15 : Equity Share Capital

(Rs. in lakhs)

	As at March 31, 2023	As at March 31, 2022
Equity share capital	484.61	484.61
	<b>484.61</b>	<b>484.61</b>

(Rs. in lakhs)

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of shares	Amount	No. of shares	Amount
<b>Authorised:</b>				
Equity shares of Rs. 2/- each	25,000,000	500.00	25,000,000	500.00
<b>Issued, Subscribed and Fully Paid:</b>				
Equity shares of Rs. 2/- each	24,230,650	484.61	24,230,650	484.61
<b>Total</b>	<b>24,230,650</b>	<b>484.61</b>	<b>24,230,650</b>	<b>484.61</b>

(i) (a) **Rights attached to equity shares:**

- 1) The Company has only one class of equity shares having a face value of Rs. 2 each. The Equity Shareholders have all the rights of equity shares as provided by the Companies Act, 2013 and Rules & Regulations made thereunder.
- 2) The Company in General Meeting may declare dividend to be paid to members according to their respective rights, but no dividend shall exceed the amount recommended by the Board, but the Company in General Meeting may declare a smaller dividend.
- 3) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts.

(ii) **Reconciliation of the number of shares outstanding at the beginning and at the end of the period.**

Particulars	No. of shares	Share Capital ( Amount)
<b>Balance at April 1, 2022</b>	24,230,650	484.61
Movements	-	-
<b>Balance at March 31, 2023</b>	24,230,650	484.61

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

Name of shareholder	As at March 31, 2023		As at March 31, 2022	
	No. of shares	Percentage	No. of shares	Percentage
<b>Equity shares:</b>				
Late Trilochan Singh Sahney ( Refer Note 1 and 2)	1,783,101	7.36%	1,783,101	7.36%
Hanwantbirkaur Trilochansingh Sahney (Refer Note 2)	1,243,000	5.13%	1,243,000	5.13%
Trilochan Singh Sahney Trust 2 [held by a trustee(s) in their name.	9,438,910	38.95%	9,438,910	38.95%

**Footnotes:**

1. Consequent to the demise of Mr. Trilochan Singh Sahney, the Company has not received share transmission application from legal heirs of Late Mr. Trilochan Singh Sahney and accordingly the name of Late Trilochan Singh Sahney is still appearing in register of Members and is accordingly disclosed above.
2. As at March 31, 2021, number of equity shares in the name of Late Mr. Trilochan Singh Sahney was 2,929,101 equity shares in the Company. Out of 2,929,101 equity shares, 1,146,000 equity shares were held in the joint names of Late Mr. Trilochan Singh Sahney and Mrs. Hanwantbirkaur Trilochansingh Sahney. During the year ended March 31, 2022, the 1,146,000 shares were transferred to Mrs. Hanwantbirkaur Trilochansingh Sahney due to applicable procedural requirements and are appearing in register of members in her name and accordingly disclosed above. However, as per the communication received from Executrix of the estate of Late Mr. Trilochan Singh Sahney, the above mentioned shares will ultimately devolve to the legal heirs of Late Mr. Trilochan Singh Sahney.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**
**(iv) Promoter's Share Holding**

Name of Promoters	As at March 31, 2023		As at March 31, 2022		% Change
	No. of shares	Percentage	No. of shares	Percentage	
Aarti Devesh Sahney	204,114	0.84%	199,114	0.82%	0.02%
Ambita Sahney	373,175	1.54%	373,175	1.54%	0.00%
Anjana Sahney Thakker	324,806	1.34%	373,200	1.54%	-0.20%
Bhupinder Singh Sahney	-	0.00%	240,432	0.99%	-0.99%
Brijween Kaur Sahney	-	0.00%	629,850	2.60%	-2.60%
Deepika Sahney	-	0.00%	373,425	1.54%	-1.54%
Devesh Singh Trilochan Singh Sahney	1,165,830	4.81%	1,165,830	4.81%	0.00%
Hanwantbirkaur Trilochan Singh Sahney (Refer Note 2 above)	1,243,000	5.13%	1,243,000	5.13%	0.00%
Jasmine Sahney Pillai	301,925	1.25%	376,725	1.55%	-0.30%
Mallika Sahney	662,527	2.73%	655,777	2.71%	0.02%
Trilochan Singh Sahney ( Refer Note 1 and 2 above)	1,783,101	7.36%	1,783,101	7.36%	0.00%
Trilochan Singh Sahney Trust 2	9,438,910	38.95%	9,438,910	38.95%	0.00%
Harshbeena S Zaveri	2,340,906	9.66%	1,097,199	4.53%	5.13%
<b>Total</b>	<b>17,838,294</b>	<b>73.62%</b>	<b>17,949,738</b>	<b>74.08%</b>	<b>-0.46%</b>

**Note 16 : Other equity**
**(Rs. in lakhs)**

Paticulars	As at March 31, 2023	As at March 31, 2022
(a) Capital reserve	5,700.16	5,700.16
(b) Deemed capital contribution	5,919.68	5,486.43
(c) Retained earnings	(13,456.91)	(12,100.43)
<b>Total</b>	<b>(1,837.07)</b>	<b>(913.84)</b>

**(i) Movement in other equity:**
**(Rs. in lakhs)**

Paticulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>(I) Capital Reserve</b>		
Opening balance	5,700.16	5,700.16
Movement	-	-
<b>Closing balance</b>	<b>5,700.16</b>	<b>5,700.16</b>
<b>(II) Deemed capital contribution</b>		
Opening balance	5,486.43	5,486.43
Recognition of equity component on issue of redeemable preference shares	433.25	-
<b>Closing balance</b>	<b>5,919.68</b>	<b>5,486.43</b>
<b>(III) Retained earnings</b>		
Opening balance	(12,100.43)	(11,101.05)
Profit / (Loss) for the year	(1,312.19)	(982.31)
Other Comprehensive Income for the year - Remeasurement of net defined benefit obligation (net of taxes)	(30.99)	(17.07)
Share issue expenses for increase in authorised capital	(13.30)	-
<b>Closing balance</b>	<b>(13,456.91)</b>	<b>(12,100.43)</b>

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

#### Note 17 :Borrowings

##### A. Non-Current Borrowings

(Rs. in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>I. Secured - at amortised cost</b>		
<b>Term loans:</b>		
<b>From bank</b>	677.59	811.67
Less: Current maturities of long term debt (refer note 19)	(146.61)	(138.35)
	<b>530.98</b>	<b>673.32</b>
<b>From others</b>	13.41	354.46
Less: Current maturities of long term debt (refer note 19)	(6.82)	(126.10)
	<b>6.59</b>	<b>228.36</b>
<b>II. Unsecured - at amortised cost</b>		
<b>Loans from related parties</b>		
Preference Shares (Also refer note 30)	5,333.06	4,501.91
<b>Total</b>	<b>5,870.63</b>	<b>5,403.59</b>

#### Footnotes:

##### Secured

##### Term loans from Bank

(a) Rs. 102.05 lakhs (March 31, 2022 Rs. 166.54 lakhs ) secured by second charge on all present and future stock and book debts of the Company and second pari pasu charge over immovable Property, plant and equipment ( buildings ), leasehold land of the Company and its movable plant & machinery, furniture and fixtures and other movables at its factory at Shendra (near Aurangabad) and personal guarantee of Promoter Director of the Company. The working capital term loan is repayable in balance 21 equal monthly instalments of Rs. 5.50 lakhs each till 7 December 2024 and carried interest rate of 7.5 % p.a.

Rs. 98.77 lakhs (March 31, 2022 Rs. 98.62 lakhs ) secured by second charge on all present and future stock and book debts of the Company and second pari pasu charge over immovable Property, plant and equipment ( buildings ), leasehold land of the Company and its movable plant & machinery, furniture & fixtures and other movables at its factory at Shendra (near Aurangabad) and personal guarantee of Promoter Director of the Company . The working capital term loan is repayable in 36 equal monthly instalments of Rs. 2.73 lakhs each till 7 December 2026 after end of balance moratorium period of 5 months and carries interest rate of 7.5 % p.a.

(b) Rs. 361.68 lakhs (March 31, 2022 Rs. 403.37 lakhs ) secured by first pari- pasu charge over Land and Building situated at Shendra, MIDC Aurangabad . The working capital term loan is repayable in remaining 63 monthly instalments Rs. 8.91 lakhs each till August 2028 and carries interest rate of 14 % p.a.

(c) Rs. 115.09 lakhs (March 31, 2022 Rs. 143.14 lakhs ) secured by hypothecation of vehicles. Out of these , the term loan of Rs. 126.49 lakhs (March 31, 2022 Rs. 126.49 lakhs) carrying interest rate of 7.65 % is repayable in remaining 41 equal monthly instalments by August, 2026 and the term loan of Rs. 13.62 lakhs (March 31, 2022 Rs. 16.65 lakhs) carrying interest rate of 7.65 % p.a. is repayable in remaining 45 equal monthly instalments by December, 2026.

##### Term loan from Others

(d) Rs. 13.41 lakhs (March 31, 2022 Rs. 23.53 lakhs) secured by hypothecation of vehicles. Out of these , the term loan of Rs. 3.24 lakhs (March 31, 2022 Rs. 10.54 lakhs) carrying interest rate of 8.63 % is repayable in remaining 5 equal monthly instalments by August, 2023, the term loan of Rs. 10.17 lakhs (March 31, 2022 Rs. 12.81 lakhs) carrying interest rate of 8.21 % is repayable in remaining 32 equal monthly instalments by November, 2025. The term loan of Rs. Nil (March 31, 2022 Rs. 0.18 lakhs) carrying interest rate of 8.82 % is fully repaid in April, 2022,

(e) Rs. Nil (March 31, 2022 Rs. 268.02 lakhs ) secured by first pari- pasu charge over Land and Building situated at Shendra, MIDC Aurangabad and first pari-pasu over Plant and Machinery situated at Shendra, MIDC Aurangabad and pledge of Nil shares (March 31, 2022 600,000 shares ) of NRB Bearings Limited held by a director of the Company . The working capital term loan is fully paid in March 2023 and carried interest rate of 13 %.



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

- (f) Rs. Nil (March 31, 2022 Rs. 62.91 lakhs ) secured by second pari- pasu charge over Land and Building situated at Shendra, MIDC Aurangabad and second pari-pasu over Plant and Machinery situated at Shendra, MIDC Aurangabad and pledge of Nil shares (March 31, 2022 600,000 shares ) of NRB Bearings Limited held by a director of the Company . The working capital term loan is fully paid in March 2023 and carried interest rate of 13 %.
- (g) 100 lakhs each 6 % Redeemable Cumulative Non -Convertible Preference shares of Rs. 10 each fully paid up were issued to a Promoter shareholder in March 2016 and in April 2016 with redemption at the end of 5 years from the date of issue. During the year ended March 31,2018, the terms of existing Redeemable Cumulative Non -Convertible Preference shares were changed w.e.f. February 15, 2018, the preference dividend rate is modified to 2 % and redemption term is changed to 10 years for above said preference shares.  
200 lakhs 2 % Redeemable Cumulative Non -Convertible Preference shares of Rs. 10 each fully paid up were issued to a Promoter shareholder in February 2018 with redemption at the end of 10 years.  
100 lakhs and 35 lakhs 2 % Redeemable Cumulative Non -Convertible Preference shares of Rs. 10 each fully paid up were issued to a Promoter shareholder in January 2019 and in March 2019 respectively with redemption at the end of 10 years.  
50 lakhs, 15 lakhs, 150 lakhs and 50 lakhs 2 % Redeemable Cumulative Non -Convertible Preference shares of Rs. 10 each fully paid up were issued to a Promoter shareholder in June 2019, August 2019, December 2019 and in March 2020 respectively with redemption at the end of 10 years.  
65 lakhs 2 % Redeemable Cumulative Non -Convertible Preference shares of Rs. 10 each fully paid up were issued to a Promoter shareholder in March 2023 with redemption at the end of 10 years
- (h) Pursuant to the members' resolution passed dated November 29, 2019 for conversion of unsecured loan of a Promoter shareholder into 2% Redeemable Cumulative Non- convertible Preference Shares of Rs. 10 each ("Preference Shares"), the Company, during the year, sought to increase its authorized share capital from Rs. 85 Crore (Equity share capital Rs. 5 Crore and Preference share capital Rs. 80 Crore) to Rs. 99 Crore (Equity share capital Rs. 5 Crore and Preference share capital Rs. 94 Crore) by obtaining an approval from members via a resolution approved through a postal ballot dated March 20, 2023.  
During the voting period for such postal ballot, the Scrutinizer invalidated the vote of a Promoter shareholder, who had initially voted against the resolution and later (during the voting period) communicated the decision to vote in favour of the said resolution. Accordingly, the Scrutinizer, in accordance with Clause 16.5.4 (d) of SS-2 'Secretarial Standard on General Meetings' while counting the votes and declared that the resolution to increase the authorized share capital was passed by absolute majority ('the decision').  
Subsequently, the Scrutinizer received communication from another Promoter shareholder challenging 'the decision'/ result published by the Scrutinizer . The Company is of the view, supported by legal opinions, that the Scrutinizer's decision is appropriate and accordingly the resolution for increase in authorised capital is valid.

**(i) Preference Share Capital**

(Rs. in lakhs)

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of shares	Amount	No. of shares	Amount
<b>Authorised:</b>				
Equity Shares of Rs. 2/- each				
Redeemable cumulative non-convertible preference shares of Rs. 10/- each (refer note (h) above)	94,000,000	9,400.00	80,000,000	8,000.00
<b>Total</b>	<b>94,000,000</b>	<b>9,400.00</b>	<b>80,000,000</b>	<b>8,000.00</b>
<b>Issued, Subscribed and Fully Paid:</b>				
Redeemable cumulative non-convertible preference shares of Rs. 10/- each (refer note (h) above)	86,500,000	8,650.00	80,000,000	8,000.00
<b>Total</b>	<b>86,500,000</b>	<b>8,650.00</b>	<b>80,000,000</b>	<b>8,000.00</b>

**(ii) Reconciliation of the number of shares outstanding at the beginning and at the end of the period.**

Particulars	No. of shares	Share capital (Amount)
<b>Balance at April 01, 2022</b>	80,000,000	8,000.00
Issued during the year	6,500,000	650.00
<b>Balance at March 31, 2023</b>	<b>86,500,000</b>	<b>8,650.00</b>

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

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

Name of shareholder	As at March 31, 2023		As at March 31, 2022	
	No. of shares	Percentage	No. of shares	Percentage
<b>Equity shares:</b>				
Trilochan Singh Sahney ( Refer Note 30)	40,000,000	46.24%	40,000,000	50.00%
Devesh Singh Sahney	46,500,000	53.76%	40,000,000	50.00%
<b>Total</b>	<b>86,500,000</b>	<b>100%</b>	<b>80,000,000</b>	<b>100%</b>

**B. Current Borrowings**

(Rs. in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>I. Secured - at amortised cost</b>		
<b>(a) Loans repayable on demand</b>		
From banks	1,486.95	1,415.18
<b>II. Unsecured - at amortised cost</b>		
<b>(a) Loans repayable on demand</b>		
Interest free loan from Directors (refer note 30)	3,684.15	4,334.15
<b>III. Current Maturities of long term borrowings</b>		
From banks	146.61	138.35
From Others	6.81	126.10
<b>Total</b>	<b>5,324.52</b>	<b>6,013.78</b>

Also refer Note 40(a)

**Footnotes:**

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

Rs. 1,486.95 lakhs (March 31, 2022 Rs. 1,415.18 lakhs ) secured by first pari passu charge on all present and future stock and book debts of the Company and first pari pasu charge over immovable Property, plant and equipment ( buildings ), leasehold land of the Company and its movable plant and machinery, furniture and fixtures and other movables at its factory at Shendra (near Aurangabad). The present interest rate is in the range of 10.00 % p.a. to 12.5% p.a.

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

**Note 18 : Trade Payables**

(Rs. in lakhs)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Current	Non- Current	Current	Non- Current
Trade payables				
- Total outstanding dues of Micro Enterprises and Small Enterprises (see Footnote)	-	-	-	-
- Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises (Refer Note 41)	2,239.76	90.33	1,684.44	85.34
<b>Total</b>	<b>2,239.76</b>	<b>90.33</b>	<b>1,684.44</b>	<b>85.34</b>

Also refer Note 40 - (a)

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

### Notes:

- The company does not have any dues outstanding to Micro and Small Enterprises (“MSME”) as mentioned in the Micro, Small and Medium Enterprises Development Act 2006. This is determined on the basis of information available with the Company. This has been relied upon by the auditors.
- The credit period ranges from 45 days to 90 days .

### Trade Payables Ageing

Particulars	As at March 31, 2023						
	Unbilled	Not Due	Outstanding for the following period from due date of payments:				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 year	
(i) MSME	-	-	-	-	-	-	-
(ii) Others	-	881.45	1,276.78	21.65	37.70	112.49	2,330.09
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-	-

Particulars	As at March 31, 2022						
	Unbilled	Not Due	Outstanding for the following period from due date of payments:				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 year	
(i) MSME	-	-	-	-	-	-	-
(ii) Others	-	673.65	885.79	60.46	24.41	125.47	1,769.78
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-	-

### Note 19 : Other financial liabilities

(Rs. in lakhs)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Current	Non- Current	Current	Non- Current
<b>Other Financial Liabilities measured at amortised cost</b>				
(a) Interest accrued	1.87	-	-	-
<b>Total</b>	<b>1.87</b>	<b>-</b>	<b>-</b>	<b>-</b>

Also refer note 40(a)

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

### Note 20 : Other current liabilities

(Rs. in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
	Current	Current
(a) Advances received from customers ( Refer Note Below)	41.15	10.95
(b) Security Deposits	8.50	10.50
(c) Payables for Property plant equipment	8.10	16.80
(d) Statutory remittances (Super annuation, Withholding tax, Service Tax, VAT etc.)	47.85	54.36
<b>Total</b>	<b>105.60</b>	<b>92.61</b>

Note: Advances received from customers include advance from:

	As at March 31, 2023	As at March 31, 2022
Private company in which directors are directors NRB-IBC Bearings Private Limited (NIBC) (Refer note 37)	-	19.97
	-	<b>19.97</b>

### Note 21 : Provisions

(Rs. in lakhs)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Current	Non- Current	Current	Non- Current
Provision for employee benefits				
1) Compensated absences	8.41	37.82	8.41	28.65
2) Gratuity	12.38	-	46.93	-
<b>Total</b>	<b>20.79</b>	<b>37.82</b>	<b>55.34</b>	<b>28.65</b>

- (i) As at March 31, 2023 and as at March 31,2022, the increase in the carrying amount of the provision for compensated absences results from the increase in employees and change in financial assumptions during the year ended March 31, 2023.
- (ii) Refer note 35 for Employee Benefits related disclosures.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

### Note 22 : Revenue from Operations

(Rs. in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>Revenue from contract with customers</b>		
Sale of products	7,713.97	6,632.12
Rendering of services		
(a) Job work charges	170.32	121.30
(b) Service Charges	52.80	48.00
Other operating revenues		
(a) Sale of scrap	64.65	75.17
(b) Export incentives	53.52	56.07
(c) Royalty Income	17.48	11.65
<b>Total</b>	<b>8,072.74</b>	<b>6,944.31</b>

Note :

1. Refer Note 36 for geography wise revenue from contracts with customers.

### Note 23 : Other Income

(Rs. in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b><u>Interest income on financial assets at amortised cost</u></b>		
(a) Interest income on bank deposits	1.02	3.76
(b) Other Interest income	-	4.44
<b><u>Other non-operating income</u></b>		
Rent income	92.93	84.48
<b><u>Other gains and losses</u></b>		
(a) Liability no longer payable required written back	26.59	22.48
(b) Foreign exchange fluctuation gain (Net)	61.86	13.19
<b>Total</b>	<b>182.40</b>	<b>128.35</b>

### Note 24 : Cost of material consumed

(Rs. in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Opening stock	566.05	674.58
Add: Purchases [ Including Sub-contracting charges)	3,718.91	2,674.62
Less: Closing stock	(668.82)	(566.05)
<b>Total</b>	<b>3,616.14</b>	<b>2,783.15</b>

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

#### Note 25 : Changes in inventories of finished goods, work-in-progress and stock-in-trade (Rs. in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Opening stock		
- Work in progress	691.28	921.79
- Finished goods	717.92	496.15
Closing stock		
- Work in progress	(614.16)	(691.28)
- Finished goods	(1,012.17)	(717.92)
<b>Net (increase)/Decrease</b>	<b>(217.13)</b>	<b>8.74</b>

#### Note 26 : Employee Benefits Expense (Rs. in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Salaries and wages	1,534.43	1,367.35
Contribution to provident and other funds (Refer note 35)	133.31	143.65
Staff welfare expenses	93.05	82.48
<b>Total</b>	<b>1,760.79</b>	<b>1,593.48</b>

#### Note 27 : Finance Costs (Rs. in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
(a) Interest costs :-		
- Interest on borrowings from banks	261.57	151.83
- Interest on borrowings from others	44.44	63.21
- Interest on Preference shares	614.40	540.62
- Other interest expense	0.42	0.43
(b) Other borrowing cost	44.94	27.22
<b>Total</b>	<b>965.77</b>	<b>783.31</b>

#### Note 28 : Depreciation and amortisation expense (Rs. in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation on property, plant and equipment	919.53	896.91
Depreciation on Right of Use Assets	8.20	8.21
Amortisation of intangible assets	1.05	6.03
<b>Total</b>	<b>928.78</b>	<b>911.15</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

### Note 29 : Other Expenses

(Rs. in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Consumption of Stores and spares parts	535.37	410.45
Power and Fuel	450.78	371.23
Rent	4.47	3.54
Repairs and maintenance:		
- Buildings	0.81	0.85
- Plant and machinery	16.74	4.95
- Others	61.05	67.02
Insurance	21.63	19.20
Rates and taxes	42.69	15.92
Travelling and Conveyance expense	186.54	85.98
Printing and stationary	7.86	4.38
Freight and Forwarding	194.80	214.10
Business Promotion	99.14	64.32
Legal and other professional fees	161.22	131.69
Auditors remuneration (See Footnote below)	43.99	38.55
Allowance for doubtful debts	33.78	57.39
Director sitting fees	4.70	4.60
Security , houskeeping and contract labour Charges	498.28	356.00
IT related expenses	44.91	32.49
Bank charges	10.10	8.42
Bad debts / advances written off	8.40	-
Loss on sale of property, plant and equipments	-	17.09
Miscellaneous expenses	85.72	66.97
<b>Total</b>	<b>2,512.98</b>	<b>1,975.14</b>

**Footnote:**

**Details of Auditors' remuneration:**

excluding indirect taxes)

As auditors (for audit, review of unaudited quarterly results and audit of consolidated financial statements and regulatory compliances)

	37.50	32.28
Taxation matters	5.50	5.50
Out-of-pocket expenses	0.99	0.77
<b>Total</b>	<b>43.99</b>	<b>38.55</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

### Note 30:

Consequent to the demise of Mr. Trilochan Singh Sahney ("TSS") in 2018, his WILL has been probated. According to the Will, Mrs. Hanwantbir Kaur Sahney is sole executrix and having lifetime interest.

The Company has received the communication of the Probate of the WILL. As per the WILL, subject to the life interest of the Executrix:

- The redeemable cumulative non-convertible preference shares ("Preference Shares") and the unsecured interest free loan from TSS will be distributed amongst the beneficiaries as mentioned in the WILL.
- The Company has received certain communication pertaining to transmission (of the Preference Shares) and transfer (of the unsecured interest free loan), from the representatives of the Executrix of the estate of Mr. TSS and has received communication from beneficiary that the matter as per (a) above is under discussion with the Executrix.

Accordingly, as at March 31, 2023, the name of TSS is still appearing in books of accounts.

### Note 31: Earnings per share

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

Particulars		Year ended March 31, 2023	Year ended March 31, 2022
<b>Basic / Diluted</b>			
Loss after tax attributable to equity shares (Rs. in lakhs)	(A)	(1,312.19)	(982.31)
Weighted average number of Shares	(B)	24,230,650	24,230,650
<b>Basic &amp; Diluted EPS (in Rs.)</b>	<b>(A) / (B)</b>	<b>(5.42)</b>	<b>(4.05)</b>
<b>Nominal value of equity share (in Rs.)</b>		<b>2.00</b>	<b>2.00</b>

#### Note:

There is no dilution to the basic EPS as there are no outstanding potentially dilutive equity shares.

### Note 32 : Leases

#### 1. Lease Expense:

The Company has taken land, office and residential premises on operating lease. The lease term in respect of the leasehold land is 85 years.

The Company has paid the entire lease premium for the lease hold land as a result of which there is no corresponding Lease liability against the Right-of-Use asset.

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

(Rs. in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation charge for Right-of-Use assets	8.20	8.21
Low value leases accounted for on a straight line basis (included in Note 29)	4.47	3.54
Total cash outflow for leases	4.47	3.54

General description of lease agreements:

- Refundable interest free deposit have been given and contain a provision for renewal.
- The agreements provide for early termination by either party with a notice period which varies from 1 month to 6 months.



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

### 2. Lease Income:

The Company had entered into lease agreement effective from 8 March, 2013 for certain portion of its factory and office premises including furniture and fixtures, electrical installation, etc. During the year, Rs. 92.93 lakhs (previous year Rs. 84.48 lakhs) recognised as rental income in the Statement of Profit and Loss. The agreement contains renewal clause. The said agreement was renewed with effect from April 1, 2018 for a period of five years. Subsequently to the year end, it was further renewed for a period of 5 years with effect from April 1, 2023.

### Note 33 - Contingent liabilities not provided for:

(Rs. in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Bank guarantees		
- To Maharashtra Pollution Control Board	-	5.00
- To President of India through Commissioner of Customs	0.45	0.45
(ii) Claims against the company not acknowledged as debt:- Matters decided against the company in respect of which the company has preferred an appeal		
Central Excise matters	192.61	-
(iii) Corporate Guarantee to Associate Companies.		
- NRB IBC Bearings Private Limited	200.00	-
- NIBL- Korta Engineering Private Limited	200.00	-
<b>Total</b>	<b>483.76</b>	<b>5.45</b>

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

### Note 34 - Commitments

(Rs. in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	34.17	4.44
<b>Total</b>	<b>34.17</b>	<b>4.44</b>

### Note 35 : Employee Benefits

#### **Brief description of the Plans:**

#### 1) Defined contribution plans :

##### a) Provident and Family Pension Fund

The eligible employees of the company are entitled to receive post employment benefits in respect of provident and family pension fund, in which both employees and the company make monthly contributions at a specified percentage of the employees' eligible salary (currently 12% of employees' eligible salary). The contributions are made to the Regional Provident Fund Commissioner. Provident Fund and Family Pension Fund are classified as Defined Contribution Plans as the company has no further obligations beyond making the contribution.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023****b) Superannuation**

The eligible employees of the company are entitled to receive post employment benefits in respect of superannuation scheme, in which the company makes quarterly contributions at 15% of employees' eligible salary. Superannuation scheme is classified as Defined Contribution Plan as the Company has no further obligations beyond making the contribution.

The Company has recognized, in the Statement of Profit and Loss for the year, an amount of Rs. 108.87 lakhs ( March 31, 2022 Rs. 97.69 lakhs) as expenses under defined contribution plans.

(Rs. in lakhs)

<b>Benefit (Contribution to)</b>	<b>Year ended March 31, 2023</b>	<b>Year ended March 31, 2022</b>
i) Employer's Contribution to Provident Fund	47.21	39.73
ii) Employer's Contribution to Family Pension Fund	36.57	37.02
iii) Employer's Contribution to Superannuation Fund	25.09	20.95
<b>Total</b>	<b>108.87</b>	<b>97.69</b>

**2) Defined Benefit Plans : (Gratuity Funded)**

The Company has an obligation towards gratuity, a funded defined benefit retirement plan covering eligible employees. The plan provides for lump sum payment to vested employees at retirement, death while in employment or on termination of the employment of an amount equivalent to 15 days salary, as applicable, payable for each completed year of service, without any payment ceiling. Vesting occurs upon completion of five years of service.

**Nature of benefits:**

The gratuity benefits payable to the employees are based on the employee's service and last drawn salary at the time of leaving. The employees do not contribute towards this plan and the full cost of providing these benefits are met by the Company.

**Regulatory framework:**

There are no minimum funding requirements for a gratuity plan in India. The trustees of the gratuity fund have a fiduciary responsibility to act according to the provisions of the trust deed and rules. Since the fund is income tax approved, the Company and the trustees have to ensure that they are at all times fully compliant with the relevant provisions of the income tax and rules. Besides this if the Company is covered by the Payment of Gratuity Act, 1972 then the Company is bound to pay the statutory minimum gratuity as prescribed under this Act.

**Governance of plan:**

The Trust established for the purpose, has arrangement with Insurance Company ( currently HDFC Standard Life Insurance Company Limited and Kotak Life Insurance Company Limited) for future payments of gratuities on behalf of the Trust.

**Inherent risk**

The plan is of a final salary defined benefit in nature which is sponsored by the Company and hence it underwrites all the risks pertaining to the plan. In particular, there is a risk for the Company that any adverse salary growth or demographic experience or inadequate returns on underlying plan assets can result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature the plan is not subject to any longevity risks.

The most recent actuarial valuation of the present value of the defined benefit obligation was carried out at March 31, 2023 by an independent actuary. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

### A. Principal actuarial assumptions used:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Discount Rate	7.44% p.a.	6.98% p.a.
Expected return on plan assets	7.44% p.a.	6.98% p.a.
Salary escalation rate	5.00% p.a.	5.00% p.a.
Attrition rate	7.85 % p.a	7.45 % p.a
Mortality Rate During Employment	Indian Assured Lives Mortality (2012-14) (Urban)	Indian Assured Lives Mortality (2012-14) (Urban)

The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

### B. Expenses recognised in Statement of Profit and Loss

(Rs. in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Current Service Cost	21.17	19.14
Interest on net defined benefit liability/ (asset)	3.27	2.46
Expected Return on Plan Assets	-	-
<b>Total Expenses / (Income) recognised in the Statement of Profit And Loss*</b>	<b>24.44</b>	<b>21.60</b>

\* The current service cost and the net interest expenses for the year are included in the 'Employee benefits expenses' Note : 26 in the Statement of Profit & Loss

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

(Rs. in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Actual return on plan assets in excess of the expected return	6.06	(2.69)
Actuarial (Gain)/Loss on account of :		
- Financial Assumptions	(8.03)	(8.86)
- Experience Adjustments	31.89	29.65
- Demographic assumption	1.07	(1.03)
<b>Net (Income)/Expense For the Period Recognized in OCI</b>	<b>30.99</b>	<b>17.07</b>

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

#### D. Net Asset/(Liability) recognised in the Balance Sheet (Rs. in lakhs)

Particulars	As at March 31,	
	2023	2022
Present Value of Defined Benefit Obligation as at the end of the year	291.92	238.97
Fair Value of plan assets	279.54	192.04
<b>Net asset/(liability) recognised in the Balance Sheet</b>	<b>(12.38)</b>	<b>(46.93)</b>
<b>Recognised under:</b>	<b>2023</b>	<b>2022</b>
Long term provision (Refer note 21)	-	-
Short term provision (Refer note 21)	(12.38)	(46.93)
<b>Total</b>	<b>(12.38)</b>	<b>(46.93)</b>

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

Particulars	As at March 31, 2023	As at March 31, 2022
Present value of defined benefit obligation at the beginning of the year	238.97	199.69
Expenses Recognised in Profit and Loss Account:		
Current Service Cost	21.17	19.14
Interest cost	16.68	12.86
Liability Transferred Out/ Divestments	-	-
Recognised in Other Comprehensive Income		
Remeasurement (gains)/losses		
- Financial Assumptions	(8.02)	(8.86)
- Experience Adjustments	31.89	29.65
- Demographic assumption	1.07	(1.03)
Benefit payments	(9.84)	(12.48)
<b>Present value of defined benefit obligation at the end of the year</b>	<b>291.92</b>	<b>238.97</b>

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

Particulars	As at March 31, 2023	As at March 31, 2022
Fair value of the plan assets at the beginning of the year	192.04	161.43
Contribution made	90.00	30.00
Income Recognised in Profit and Loss Account:		
Interest income	13.40	10.40
Recognised in Other Comprehensive Income		
Remeasurement gains/(losses)		
- Actual Return on plan assets in excess of the expected return	(6.06)	2.69
Benefits paid	(9.84)	(12.48)
<b>Fair value of the plan assets at the end of the year</b>	<b>279.54</b>	<b>192.04</b>

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

Particulars	As at March 31, 2023	As at March 31, 2022
Insurer managed funds (100%)	279.54	192.04

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

**H. Sensitivity Analysis**

Gratuity is a lump sum plan and the cost of providing these benefits is typically less sensitive to small changes in demographic assumptions. The key actuarial assumptions to which the benefit obligation results are particularly sensitive to are discount rate and future salary escalation rate. The following table summarizes the impact on the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 100 basis points.

These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analyses.

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is: **Rs. In Lakhs**

Principal assumptions	Year	Changes in	Impact on defined benefit obligation	
			Increase in assumption	Decrease in assumption
Discount rate	2023	1%	(16.02)	18.07
	2022	1%	(14.85)	16.94
Salary escalation rate	2023	1%	18.33	(16.52)
	2022	1%	17.11	(15.24)
Employee Turnover	2023	1%	2.93	(3.31)
	2022	1%	2.28	(2.60)

The above sensitivity analyses are based on change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

**I. Expected future benefits payable - Maturity profile of defined benefit obligation**

**(Rs. in lakhs)**

Projected Benefits Payable in Future Years From the Date of Reporting	Estimated as at March 31, 2023	Estimated as at March 31, 2022
1st Following Year	31.14	22.98
2nd Following Year	27.53	19.94
3rd Following Year	27.94	24.25
4th Following Year	25.64	20.23
5th Following Year	25.06	19.36
Sum of Years 6 to 10	187.83	147.50
Sum of Years 11 and above	189.66	181.87

**J. Other Disclosures**

- The weighted average duration of the obligations as at March 31, 2023 is 8 years (March 31, 2022: 8 years).
- The Company expects to contribute Rs. 50 lakhs to the plan during financial year 2023-24.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

### Note 36 : Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (“CODM”) of the Company. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director and Chief Financial Officer of the Company. The Company operates only in one Business Segment i.e. industrial bearings, hence does not have any reportable Segments as per Ind AS 108 “Operating Segments”.

### Geographic information

(Rs. in lakhs)

Particulars	Revenue from operations		Non Current Assets	
	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022
India	5,618.74	4,781.68	7,508.63	8,224.16
Outside India	2,454.00	2,162.63	155.02	146.82
	<b>8,072.74</b>	<b>6,944.31</b>	<b>7,663.65</b>	<b>8,370.97</b>

### Revenue from major products and services

(Rs. in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
(a) Ball & roller bearings	7,082.04	6,092.76
(b) Roller	631.93	539.36
<b>Total</b>	<b>7,713.97</b>	<b>6,632.12</b>

### Information about major customers:

There was no customer to whom sales made by the Company for more than 10 % of total revenue from operation for the year ended March 31, 2023 and Revenues of approximately Rs. 664.35 Lakhs arise from sales to one customer who contributes 10% or more to the Company’s revenue for year ended March 31, 2022

### Note 37 : Related Party transactions

#### A) Name of the related party and nature of relationship where control exists:

Sr. no.	Nature of relationship	Names of related parties
(a)	Associate	NRB IBC Bearings Private Limited NIBL- Korta Engineering Private Limited
(b)	Key Management Personnel (KMP)	Mr. Devesh Singh Sahney, Chairman and Managing Director Mr. Nikhilesh Panchal, Director (upto 31st March 2023) Mrs. Aarti Sahney, Director Mr. Ashish Chhugani, Director Mr. Samrat Nirmal Zaveri, Director
(c)	Relatives of Key Management Personnel	Mrs. Harshbeena S Zaveri , sister of Mr. Devesh Singh Sahney Ms. Mallika Sahney - AGM Strategy, daughter of Mr. Devesh Singh Sahney
(d)	A Company over which KMP are able to exercise significant influence.	Khaitan & CO. (upto 31st March 2023)
(e)	A Company over which relatives of KMP are able to exercise significant influence.	NRB Bearings Limited NRB Bearings (Thailand) Limited Sahney Technologies Private Limited

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

### B) Related Party Transactions:

(Rs. in lakhs)

Sr. No.	Nature of Transactions	Associate		A Company over which KMP / relatives of KMP are able to exercise significant influence.		Key Management Personnel and their Relative		Total	
		March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
1	<b>Sale of finished Goods</b> NIBL- Korta Engineering Private Limited	3.33	-	-	-	-	-	3.33	-
2	<b>Income from job work</b> NRB IBC Bearings Private Limited	133.23	91.68	-	-	-	-	133.23	91.68
3	<b>Rent Income</b> NRB IBC Bearings Private Limited	92.93	84.48	-	-	-	-	92.93	84.48
4	<b>Service Charges</b> NRB IBC Bearings Private Limited NIBL- Korta Engineering Private Limited	39.60 13.20	36.00 12.00	- -	- -	- -	- -	39.60 13.20	36.00 12.00
5	<b>Royalty income</b> NRB IBC Bearings Private Limited	17.48	11.65	-	-	-	-	17.48	11.65
6	<b>Payments made/ expenses incurred on behalf of related party</b> NRB IBC Bearings Private Limited NIBL- Korta Engineering Private Limited	116.08 23.78	92.59 -	- -	- -	- -	- -	116.08 23.78	92.59 -
7	<b>Purchase of material</b> NRB IBC Bearings Private Limited NIBL- Korta Engineering Private Limited	28.52 2.88	23.21 0.21	- -	- -	- -	- -	28.52 2.88	23.21 0.21
8	<b>Corporate Guarantee given to bank for loan taken by</b> NRB IBC Bearings Private Limited NIBL- Korta Engineering Private Limited	200.00 200.00	- -	- -	- -	- -	- -	200.00 200.00	- -
9	<b>Loan repayment</b> Mr. Devesh S. Sahney The Estate of Mr. T. S. Sahney	- -	- -	- -	- -	650.00 -	- 7.00	650.00 -	- 7.00
10	<b>Issue of Preference shares</b> Mr. Devesh S. Sahney	-	-	-	-	650.00	-	650.00	-
11	<b>Sitting Fees</b> Mr. Nikhilesh Panchal Mrs. Aarti Sahney Mr. Ashish Chhugani Mr. Samrat Nirmal Zaveri	- - - -	- - - -	- - - -	- - - -	1.10 0.60 1.50 1.50	1.45 0.90 1.45 0.80	1.10 0.60 1.50 1.50	1.45 0.90 1.45 0.80
12	<b>Legal and Professional Fees</b> Khaitan and Co.	-	-	7.46	1.15	-	-	7.46	1.15
13	<b>Remuneration to relative of KMP</b> Ms. Mallika Sahney	-	-	-	-	25.43	23.86	25.43	23.86
13	<b>Lease of computers</b> Sahney Technologies Private Limited	-	-	0.42	-	-	-	-	-

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

### Amounts outstanding with related parties

(Rs. in lakhs)

Sr. No.	Nature of Outstanding Balances	Associate		A Company over which KMP / relatives of KMP are able to exercise significant influence.		Key Management Personnel and their Relative		Total	
		March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
1	<b>Trade Receivables</b>								
	NRB Bearings (Thailand) Limited	-	-	-	4.62	-	-	-	4.62
	NIBL- Korta Engineering Private Limited	13.36	11.54	-	-	-	-	13.36	11.54
	NRB IBC Bearings Private Limited	1.67	-	-	-	-	-	-	-
2	<b>Trade Payables</b>								
	NRB Bearings Limited	-	-	17.37	17.37	-	-	17.37	17.37
	NIBL- Korta Engineering Private Limited	-	-	-	-	-	-	-	-
	Khaitan and Co.	-	-	0.63	-	-	-	0.63	-
	Sahney Technologies Private Limited	-	-	0.42	-	-	-	-	-
3	<b>Advances received from customers</b>								
	NRB IBC Bearings Private Limited	-	19.97	-	-	-	-	-	19.97
4	<b>Loan outstanding</b>								
	Mr. D. S. Sahney	-	-	-	-	788.65	1,438.65	788.65	1,438.65
	The Estate of Mr. T. S. Sahney	-	-	-	-	2,895.50	2,895.50	2,895.50	2,895.50
5	<b>Other Receivables</b>								
	NIBL- Korta Engineering Private Limited	23.78	-	-	-	-	-	23.78	-

#### Footnote:

- i) No amounts pertaining to related parties have been provided for as doubtful debts. Further, no amounts have either been written off or written back during the period.
- ii) Outstanding balances (other than borrowings) at the year-end are unsecured and interest free and settlement occurs in cash.
- iii) The transactions with related parties are made in the normal course of business and on terms equivalent to those that prevail in arm's length transactions. All the Related Party Transactions are reviewed and approved by the Audit Committee.
- iv) **Compensation of key managerial personnel**

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

(Rs. in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Short-term benefits	167.40	129.55
Post-employment benefits @	23.76	18.51
<b>Total</b>	<b>191.16</b>	<b>148.06</b>

@ Compensation of key managerial personnel excludes provision for gratuity and compensated absences which is determined on the basis of actuarial valuation done on overall basis for the Company.



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

- vi) The term loan of Rs. 200.82 lakhs ( as at March 31, 2022 Rs 265.16 lakhs) ( refer note (a) and (b) of Note 17), is secured by personal guarantee of Mr. Devesh Singh Sahney.
- vii) Corporate guarantee and security given by a second pari passu charge over immovable property, plant and equipment (building), leasehold land of the company and its movable fixed assets at its factory at Shendra (near Aurangabad) for loan taken by the associate companies NRB IBC Bearings Private Limited and NIBL Korta Engineering Private Limited.

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

(Rs. in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
a) Charged to Statement of Profit and Loss	194.52	101.48
b) Capitalized to Fixed Assets	-	-
<b>Total</b>	<b>194.52</b>	<b>101.48</b>

#### Footnote:

The Department of Scientific and Industrial Research has given recognition to the In- House R & D unit of the Company at B -18, Five star MIDC area, Shendra, Aurangabad from October 28, 2014.

### Note 39 : Capital management and Risk management

#### I Capital Management

The Company's capital management strategy is to effectively determine, raise and deploy capital so as to create value for its shareholders. The same is done through a mix of either equity and/or preference and/or combination of short term /long term debt as may be appropriate.

The Company determines the amount of capital required on the basis of its product, capital expenditure, operations and strategic investment plans. The same is funded through a combination of capital sources be it either equity and/or preference and/or combination of short term/long term debt as may be appropriate.

#### II Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk . In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

#### A CREDIT RISK

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables).

##### Trade receivables

Customer credit risk is managed as per the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on payment performance over the period of time. The Company's exposure of its customers are continuously monitored based on the customer's past performance and business dynamics. Credit exposure is controlled by customer's credit limits that are reviewed and approved by the management at regular intervals.

An impairment analysis is performed at each reporting date. The Company applies the simplified approach to providing for expected credit losses prescribed by Ind AS 109, which permits the use of the lifetime expected loss provision for all trade receivables. The Company has computed expected credit losses based on a provision matrix which uses historical credit loss experience of the Company and where applicable, specific provisions are made for individual receivables.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

### B LIQUIDITY RISK

#### (i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by way of banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

#### (ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

(Rs in lakhs)

Maturities of Financial Liabilities	Weighted average effective interest rate	March 31, 2023				Total	Carrying amount
		Upto 1 year	1 to 3 years	3 to 5 years	Above 5 years		
Non-interest bearing		5,925.78	90.33	-	-	6,016.11	6,016.11
Fixed interest rate instruments	4.20%	1,722.26	1,453.20	3,257.16	4,676.70	11,109.32	7,511.00
		<b>7,648.04</b>	<b>1,543.53</b>	<b>3,257.16</b>	<b>4,676.70</b>	<b>17,125.43</b>	<b>13,527.11</b>

(Rs in lakhs)

Maturities of Financial Liabilities	Weighted average effective interest rate	March 31, 2022				Total	Carrying amount
		Upto 1 year	1 to 3 years	3 to 5 years	Above 5 years		
Non-interest bearing		6,018.59	85.34	-	-	6,103.93	6,103.93
Fixed interest rate instruments	4.90%	1,790.59	740.06	2,333.72	6,133.52	10,997.89	7,083.22
		<b>7,809.18</b>	<b>825.40</b>	<b>2,333.72</b>	<b>6,133.52</b>	<b>17,101.82</b>	<b>13,187.15</b>

#### Interest Rate sensitivity

Interest rate risk is the risk that the fair value of future cash flows of a financial instruments will fluctuate because of changes in market interest rate. As at March 31, 2023 and as at March 31, 2022 the Company does not have significant interest rate risk as the Company's debt obligations are with fixed interest rates.

### C Market Risks

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company uses derivatives to manage any significant market risks. Derivatives are only used for economic hedging purposes and not as speculative investments. All such transactions are carried out within the guidelines set by the Board of Directors.

#### (i) Currency Risk

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company's exposure to currency risk relates primarily to the Company's operating activities when transactions are denominated in a different currency from the Company's functional currency.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

As at the end of the reporting period, the carrying amounts of the company's foreign currency denominated financial assets and financial liabilities are as follows:

As at March 31, 2023		In foreign currency in lakhs	Equivalent Rs in lakhs
<b>Financial Assets</b>			
Trade Receivables	EURO	5.92	530.49
	USD	3.73	295.77
	AED	0.22	4.34
Advance to suppliers	EURO	0.15	13.06
	JPY	0.94	0.58
	USD	0.28	22.67
Capital Advance	JPY	36.00	22.32
<b>Financial Liabilities</b>			
Trade Payables	EURO	1.09	98.00
	USD	0.36	29.73
	JPY	0.06	0.04

As at March 31, 2022		In foreign currency in lakhs	Equivalent Rs in lakhs
<b>Financial Assets</b>			
Trade Receivables	EURO	7.08	599.39
	USD	0.78	59.34
	AED	0.38	7.57
Advance to suppliers	EURO	0.02	1.88
	JPY	0.94	0.58
	USD	0.25	18.73
<b>Financial Liabilities</b>			
Trade Payables	EURO	1.08	91.14
	USD	-	-

**(ii) Interest Rate Risk**

Refer note B (ii) for interest rate sensitivity

**(iii) Raw material price risk**

The Company does not have significant risk in raw material price variations. In case of any variation in price same is passed on to the customer through appropriate adjustments to selling prices.

**Note 40 : Fair Value Disclosures**

This section explains the judgment and estimates made in determining the fair value of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair value are disclosed in financials statements. To provide an indication about the reliability of the inputs used in determining the fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standards.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

### a) Categories of Financial Instruments:

(Rs. in lakhs)

Financial assets/ financial liabilities	Fair value hierarchy as at March 31, 2023			Total
	Level-1	Level-2	Level-3	
<b>Financial assets</b>				
Financial assets carried at amortised cost				
Trade Receivables	-	2,045.96	-	2,045.96
Cash and cash equivalents	-	16.46	-	16.46
Other Bank balances	-	45.45	-	45.45
Other Financial Assets	-	57.55	-	57.55
<b>Total</b>	-	<b>2,165.42</b>	-	<b>2,165.42</b>
<b>Financial liabilities</b>				
Financial liabilities held at amortised cost				
Borrowings	-	11,195.15	-	11,195.15
Trade Payables	-	2,330.09	-	2,330.09
Other financial liabilities	-	1.87	-	1.87
<b>Total</b>	-	<b>13,527.11</b>	-	<b>13,527.11</b>

(Rs. in lakhs)

Financial assets/ financial liabilities	Fair value hierarchy as at March 31, 2022			Total
	Level-1	Level-2	Level-3	
<b>Financial assets</b>				
Financial assets carried at amortised cost				
Trade Receivables	-	1,842.45	-	1,842.45
Cash and cash equivalents	-	584.11	-	584.11
Other Bank balances	-	5.45	-	5.45
Other Financial Assets	-	20.53	-	20.53
<b>Total</b>	-	<b>2,452.54</b>	-	<b>2,452.54</b>
<b>Financial liabilities</b>				
Financial liabilities held at amortised cost				
Borrowings	-	11,417.37	-	11,417.37
Trade Payables	-	1,769.78	-	1,769.78
Other financial liabilities	-	-	-	-
<b>Total</b>	-	<b>13,187.15</b>	-	<b>13,187.15</b>

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

### b) Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required):

The Company consider that the carrying amount of financial asset and financial liabilities recognised in the financial statements approximate their fair value.

#### Note 41 :

The Company and NRB IBC Bearings Private Limited (NIBC) have transactions with IBC INDUSTRIAL BEARINGS AND COMPONENTS AG (IBC AG) and IBC Walzlager, GmbH ( IBC GmbH) in nature of export of goods and import of raw materials since December 2013. For transactions held between December 2013 and August 2015, IBC AG and IBC GmbH has netted off the outstanding receivables and payables in their books of accounts and remitted Euro 28,079 in October 2015 for the same.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

As per RBI Circular RBI/2014-15/5 Master Circular No.14/2014-15 dated July 1, 2014 Clause C.25, RBI had delegated the powers to accept the application for set-off of export receivables against import payables to Authorised Dealer bank (AD) on behalf of RBI.

The Company had made the statutory application to its AD bank along with all the necessary documents seeking approval for set off of export receivables against import payables in the books of the Company. Pending approval the Company has disclosed receivables of Rs. 155.02 lakhs ( March 31, 2022 Rs. 146.82 lakhs ) as Non current Trade Receivable in Note 12 and payable of Rs. 90.33 lakhs ( March 31, 2022 Rs. 85.34 lakhs ) as Non current Trade Payable in Note 18.

### Note 42 : Ratio Analysis

	Particulars	Numerator	Denominator	2022-23	2021-22	Difference	Remarks for variance more than 25%
a.	Trade Receivable Turnover Ratio	Net Credit Sales	Average Trade Receivable	3.97	3.80	4.46%	Not applicable
b.	Trade Payables Turnover Ratio	Net Credit Purchase	Average Trade Payable	1.81	1.35	34.27%	Higher trade payable in current year due to increase in operation.
c.	Inventory Turnover	Cost of Goods Sold	Average Inventory	1.48	1.30	13.42%	Not applicable
d.	Net Capital Turnover Ratio	Net Credit Sales	Average Working Capital	(2.45)	(1.89)	29.73%	Ratio has improved on account of increase in revenue.
e.	Debt Service Coverage Ratio	Net Profit Before Tax and Exceptional Item (Gain)+Depreciation and Amortisation + Interest	Debt Service	0.82	0.52	57.59%	Ratio has increased on account of increase in earnings available for debt service in current year.
f.	Current Ratio	Current Assets	Current Liabilities	0.61	0.58	4.46%	Not applicable
g.	Debt Equity Ratio	Total Debt	Shareholder's Equity	(8.28)	(26.60)	-68.88%	The debt has decreased in current year as compared to previous year however the shareholder's equity has reduced due to losses for the year.
h.	Net Profit Margin (%)	Net Profit After Tax before Exceptional Item (Gain)	Net Sales	-17.01%	-14.15%	20.25%	Not applicable
i.	Return on Equity ( % )	Net Profit After Tax before Exceptional Item (Gain)	Average Shareholder's Equity	147%	-1394%	-110.57%	Due to increase in losses for the year.
j.	Return on Capital Employed ( % )	EBIT	Net Worth + Total Borrowings + Deferred Tax	-4%	-2%	94.34%	Due to increase in losses for the year.
k.	Return on Investment	NA	NA	NA	NA	NA	

### Note 43 : Additional Regulatory Information

- (I) The Company does not have any benami property, where any proceeding has been initiated or pending against the Company for holding any benami property.
- (II) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (III) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign

### **NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

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entities (Intermediaries) with the understanding that the Intermediary shall:

- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or
  - (b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries
- (IV) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or
  - (b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.
- (V) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- (VI) The Company is not declared wilful defaulter by and bank or financials institution or lender during the year.
- (VII) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (VIII) Quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.
- (VIII) Quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.
- (IX) The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was obtained
- (X) The Company did not have any transactions with struck off companies under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

**Note 44 :** The figures for the previous year have been regrouped where necessary to confirm to the current year's classification.

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

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

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

**Vandana Yadav**  
**Company Secretary**

**Place : Mumbai**  
**Date : May 25, 2023**

## INDEPENDENT AUDITOR'S REPORT

To The Members of NRB INDUSTRIAL BEARINGS LIMITED

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

#### Opinion

We have audited the accompanying consolidated financial statements of NRB Industrial Bearings Limited ("the Parent"/ "the Holding Company") and the Group's share of profit in its associates, which comprise the Consolidated Balance Sheet as at March 31, 2023, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended 'Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2023, and their consolidated loss, their consolidated total comprehensive loss, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

#### Basis for Opinion

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

#### Emphasis of Matter

We draw attention to Note 17A(h) to the consolidated financial statements regarding the increase in the authorized share capital of the Company by passing members' resolution through postal ballot and conversion of unsecured interest free loan into 2% Redeemable Cumulative Non-Convertible preference shares to a Promoter shareholder of Rs. 6.50 Crores.

In the event, the said Promoter pursues and is successful in setting aside the Scrutinizer's report then the impact, if any, of the above on the financial statements would depend on any future course of action by either parties in this regard.

Our opinion is not modified in this matter.

#### Key Audit Matters

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

Sr. No.	Key Audit Matter	Auditor's Response
1	<b>Inventory - Provision for slow and non-moving inventory of finished goods.</b>  The Parent is in the business of manufacturing of industrial bearings.	1. We have evaluated the design and tested the implementation of internal controls including operating effectiveness of such internal controls on the management's judgements exercised for provisions made and underlying data, assumption used and record maintained for determination of saleability of slow moving and non-moving finished goods.

Sr. No.	Key Audit Matter	Auditor's Response
	<p>Determination of saleability of slow moving and non-moving Finished Goods inventory involves significant management judgment and estimate.</p> <p>The Parent has certain non-moving finished goods inventory as at March 31, 2023 lying at factory. This inventory is physically verified quarterly by the Company. Management applies judgment in determining the appropriate provisions for such slow and non-moving finished goods inventory based upon its detailed analysis of old inventory, net realizable value, quarterly movement of such inventory, its physical condition, future use and sales projections for the said inventory. Accordingly determining the saleability of such slow / non-moving inventory and consequently, the amount of provision required for such inventory requires the Company to make significant judgment and estimates and therefore has been considered as a key audit matter.</p> <p>Refer to Note 2(f) and 11 of the consolidated financial statements for the above matter.</p>	<ol style="list-style-type: none"> <li>2. We have evaluated the design and tested the implementation and operating effectiveness of review controls on the reasonableness of sales projections for the slow-moving Finished Goods inventory.</li> <li>3. We have performed audit procedures directly on the information (such as inventory ageing report amongst others) which is being relied upon by the management. This includes agreeing summary information to underlying data and tracing a selection of information from the entity's underlying data into the information as well as identifying and obtaining audit evidence to support the key assumptions underlying the estimate.</li> <li>4. We have observed physical verification of inventory conducted by the Parent during the year and on a test check basis, verified the samples of provisions made with basis, assumptions, approval and supporting documents used by the management.</li> </ol>

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

- The Parent's/ Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report including annexures to the Director's Report, Management's Discussion and Analysis Report and Corporate Governance Report but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the associates audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the associates, is traced from their financial statements audited by the other auditors.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Parent's/ Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Parent and its Associates in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the Parent and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Parent and its associates and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the



accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent/ Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management of the Parent and of its associates are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Parent and of its associates are also responsible for overseeing the financial reporting process of the Parent and of its associates.

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent/ 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 the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Parent and its associates to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Parent and its associates to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Parent and its associates to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such branches or entities or business activities included in the consolidated financial statements of which we are the independent auditors. We remain solely responsible for our audit opinion.

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

We communicate with those charged with governance of the Parent/ Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

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

1. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors of the Parent/ Holding Company as on March 31, 2023 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its associate companies incorporated in India, none of the directors of the Parent and its associate companies incorporated in India is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent/ Holding company. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls with reference to consolidated financial statements of the Parent. Reporting on the adequacy of Internal Financial Controls with reference to financial statements of the associates incorporated in India and the operating effectiveness of such controls, under section 143(3)(i) of the Act is not applicable in view of the exemption available to the associates in terms of the notification no. G.S.R. 583(E) dated 13 June 2017 issued by the Ministry of Corporate Affairs, Government of India, read with general circular No. 08/2017 dated July 25, 2017.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

In our opinion and to the best of our information, the remuneration paid by the Parent/ Holding Company to their respective directors during the year is in accordance with the provisions of section 197 of the Act.
  - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
    - i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Parent and its associates - Refer Note 33(ii) to the consolidated financial statements.
    - ii) The Parent and its associates did not have any material foreseeable losses on long-term contracts including derivative contracts.

- iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Parent and its, associate companies incorporated in India.
- iv) (a) The respective Managements of the Parent/ Holding Company and its associates which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such associates and respectively that, to the best of their knowledge and belief, as disclosed in the Note 43(ii) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Parent/ Holding Company or any of such associates to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Parent/ Holding Company or any of such associates ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (b) The respective Managements of the Parent/ Holding Company and its associates which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such associates respectively that, to the best of their knowledge and belief, as disclosed in the Note 43(iii) to the consolidated financial statements, no funds have been received by the Parent/ Holding Company or any of such associates from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Parent/ Holding Company or any of such associates shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the associates which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v) The Parent/ Holding Company and its associates which are companies incorporated in India, whose financial statements have been audited under the Act, have not declared or paid any dividend during the year and have not proposed final dividend for the year.
- vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable w.e.f. April 1, 2023 to the Parent/ Holding Company and its associates which are companies incorporated in India, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.
2. With respect to the matters specified in clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("CARO"/ "the Order") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the CARO reports issued by us and the auditors of respective companies included in the consolidated financial statements to which reporting under CARO is applicable, as provided to us by the Management of the Parent/ Holding Company, we report that there are no qualifications or adverse remarks by the respective auditors in the CARO reports of the said companies included in the consolidated financial statements.

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

**Kedar Raje**  
Partner  
(Membership No. 102637)  
(UDIN: 23102637BGXUTF7634)

Place: Mumbai  
Date: May 25, 2023

### **ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT**

(Referred to in paragraph 1 (f) under ‘Report on Other Legal and Regulatory Requirements’ of our report of even date to the members of **NRB Industrial Bearings Limited** on the consolidated financial statements for the year ended March 31, 2023)

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”)

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to consolidated financial statements of NRB Industrial Bearings Limited (hereinafter referred to as “Parent”), as of that date.

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

The Board of Directors of the Parent, is responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the internal control with reference to consolidated 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 issued by the Institute of Chartered Accountants of India (“the ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Parent’s1 policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the Parent’s internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. 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 was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Parent’s internal financial controls with reference to consolidated financial statements.

#### **Meaning of Internal Financial Controls with reference to consolidated financial statements**

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

**Inherent Limitations of Internal Financial Controls with reference to consolidated financial statements**

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 control 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**

In our opinion to the best of our information and according to the explanations given to us, the Parent, has, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2023, based on the internal control with reference to consolidated financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

**Kedar Raje**  
Partner  
(Membership No. 102637)  
(UDIN: 23102637BGXUTF7634)

Place: Mumbai  
Date: May 25, 2023

## CONSOLIDATED BALANCE SHEET AS ON MARCH 31, 2023

(Rs. in lakhs)

Particulars		Notes	As at March 31, 2023	As at March 31, 2022
<b>A</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non-current assets</b>			
	(a) Property, plant and equipment	5	5,790.92	6,625.85
	(b) Right-of-use assets		692.41	700.59
	(c) Capital work-in-progress	7	264.72	264.72
	(d) Other Intangible assets	6	-	1.05
	(e) Financial assets			
	(i) Investments			
	(a) Investments in associates	8	64.86	38.13
	(ii) Trade Receivables	12	155.02	146.82
	(iii) Other financial assets	9	31.90	11.90
	(f) Non-Current tax assets (Net)	14	49.03	36.31
	(g) Other non-current assets	10	154.65	58.73
	<b>Total non-current assets</b>		<b>7,203.51</b>	<b>7,884.10</b>
<b>2</b>	<b>Current assets</b>			
	(a) Inventories	11	2,496.06	2,112.40
	(b) Financial Assets			
	(i) Trade receivables	12	1,890.94	1,695.63
	(ii) Cash and cash equivalents	13A	16.46	584.11
	(iii) Bank balances other than (ii) above	13B	45.45	5.45
	(iv) Other financial assets	9	25.65	8.63
	(c) Current tax assets (Net)	14	-	-
	(d) Other current assets	10	200.65	157.33
	<b>Total current assets</b>		<b>4,675.21</b>	<b>4,563.55</b>
	<b>Total assets (1+2)</b>		<b>11,878.72</b>	<b>12,447.65</b>
<b>B</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>Equity</b>			
	(a) Equity Share capital	15	484.61	484.61
	(b) Other Equity	16	(2,297.21)	(1,400.71)
	<b>Total equity</b>		<b>(1,812.60)</b>	<b>(916.10)</b>
	<b>Liabilities</b>			
	<b>Non-current liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings	17A	5,870.63	5,403.59
	(ii) Trade payables			
	a) Total outstanding dues of Micro Enterprises and Small Enterprises		-	-
	b) Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	18	90.33	85.34
	(ii) Other financial liabilities	19	-	-
	(b) Deferred tax liabilities (Net)	15A	-	-
	(c) Provisions	21	37.82	28.65
	<b>Total non-current liabilities</b>		<b>5,998.78</b>	<b>5,517.58</b>
<b>2</b>	<b>Current liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings	17B	5,324.52	6,013.78
	(ii) Trade payables			
	a) Total outstanding dues of Micro Enterprises and Small Enterprises		-	-
	b) Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	18	2,239.76	1,684.44
	(iii) Other financial liabilities	19	1.87	-
	(b) Other current liabilities	20	105.60	92.61
	(c) Provisions	21	20.79	55.34
	<b>Total current liabilities</b>		<b>7,692.54</b>	<b>7,846.17</b>
	<b>Total liabilities (2+3)</b>		<b>13,691.32</b>	<b>13,363.75</b>
	<b>Total equity and liabilities (1+2+3)</b>		<b>11,878.72</b>	<b>12,447.65</b>

See accompanying notes to the financial statements

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

For and on behalf of the Board of Directors

D. S. Sahney  
Chairman and Managing Director

Gulestan Kolah  
Chief Financial Officer

Vandana Yadav  
Company Secretary

Kedar Raje  
Partner

Place : Mumbai  
Date : May 25, 2023

Place : Mumbai  
Date : May 25, 2023

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023

(Rs. in lakhs)

Particulars	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
I Revenue from operations	22	8,072.74	6,944.31
II Other income	23	182.40	128.35
<b>III Total Income (I + II)</b>		<b>8,255.14</b>	<b>7,072.66</b>
<b>IV Expenses</b>			
Cost of materials consumed	24	3,616.14	2,783.15
Changes in inventories of finished goods and work-in-progress	25	(217.13)	8.74
Employee benefits expense	26	1,760.79	1,593.48
Finance costs	27	965.77	783.31
Depreciation and amortisation expense	28	928.78	911.15
Other expenses	29	2,512.98	1,975.14
<b>Total expenses (IV)</b>		<b>9,567.33</b>	<b>8,054.97</b>
<b>V Loss before tax (III - IV)</b>		<b>(1,312.19)</b>	<b>(982.31)</b>
<b>VI Tax Expense</b>			
(1) Current tax		-	-
(2) Deferred tax		-	-
<b>Total tax expense</b>		<b>-</b>	<b>-</b>
<b>VII Loss for the year (V -VI)</b>		<b>(1,312.19)</b>	<b>(982.31)</b>
<b>VIII Share of Profit /(Loss) of associates</b>		<b>23.19</b>	<b>(27.25)</b>
<b>IX Profit /(Loss) after tax and after share of loss of associate (IX-X)</b>		<b>(1,289.00)</b>	<b>(1,009.56)</b>
<b>Other comprehensive income</b>			
<b>A (i) Items that will not be reclassified to profit or loss</b>			
(a) Remeasurements of the defined benefit plans		30.99	17.07
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
(iii) Share of other comprehensive income in associates, to the extent not to be reclassified to profit and loss.		(3.54)	(1.94)
<b>X Total other comprehensive income (A (i-ii-iii))</b>		<b>27.45</b>	<b>15.13</b>
<b>XI Total comprehensive income for the year (VII+VIII)</b>		<b>(1,316.45)</b>	<b>(1,024.69)</b>
<b>XII Earnings per equity share</b>	31		
(1) Basic (in Rs.)		(5.32)	(4.17)
(2) Diluted (in Rs.)		(5.32)	(4.17)

See accompanying notes to the financial statements

In terms of our report attached.

For Deloitte Haskins & Sells  
Chartered Accountants

For and on behalf of the Board of Directors

D. S. Sahney  
Chairman and Managing Director

Kedar Raje  
Partner

Gulestan Kolah  
Chief Financial Officer

Vandana Yadav  
Company Secretary

Place : Mumbai  
Date : May 25, 2023

Place : Mumbai  
Date : May 25, 2023

### STATEMENT OF CONSOLIDATED CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2023

(Rs. in lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Cash flows from operating activities</b>		
Profit after tax	(1,289.00)	(1,009.56)
Adjustments for:		
Finance costs	965.77	783.31
Allowance for doubtful debts	33.78	57.39
Bad debts / advances written off	8.40	-
Depreciation and amortisation expense	928.78	911.15
Loss on sale of Property, Plant & equipment	-	17.09
Liability no longer payable required written back	(26.59)	(22.48)
Interest Income	(1.02)	(8.20)
Foreign exchange loss/ (gain) unrealised	(64.97)	(38.87)
Share of Loss of associates	(23.19)	27.25
Operating profit before working capital changes	531.96	717.08
<b>Movements in working capital:</b>		
(Increase)/ decrease in trade receivables	(173.02)	(212.12)
(Increase)/decrease in inventories	(383.66)	68.50
(Increase)/decrease in other current assets	(43.32)	(33.44)
(Increase)/decrease in non current assets	(50.26)	(1.88)
(Increase)/decrease in other financial assets	(38.78)	(11.21)
Increase/(decrease) in trade payables	579.49	(459.72)
Increase/(decrease) in provisions	(56.38)	(4.96)
Increase/(decrease) in other liabilities	21.69	(147.94)
Cash generated from operations	387.72	(85.69)
Income taxes paid	(12.72)	1.84
<b>Net cash generated by / (used in) operating activities</b>	<b>375.00</b>	<b>(83.85)</b>



## STATEMENT OF CONSOLIDATED CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2023

(Rs. in lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment	(139.27)	(230.93)
Proceeds from disposal of property, plant and equipment	-	12.87
Bank Balance not considered for cash and cash equivalents	(40.00)	-
Interest Income	2.79	7.52
<b>Net cash used in investing activities</b>	<b>(176.48)</b>	<b>(210.54)</b>
<b>Cash flows from financing activities</b>		
Proceed from non current borrowings	-	573.02
Repayment of non current borrowings	(364.12)	(532.40)
Proceeds/(repayment) from/of current borrowings (Refer Note 2 below)	(39.26)	660.23
Share Issue expenses paid	(13.30)	-
Interest paid	(349.49)	(242.69)
<b>Net cash generated by / (used in) financing activities</b>	<b>(766.17)</b>	<b>458.16</b>
<b>Net increase in cash and cash equivalents</b>	<b>(567.65)</b>	<b>163.77</b>
Cash and cash equivalents at the beginning of the year (refer Note 13A)	584.11	420.34
<b>Cash and cash equivalents at the end of the year (refer Note 13A)</b>	<b>16.46</b>	<b>584.11</b>

**Note:**

- 1 The above Statement of Cash Flow has been prepared under the "Indirect Method" setout in Ind AS 7 - Statement of Cash Flows.
- 2 The above excludes issue of preference shares Rs. 650.00 lakhs (for year ended March 31, 2022 - Rs. NIL) by adjusting against Promoter Director's loan, being non-cash transaction.

**See accompanying notes to the financial statements**

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

For and on behalf of the Board of Directors

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

Kedar Raje  
Partner

Gulestan Kolah  
Chief Financial Officer

Vandana Yadav  
Company Secretary

Place : Mumbai  
Date : May 25, 2023

Place : Mumbai  
Date : May 25, 2023

### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023

#### A) Equity Share Capital

(Rs. in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Balance as at the beginning of the year	484.61	484.61
Changes in equity share capital during the year	-	-
Balance as at the end of the year	<b>484.61</b>	<b>484.61</b>

#### B) Other equity

(Rs. in lakhs)

Particulars	Reserves and Surplus			Total
	Capital reserve	Deemed capital contribution	Retained earnings	
<b>Balance at April 1, 2021</b>	<b>5,700.16</b>	<b>5,486.43</b>	<b>(11,562.61)</b>	<b>(376.02)</b>
Loss for the year	-	-	(1,009.56)	(1,009.56)
Other Comprehensive Income for the year - Remeasurement of net defined benefit obligation (net of taxes)	-	-	(15.13)	(15.13)
Share issue expenses for increase in authorised capital	-	-	-	-
<b>Total Comprehensive Income for the year</b>	<b>-</b>	<b>-</b>	<b>(1,024.69)</b>	<b>(1,024.69)</b>
Recognition of equity component on issue of redeemable preference shares	-	-	-	-
<b>Balance at March 31, 2022</b>	<b>5,700.16</b>	<b>5,486.43</b>	<b>(12,587.30)</b>	<b>(1,400.71)</b>
Loss for the year	-	-	(1,289.00)	(1,289.00)
Other Comprehensive Income for the year - Remeasurement of net defined benefit obligation (net of taxes)	-	-	(30.99)	(30.99)
<b>Total Comprehensive Income for the year</b>	<b>-</b>	<b>5,486.43</b>	<b>(1,319.99)</b>	<b>(1,319.99)</b>
Share issue expenses for increase in authorised capital	-	-	(13.30)	(13.30)
Recognition of equity component on issue of redeemable preference shares	-	436.79	-	436.79
<b>Balance at March 31, 2023</b>	<b>5,700.16</b>	<b>5,923.22</b>	<b>(13,920.59)</b>	<b>(2,297.21)</b>

See accompanying notes to the financial statements

In terms of our report attached.

For Deloitte Haskins & Sells

Chartered Accountants

For and on behalf of the Board of Directors

D. S. Sahney

Chairman and Managing Director

Kedar Raje  
Partner

Gulestan Kolah  
Chief Financial Officer

Vandana Yadav  
Company Secretary

Place : Mumbai  
Date : May 25, 2023

Place : Mumbai  
Date : May 25, 2023

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

### 1. Basis of accounting and preparation of the Consolidated Financial Statements

The consolidated financial statements of the Company comprising of Balance Sheet, Statement of profit or loss, Statement of changes in Equity and Cash Flow Statement together with the notes have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [the Companies (Indian Accounting Standards) Rules, 2015] as amended and other relevant provisions of the Act.

All values are rounded off to the nearest lakhs.

The consolidated financial statements are presented in Indian currency (INR) which is the Company's functional and presentation currency.

The consolidated financial statements were approved for issue by the board of directors on 25 May, 2023.

The consolidated financial statements have been prepared on an accrual basis under the historical cost convention except for certain financial instruments which have been measured at fair value at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

For financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the

significance of the inputs to the fair value measurement in its entirety, which are described as follows:

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

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

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

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

#### i. Principles of consolidation

The consolidated financial statements relate to the Company and share of profit / loss in its associate. The consolidated financial statements have been prepared on the following basis:

- a) The consolidated financial statements include the share of profit / loss of the associate company which has been accounted for using equity method as per Ind AS 28 "Investments in Associates and Joint ventures". Accordingly, the share of profit/ loss of the associate company (the loss being restricted to the cost of investment) has been added to / deducted from the cost of investments.
- b) The difference between the cost of investment in the associate and the share of net assets at the time of acquisition of shares in the associate is identified in the consolidated financial statements as Goodwill or Capital reserve as the case may be.
- c) The following associate have been considered in preparation of consolidated financial statements.

Particulars	Country of Incorporation	% of ownership interest
NRB – IBC Bearings Private Limited (NIBC)	India	35%
Korta Engineering India Private Limited (Korta India)	India	35%

#### ii. About the holding company:

The Company was incorporated on 24th day of February, 2011 as a Private Limited Company under the provisions of the Companies Act, 1956 (the 1956

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Act). On the acquisition of equity shares of the Company on 4th November, 2011 by NRB Bearings Limited, a public limited company, the Company in terms of Section 3 (1) (iv) (c) of the 1956 Act became a Public Limited Company and the name of the Company was changed from "NRB Industrial Bearings Private Limited" to "NRB Industrial Bearings Limited".

The Scheme of Arrangement (the Scheme) for the transfer of Industrial Bearings Undertaking of NRB Bearings Limited (NRB) to the Company under section 391 to 394 read with section 100 to 103 of the Companies Act, 1956 was sanctioned by the Hon'ble High Court of Judicature, Bombay on 24th August 2012. The Scheme, which has become operative from 25th September, 2012 upon filing of the certified copies of the Orders of the Hon'ble High Court with the Registrar of Companies became effective from 1st October, 2012 (the Appointed Date). Pursuant to the Scheme, with effect from the Appointed date the Industrial Bearings Undertaking of NRB is transferred and vested in the Company as a going concern, with all its assets, liabilities, properties, rights, benefits and interest therein subject to existing charges thereon.

In terms of the Scheme, in consideration of the transfer and vesting of the Industrial Bearings Undertaking of NRB, in respect of every 4 equity shares of Rs. 2 each, held by the shareholders of NRB, 1 equity share of Rs. 2 each fully paid up aggregating 24,230,650 equity shares have been issued and allotted on 31st October, 2012, to the shareholders of NRB whose names appeared in the Register of Members, as on 25th October, 2012, being the record date.

All the staff, workmen and employees of Industrial Bearings Undertaking of NRB in service as on 1st October, 2012 have become staff, workmen and employees of the Company without any break in their service.

In terms of the Scheme, the Company recorded all the assets and liabilities pertaining to the Industrial Bearings Undertaking, at the respective book values appearing in the books of NRB as on the Appointed Date. The Company credited to its share capital account, the aggregate face value of the equity shares issued by it pursuant to the Scheme. The difference of Rs. 5,700.16 lakhs between excess of net assets and the amount credited as share capital after adjusting the cancellation of existing share capital of the Company held by NRB has been credited to Capital Reserve. The equity shares allotted have been listed on the Bombay Stock Exchange and the National Stock Exchange on 9th April, 2013.

The Company is engaged in the business of manufacturing and selling of all types of industrial bearings.

The address of its registered office is 2nd floor, Dhannur building, 15, Sir P.M. Road, Fort, Mumbai – 400 001, Maharashtra, India.

## 2 Significant accounting policies

### a. Property, plant and equipment

Property, plant and equipment are stated at cost of acquisition, including any attributable cost for bringing the asset to its working condition for its intended use less accumulated depreciation and less accumulated impairment, if any. Cost includes financing cost relating to borrowed funds attributable to the construction or acquisition of qualifying tangible assets upto the date the assets are ready for use.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of profit or loss when the asset is derecognized.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Depreciation on tangible property, plant and equipment is calculated on straight line basis based on the useful life in accordance with part C of schedule II of the Companies Act, 2013 other than the following assets class for which useful life has been determined based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, etc.

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

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

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**b. Intangible assets acquired separately**

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

**c. Impairment of assets**

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

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

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

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

reversal of an impairment loss is recognised immediately in Statement of profit or loss.

**d. Foreign currencies**

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

**e. Inventories**

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

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

**f. Revenue recognition**

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

Sale of goods

Revenue from contract with customers is recognised when the Company satisfies performance obligation by transferring promised

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

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goods to the customer. Performance obligations are satisfied at the point of time when the customer obtains controls of the asset.

#### Sale of services

Sale of services are recognised on rendering of such services.

#### Dividend and interest income

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

#### Rental income

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

#### **g. Leasing**

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

#### **The Company as lessor**

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other income'.

#### **The Company as lessee**

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

covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option.

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

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

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

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

The Company has adopted modified retrospective approach where lease liability measured at present value of remaining lease payment discounted at the incremental borrowing rate at the date of initial application and right to use asset is equal to lease liability adjusted by the amount of any prepaid or accrued lease payments. The Company has paid the entire lease premium for the lease hold land as a result of which there is no corresponding Lease liability against the Right-of-Use asset. The effect of adoption of Ind AS 116 on the loss for the year and earnings per share is not significant. The nature of expenses in respect of operating leases has changed from lease rent, included in other

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

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expenses, in previous year to depreciation cost for the right-to-use asset.

**h. Employee benefits**

Retirement benefit costs and termination benefits:

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

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

For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in the other comprehensive income is reflected immediately in retained earnings and is not reclassified to Statement of profit or loss. Past service cost is recognised in Statement of profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the defined benefit liability. Defined benefit costs are categorised as follows

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

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

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

benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

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

Short-term and other long-term employee benefits:

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

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

**i. Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in profit or loss in the period in which they are incurred. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan.

**j. Taxes on Income**

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

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Statement of profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

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current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

#### Deferred tax

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses could be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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

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

#### **k. Provisions**

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

required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

#### **l. Earnings Per Share**

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

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

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

#### **n. Cash Flow Statement :**

Cash flows are reported using the indirect method, whereby profit/ (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

#### **o. Financial instruments**

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

#### **Financial assets:**

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the



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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

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marketplace. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

**Impairment of financial assets:**

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

**Derecognition of financial assets:**

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

**Financial liabilities and equity instruments****Classification as debt or equity**

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

**Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all its liabilities. Equity instrument issued by the Company are recognised at the proceeds received, net of direct issue costs. Repurchase of

the Company's own equity instrument is recognised and deducted directly in equity. No gain or loss is recognised in the Statement of profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

**Compound financial instruments**

The component parts of compound financial instruments issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of financial liability and an equity instrument. At the date of issue, the fair value of liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recognised as a liability on an amortised cost basis using the effective interest method until extinguished at the instrument's maturity date.

Equity is determined by deducting the amount of the liability component from the fair value of the compound financial instrument as a whole. This is recognised and included in equity, and is not subsequently remeasured.

Transaction costs that relate to the issue of the instrument are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the instrument using the effective interest method.

**Financial Liabilities**

All the financial liabilities are subsequently measured at amortised cost using the effective interest method or at fair value through profit or loss, depending on the classification of the financial liabilities.

**Derecognition of financial liabilities:**

The Company derecognises financial liabilities when, and only when, the Company's obligation are discharged, cancelled or have expired. An exchange between the lender of debt instrument with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

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liability. Similarly, a substantial modification of the term of an existing liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Statement of profit or loss.

#### **Derivative financial instruments:**

The Company enters into derivative contracts to manage its exposure to foreign exchange rate risk and interest rate risk, including call spread currency option and interest rate swap. Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the Statement of profit or loss immediately.

### **3 Use of estimates and judgments**

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses etc. at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are included in the following notes:

Note No.2.a	Property, plant & equipment
Note No.2.b	Intangible assets acquired separately
Note No.2.h	Employee benefits

### **4 Recent accounting pronouncements**

Ministry of Corporate Affairs (“MCA”) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, the Ministry of Corporate Affairs (MCA) has notified Companies (Indian Accounting Standards) Amendment Rules, 2023. This notification has resulted into amendments in the following existing accounting standards which are applicable to company from April 1, 2023.

- (i) Ind AS 101 – First-time Adoption of Indian Accounting Standards
- (ii) Ind AS 102 – Share-based Payment
- (iii) Ind AS 103 – Business Combinations
- (iv) Ind AS 107 – Financial Instruments Disclosures
- (v) Ind AS 109 – Financial Instruments
- (vi) Ind AS 115 – Revenue from Contracts with Customers
- vii. Ind AS 1 – Presentation of Financial Statements
- viii. Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors
- ix. Ind AS 12 – Income Taxes
- x. Ind AS 34 – Interim Financial Reporting

The Company is in the process of evaluating the impact of the application of above standards on the Company's consolidated financial statements.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

### NOTE 5 - Property, plant and equipment

(Rs. in lakhs)

Description	Cost or deemed cost				Accumulated depreciation and impairment				Net Carrying amount
	Balance As at 01.04.22	Additions	Deductions	Balance As at 31.03.23	Balance As at 01.04.22	For the year	On Deductions/Amortisation	Balance As at 31.03.23	Balance As at 31.03.23
<b>Refer foot note 2</b>									
Buildings Own Use	3,407.43 (3,407.43)	-	-	3,407.43 (3,407.43)	1,078.15 (964.89)	113.28 (113.26)	-	1,191.43 (1,078.15)	2,216.00 (2,329.28)
Given under operating lease	307.11 (307.11)	-	-	307.11 (307.11)	93.02 (82.76)	10.26 (10.26)	-	103.28 (93.02)	203.83 (214.11)
	3,714.54 (3,714.54)	-	-	3,714.54 (3,714.54)	1,171.17 (1,047.65)	123.54 (123.52)	-	1,294.71 (1,171.17)	2,419.83 (2,543.37)
Leasehold Improvement	154.51 (154.51)	-	-	154.51 (154.51)	76.24 (63.45)	12.79 (12.79)	-	89.03 (76.24)	65.48 (78.27)
Plant and Machinery Own Use	7,303.10 (7,320.25)	71.25 (27.61)	-	7,374.35 (7,303.10)	3,903.32 (3,254.57)	678.73 (663.49)	-	4,582.05 (3,903.32)	2,792.30 (3,399.78)
Given under operating lease	90.41 (90.41)	-	-	90.41 (90.41)	40.28 (33.57)	6.71 (6.71)	-	46.99 (40.28)	43.42 (50.13)
	7,393.51 (7,410.66)	71.25 (27.61)	-	7,464.76 (7,393.51)	3,943.60 (3,288.14)	685.44 (670.20)	-	4,629.04 (3,943.60)	2,835.72 (3,449.91)
Furniture and fixtures Own Use	255.74 (252.09)	5.78 (3.65)	-	261.52 (255.74)	142.12 (126.05)	16.50 (16.08)	-	158.62 (142.13)	102.90 (113.61)
Given under operating lease	2.50 (2.50)	-	-	2.50 (2.50)	1.51 (1.35)	0.16 (0.16)	-	1.67 (1.51)	0.83 (0.99)
	258.24 (254.59)	5.78 (3.65)	-	264.02 (258.24)	143.63 (127.40)	16.66 (16.24)	-	160.29 (143.64)	103.73 (114.60)
Computers Own Use	91.95 (76.07)	5.00 (15.88)	-	96.95 (91.95)	71.16 (66.33)	5.41 (4.83)	-	76.57 (71.16)	20.38 (20.79)
Given under operating lease	0.44 (0.44)	-	-	0.44 (0.44)	0.44 (0.44)	-	-	0.44 (0.44)	-
	92.39 (76.51)	5.00 (15.88)	-	97.39 (92.39)	71.60 (66.77)	5.41 (4.83)	-	77.01 (71.60)	20.38 (20.79)
Office equipments Own Use	83.80 (80.69)	2.57 (3.11)	-	86.37 (83.80)	78.81 (75.42)	2.80 (3.39)	-	81.61 (78.81)	4.76 (4.99)
Given under operating lease	0.35 (0.35)	-	-	0.35 (0.35)	0.35 (0.34)	-	-	0.35 (0.35)	-
	84.15 (81.04)	2.57 (3.11)	-	86.72 (84.15)	79.16 (75.76)	2.80 (3.40)	-	81.96 (79.16)	4.76 (4.99)
Electrical installations Own Use	558.31 (558.31)	-	-	558.31 (558.31)	393.66 (352.23)	41.43 (41.43)	-	435.09 (393.66)	123.22 (164.65)
Given under operating lease	36.09 (36.09)	-	-	36.09 (36.09)	25.45 (22.77)	2.68 (2.68)	-	28.13 (25.45)	7.96 (10.64)
	594.40 (594.40)	-	-	594.40 (594.40)	419.11 (375.00)	44.10 (44.11)	-	463.21 (419.11)	131.18 (175.29)
Vehicles	303.18 (116.85)	-	-	303.18 (303.18)	64.54 (42.72)	28.79 (21.82)	-	93.33 (64.54)	209.85 (238.64)
<b>Sub Total (A)</b>	<b>12,594.91</b>	<b>84.60</b>	<b>-</b>	<b>12,679.51</b>	<b>5,969.06</b>	<b>919.53</b>	<b>-</b>	<b>6,888.59</b>	<b>5,790.92</b>
<b>Sub Total (B)</b>	<b>(12,403.09)</b>	<b>(236.58)</b>	<b>(44.76)</b>	<b>(12,594.91)</b>	<b>(5,086.89)</b>	<b>(896.91)</b>	<b>(14.74)</b>	<b>(5,969.06)</b>	<b>(6,625.85)</b>

**Notes:**

1. Assets pledged as security

Loan taken by associate companies NRB - IBC Bearings Private Limited of Rs. 475 Lakhs (outstanding as at 31st March 2023 is Rs. 199.95 Lakhs) and NIBL-Korta Engineering Private Limited of Rs. 200 Lakhs (outstanding as at 31st March 2023 is Rs. 199.95 Lakhs) are secured by a second pari passu charge over immovable property, plant and equipment (buildings), leasehold land of the Company and its movable fixed assets at its factory at Shendra (near Aurangabad).

Also Refer Note 17A and Note 17B on Borrowings.

2. Previous year figures are indicated in brackets

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

#### Note 6 : Other Intangible Assets (Rs. in lakhs)

Particulars	Software (Other than internally generated)
<b>I. Deemed cost</b>	
<b>Balance as at April 1, 2022</b>	<b>57.05</b>
Additions	-
Disposals	-
<b>Balance as at March 31, 2023</b>	<b>57.05</b>
<b>Balance as at April 1, 2021</b>	<b>57.05</b>
Additions	-
Disposals	-
<b>Balance as at March 31, 2022</b>	<b>57.05</b>
<b>II. Accumulated amortisation and impairment</b>	
<b>Balance as at April 1, 2022</b>	<b>56.00</b>
Amortisation expense	1.05
Eliminated on disposal of assets	-
<b>Balance as at March 31, 2023</b>	<b>57.05</b>
<b>Balance as at April 1, 2021</b>	<b>49.97</b>
Amortisation expense	6.03
Eliminated on disposal of assets	-
<b>Balance as at March 31, 2022</b>	<b>56.00</b>
<b>III. Net Carrying amount (I-II)</b>	
<b>Balance as at March 31, 2023</b>	<b>-</b>
<b>Balance as at March 31, 2022</b>	<b>1.05</b>

#### Note 7 A : Capital Work in Progress (Rs. in lakhs)

##### Capital Work in Progress Ageing Schedule

Particulars	Amount of Capital work in progress for the period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>As at March 31, 2023</b>					
Project in progress	-	-	-	264.72	264.72
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>264.72</b>	<b>264.72</b>
<b>As at March 31, 2022</b>					
Project in progress	-	-	-	264.72	264.72
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>264.72</b>	<b>264.72</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

### Projectwise Breakup of Capital Work in Progress

Particulars	Amount of Capital work in progress for the period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>As at March 31, 2023</b>					
Expansion of Production line	-	-	-	264.72	<b>264.72</b>
<b>Total</b>	-	-	-	<b>264.72</b>	<b>264.72</b>
<b>As at March 31, 2022</b>					
Expansion of Production line	-	-	-	264.72	<b>264.72</b>
<b>Total</b>	-	-	-	<b>264.72</b>	<b>264.72</b>

### Note 8 : Investments

(Rs. in lakhs)

Particular	As at March 31, 2023			As at March 31, 2022		
	No. of shares	Amounts	Amounts	No. of shares	Amounts	Amounts
		Current	Non Current		Current	Non Current
<b>A. Investments carried at cost</b>						
<b>Unquoted Investments (fully paid)</b>						
<b>(a) Investments in equity instruments of Associate</b>						
Equity Shares (of Rs. 10 each) in NRB-IBC Bearings Private Limited (NIBC)	4,200,000	-	-	4,200,000	-	-
Equity Shares (of Rs. 10 each) in NIBL -Korta Engineering Private Limited Limited	1,050,000	-	64.86	1,050,000	-	38.13
<b>Investments carried at cost</b>	<b>5,250,000</b>	<b>-</b>	<b>64.86</b>	<b>5,250,000</b>	<b>-</b>	<b>38.13</b>
<b>Total investments at cost</b>	<b>5,250,000</b>	<b>-</b>	<b>64.86</b>	<b>5,250,000</b>	<b>-</b>	<b>38.13</b>
<b>Aggregate amount of unquoted investments</b>			<b>64.86</b>			<b>38.13</b>
<b>Aggregate amount of impairment in value of investments</b>		<b>-</b>	<b>-</b>		<b>-</b>	<b>-</b>

#### Note:

- a) The Company's share of profit in an associate NRB-IBC Bearings Private Limited (NIBC) for the year ended March 31, 2023 is restricted to the extent of its share of losses not recognised earlier. The unrecognized share of losses of NIBC as at March 31, 2023 is Rs. 132.81 lakhs.
- b) Rs. 64.86 lakhs ( March 31, 2022 is Rs.38.13 lakhs) disclosed above includes the Company's Share of loss of Rs. 23.19 lakhs (for the year ended March 31,2022: profit of Rs. 27.25 lakhs) and other comprehensive income of Rs.3.54 lakhs (for the year ended March 31, 2022: income of Rs. 1.94 lakhs) in Associate Korta for the year ended March 31, 2022 as recognised in Consolidated Stateemnt of Profit and Loss for the year ended March 31, 2022.

Name of Associate	Country of Incorporation	Year	Original Cost of Investment	Amount of Goodwill/ (Capital reserve in original cost)
NRB-IBC Bearings Private Limited	India	2023	420	420.00
	India	2022	420	420.00
Korta Engineering Private Limited (Formerly known as Korta Engineering India Private Limited)	India	2023	105	170.69
	India	2022	105	170.69

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

#### Note 9 : Other financial assets/Others

(Rs. in lakhs)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Current	Non-current	Current	Non-current
(a) Interest accrued on fixed deposits	1.87	-	3.63	-
(b) Fixed Deposits with a Bank and Financial Institution	-	-	5.00	-
(c) Receivable from related party ( Refer Note below)	23.78	-	-	-
(d) Other financial asset	-	11.90	-	11.90
(e) Security Deposits	-	20.00	-	-
<b>Total</b>	<b>25.65</b>	<b>31.90</b>	<b>8.63</b>	<b>11.90</b>

#### Note: Receivable from related Party include debts due from:

(Rs. in lakhs)

	As at March 31, 2023	As at March 31, 2022
Private company in which directors are directors		
NIBL- Korta Engineering Private Limited (Refer note 37)	23.78	-
<b>Total</b>	<b>23.78</b>	<b>-</b>

#### Note 10 : Other assets

(Rs. in lakhs)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Current	Non-Current	Current	Non-Current
Security Deposits	-	82.43	-	46.62
Duties/taxes paid under protest	-	14.23	-	-
Capital advances	-	48.58	-	2.71
VAT receivable	20.58	-	20.58	-
Balances with Government Authorities other than Income Taxes.				
GST credit receivables	36.58	-	-	-
Others:				
(a) Export incentives receivable	57.39	-	49.00	-
(b) Advances to employees	5.08	-	9.86	-
(c) Advances to suppliers	31.95	21.50	34.68	21.50
Less: Allowance for doubtful advances	-	(21.50)	-	(21.50)
Prepayments	49.07	9.40	43.21	9.40
<b>Total</b>	<b>200.65</b>	<b>154.65</b>	<b>157.33</b>	<b>58.73</b>

#### Note 11 : Inventories

(Rs. in lakhs)

Particulars	As at March 31, 2023		As at March 31, 2022	
Inventories (lower of cost and net realisable value)				
(a) Raw materials	647.50		566.05	
- Goods in Transit	21.32	668.82	-	566.05
(b) Work-in-progress		614.16		691.28
(c) Finished goods		1,012.17		717.92
(d) Stores and spares		200.91		137.15
<b>Total</b>		<b>2,496.06</b>		<b>2,112.40</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

### Notes:

- 1 The cost of inventories recognised as an expense during the year was Rs. 3,934.38 lakhs (for the year ended March 31, 2022: Rs. 3,203.34 lakhs).
- 2 The cost of inventories recognised as an expense includes Rs. 23 lakhs(during year ended March 31, 2022: Rs. 80 lakhs) in respect of write-downs of inventory to net realisable value and Rs. Nil (during year ended March 31, 2022: Rs. Nil) in respect of the Slow moving Provision. The cost of inventories reduced by Rs.Nil (during year ended March 31, 2022: Rs. 83.41 lakhs) in respect of reversal of write-downs of inventory to net realisable value.
- 3 The mode of valuation of inventories has been stated in note 2 (f).
- 4 Assets pledged as security  
Refer Note 17A and 17B on Borrowings.

### Note 12 : Trade receivables

(Rs. in lakhs)

Particulars	As at March 31, 2023				As at March 31, 2022			
	Current		Non Current		Current		Non Current	
(a) Undisputed trade receivables considered good -(Refer Note 41)	1,890.94		155.02		1,695.63		146.82	
(b) Undisputed trade Receivables, Credit impaired	269.85		-		236.07		-	
	2,160.79		155.02		1,931.70		146.82	
Allowance for expected credit loss	269.85)	1,890.94	-	155.02	(236.07)	1,695.63	-	146.82
<b>Total</b>		<b>1,890.94</b>		<b>155.02</b>		<b>1,695.63</b>		<b>146.82</b>

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

(Rs. in lakhs)

	As at March 31, 2023	As at March 31, 2022
Private company in which directors are directors		
NIBL- Korta Engineering Private Limited (Refer note 37)	13.36	11.54
NRB IBC Bearings Private Limited (Refer note 37)	1.67	-
	<b>15.03</b>	<b>11.54</b>

Also refer Note 40 - (a)

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

At March 31, 2023 and as at March 31, 2022 ,the Company had no customer that owed the Company more than 10% of total receivables outstanding.

### Movement in the expected credit loss allowance

(Rs. in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>Balance as at beginning of the year</b>	236.07	178.68
Movement in the expected credit loss allowance on trade receivables calculated at life time expected credit losses.	33.78	57.39
<b>Balance at end of the year</b>	<b>269.85</b>	<b>236.07</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

### Trade Receivables Ageing

(Rs. in lakhs)

Particulars	As at March 31, 2023							Total
	Unbilled	Not Due	Outstanding for the following period from due date of payments:					
			Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	-	1,087.50	572.88	122.72	36.52	55.27	171.07	2,045.96
Undisputed Trade Receivables – credit impaired	-	-	-	33.78	21.39	50.52	164.16	269.85
Disputed Trade Receivables – considered good	-	-	-	-	-	-	-	-
Disputed Trade Receivables – credit Impaired	-	-	-	-	-	-	-	-
Less: Allowance for credit loss	-	-	-	33.78	21.39	50.52	164.16	269.85
<b>Total Trade Receivables</b>								<b>2,045.96</b>

(Rs. in lakhs)

Particulars	As at March 31, 2022							Total
	Unbilled	Not Due	Outstanding for the following period from due date of payments:*					
			Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	-	1,018.66	539.30	99.70	24.96	1.62	158.20	1,842.45
Undisputed Trade Receivables – credit impaired	-	-	-	-	21.39	50.52	164.16	236.07
Disputed Trade Receivables – considered good	-	-	-	-	-	-	-	-
Disputed Trade Receivables – credit Impaired	-	-	-	-	-	-	-	-
Less: Allowance for credit loss	-	-	-	-	21.39	50.52	164.16	236.07
<b>Total Trade Receivables</b>								<b>1,842.45</b>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

### Note 13 : Cash and Cash equivalents and Other bank balances

(Rs. in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>A. Cash and cash equivalents</b>		
(a) Cash on hand	0.76	0.35
(b) Balances with banks in current accounts	15.70	583.76
<b>Total</b>	<b>16.46</b>	<b>584.11</b>
<b>B. Other bank balances</b>		
Balances with banks in earmarked deposit account (held as security against the sanctioned facility of letter of credit and the bank guarantees to the Company) exceeding three months but less than twelve months	45.45	5.45
<b>Total</b>	<b>45.45</b>	<b>5.45</b>

Also refer note 40(a)

### Note 14 : Current tax assets and liabilities

(Rs. in lakhs)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Current	Non-current	Current	Non-current
<b>Current tax assets</b>				
Tax refund receivable	-	49.03	-	36.31
<b>Total</b>	<b>-</b>	<b>49.03</b>	<b>-</b>	<b>36.31</b>

### Note No. 14A : Current Tax and Deferred Tax

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

(Rs. in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>Current Tax</b>		
In respect of current year	-	-
In respect of previous years	-	-
<b>A</b>	<b>-</b>	<b>-</b>
<b>Deferred Tax</b>		
In respect of current year	-	-
In respect of previous years	-	-
<b>B</b>	<b>-</b>	<b>-</b>
<b>Total Income tax expense recognised in the current year (A+B)</b>	<b>-</b>	<b>-</b>

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

(Rs. in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Deferred tax (credit) / charge on:		
Remeasurement of defined benefit obligation	-	-

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

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

(Rs. in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>(Loss) / Profit before tax from continuing operations</b>	<b>(1,312.19)</b>	<b>(982.31)</b>
<b>Current Tax</b>	-	-
Income Tax	-	-
Charge/(credit) in respect of previous years	-	-
Adjusted against unabsorbed Depreciation	-	-
<b>Current Tax Total</b>	-	-
<b>Deferred Tax</b>		
Effect of expenses that are allowable on payment basis	(2.84)	14.97
Depreciation	(6.92)	147.89
Unabsorbed Business Losses	9.76	(162.86)
Exceptional Gain	-	-
Unabsorbed Depreciation	-	-
Others	-	-
Income tax expense recognised In profit or loss from continuing operations	-	-

The tax rate used for the year 2022-23 is 26.00% (25% + health and education cess @ 4% ) and year 2021-22 is 26.00% (25% + health and education cess @ 4% ) and reconciliations payable on taxable profits under the Income Tax Act, 1961.

**Note No. 14B : Current Tax and Deferred Tax**

(d) Movement in Deferred tax balances

(Rs. in lakhs)

Particulars	For the Year ended March 31, 2023			
	Opening Balance	Recognised in profit and Loss	Recognised in OCI	Closing Balance
Tax effect of items constituting deferred tax assets / (liabilities)				
Property, Plant and Equipment	(818.75)	(6.92)	-	(825.67)
Provision for doubtful debts and advances	66.97	8.78	-	75.75
Provision for Employee Benefits	21.84	(14.66)	8.06	15.24
Effect of expenses that are allowable on payment basis	9.24	3.02	-	12.27
Unabsorbed Business Losses	720.70	9.76	(8.06)	722.42
Exceptional Gain	335.00	-	-	335.00
Unabsorbed Depreciation	(335.00)	-	-	(335.00)
<b>Net Tax Asset (Liabilities)</b>	-	-	-	-

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(d) Movement in Deferred tax balances (Rs. in lakhs)

Particulars	For the Year ended March 31, 2022			
	Opening Balance	Recognised in profit and Loss	Recognised in OCI	Closing Balance
<i>Tax effect of items constituting deferred tax assets / (liabilities)</i>				
Property, Plant and Equipment	(966.64)	147.89	-	(818.75)
Provision for doubtful debts and advances	52.05	14.92	-	66.97
Provision for Employee Benefits	18.69	(1.29)	4.44	21.84
Effect of expenses that are allowable on payment basis	7.91	1.33	-	9.24
Unabsorbed Business Losses	888.00	(162.87)	(4.44)	720.70
Exceptional Gain	335.00	-	-	335.00
Unabsorbed Depreciation	(335.00)	-	-	(335.00)
<b>Net Tax Asset (Liabilities)</b>	-	-	-	-

(e) Amounts on which Deferred tax asset has not been created:

Deferred tax assets on carry forward unused tax losses have been recognised to the extent of deferred tax liabilities on taxable temporary differences available. It is expected that any reversals of the deferred tax liability would be offset against the reversal of the deferred tax asset.

**As at March 31, 2023**

(Rs. in lakhs)

Nature of unrecognised deferred tax assets	No expiry	Expiring within one year	Expiring in Greater than one year, less than five years	Expiring in Greater than five years	TOTAL
Business Loss	-	-	-	2,248.56	2,248.56
Unabsorbed depreciation	6,252.66	-	-	-	6,252.66
<b>Total</b>	<b>6,252.66</b>	<b>-</b>	<b>-</b>	<b>2,248.56</b>	<b>8,501.22</b>

**As at March 31, 2022**

(Rs. in lakhs)

Nature of unrecognised deferred tax assets	No expiry	Expiring within one year	Expiring in Greater than one year, less than five years	Expiring in Greater than five years	TOTAL
Business Loss	-	-	-	3,406.90	3,406.90
Unabsorbed depreciation	5,839.24	-	-	-	5,839.24
<b>Total</b>	<b>5,839.24</b>	<b>-</b>	<b>-</b>	<b>3,406.90</b>	<b>9,246.14</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

### Note 15 : Equity Share Capital

(Rs. in lakhs)

	As at March 31, 2023	As at March 31, 2022
Equity share capital	484.61	484.61
	<b>484.61</b>	<b>484.61</b>

(Rs. in lakhs)

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of shares	Amount	No. of shares	Amount
<b>Authorised:</b>				
Equity shares of Rs. 2/- each	25,000,000	500.00	25,000,000	500.00
<b>Issued, Subscribed and Fully Paid:</b>				
Equity shares of Rs. 2/- each	24,230,650	484.61	24,230,650	484.61
<b>Total</b>	<b>24,230,650</b>	<b>484.61</b>	<b>24,230,650</b>	<b>484.61</b>

#### (i) (a) Rights attached to equity shares:

- 1) The Company has only one class of equity shares having a face value of Rs. 2 each. The Equity Shareholders have all the rights of equity shares as provided by the Companies Act, 2013 and Rules & Regulations made thereunder.
- 2) The Company in General Meeting may declare dividend to be paid to members according to their respective rights, but no dividend shall exceed the amount recommended by the Board, but the Company in General Meeting may declare a smaller dividend.
- 3) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts.

#### (ii) Reconciliation of the number of shares outstanding at the beginning and at the end of the period.

Particulars	No. of shares	Share Capital ( Amount)
<b>Balance at April 1, 2022</b>	24,230,650	484.61
Movements	-	-
<b>Balance at March 31, 2023</b>	24,230,650	484.61

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

Name of shareholder	As at March 31, 2023		As at March 31, 2022	
	No. of shares	Percentage	No. of shares	Percentage
<b>Equity shares:</b>				
Late Trilochan Singh Sahney ( Refer Note 1 and 2)	1,783,101	7.36%	1,783,101	7.36%
Hanwantbirkaur Trilochansingh Sahney (Refer Note 2)	1,243,000	5.13%	1,243,000	5.13%
Trilochan Singh Sahney Trust 2 [held by a trustee(s) in their name.	9,438,910	38.95%	9,438,910	38.95%

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

### Footnotes:

1. Consequent to the demise of Mr. Trilochan Singh Sahney, the Company has not received share transmission application from legal heirs of Late Mr. Trilochan Singh Sahney and accordingly the name of Late Trilochan Singh Sahney is still appearing in register of Members and is accordingly disclosed above.
2. As at March 31, 2021, number of equity shares in the name of Late Mr. Trilochan Singh Sahney was 2,929,101 equity shares in the Company. Out of 2,929,101 equity shares, 1,146,000 equity shares were held in the joint names of Late Mr. Trilochan Singh Sahney and Mrs. Hanwantbirkaur Trilochansingh Sahney. During the year ended March 31, 2022, the 1,146,000 shares were transferred to Mrs. Hanwantbirkaur Trilochansingh Sahney due to applicable procedural requirements and are appearing in register of members in her name and accordingly disclosed above. However, as per the communication received from Executrix of the estate of Late Mr. Trilochan Singh Sahney, the above mentioned shares will ultimately devolve to the legal heirs of Late Mr. Trilochan Singh Sahney.

### (iv) Promoter's Share Holding

Name of Promoters	As at March 31, 2023		As at March 31, 2022		% Change
	No. of shares	Percentage	No. of shares	Percentage	
Aarti Devesh Sahney	204,114	0.84%	199,114	0.82%	0.02%
Ambita Sahney	373,175	1.54%	373,175	1.54%	0.00%
Anjana Sahney Thakker	324,806	1.34%	373,200	1.54%	-0.20%
Bhupinder Singh Sahney	-	0.00%	240,432	0.99%	-0.99%
Brijween Kaur Sahney	-	0.00%	629,850	2.60%	-2.60%
Deepika Sahney	-	0.00%	373,425	1.54%	-1.54%
Devesh Singh Trilochan Singh Sahney	1,165,830	4.81%	1,165,830	4.81%	0.00%
Hanwantbirkaur Trilochan Singh Sahney (Refer Note 2 above)	1,243,000	5.13%	1,243,000	5.13%	0.00%
Jasmine Sahney Pillai	301,925	1.25%	376,725	1.55%	-0.30%
Mallika Sahney	662,527	2.73%	655,777	2.71%	0.02%
Trilochan Singh Sahney ( Refer Note 1 and 2 above)	1,783,101	7.36%	1,783,101	7.36%	0.00%
Trilochan Singh Sahney Trust 2	9,438,910	38.95%	9,438,910	38.95%	0.00%
Harshbeena S Zaveri	2,340,906	9.66%	1,097,199	4.53%	5.13%
<b>Total</b>	<b>17,838,294</b>	<b>73.62%</b>	<b>17,949,738</b>	<b>74.08%</b>	<b>-0.46%</b>

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

#### Note 16 : Other equity

(Rs. in lakhs)

Paticulars	As at March 31, 2023	As at March 31, 2022
(a) Capital reserve	5,700.16	5,700.16
(b) Deemed capital contribution	5,923.22	5,486.43
(c) Retained earnings	(13,920.59)	(12,587.30)
<b>Total</b>	<b>(2,297.21)</b>	<b>(1,400.71)</b>

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

(Rs. in lakhs)

Paticulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>(I) Capital Reserve</b>		
Opening balance	5,700.16	5,700.16
Movement	-	-
<b>Closing balance</b>	<b>5,700.16</b>	<b>5,700.16</b>
<b>(II) Deemed capital contribution</b>		
Opening balance	5,486.43	5,486.43
Recognition of equity component on issue of redeemable preference shares	436.79	-
<b>Closing balance</b>	<b>5,923.22</b>	<b>5,486.43</b>
<b>(III) Retained earnings</b>		
Opening balance	(12,587.30)	(11,562.61)
Loss for the year	(1,289.00)	(1,009.56)
Other Comprehensive Income for the year - Remeasurement of net defined benefit obligation (net of taxes)	(30.99)	(17.07)
Reclassified to profit & loss	-	1.94
Share issue expenses for increase in authorised capital	(13.30)	-
<b>Closing balance</b>	<b>(13,920.59)</b>	<b>(12,587.30)</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

### Note 17 : Borrowings

#### A. Non-Current Borrowings

(Rs. in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>I. Secured - at amortised cost</b>		
<b>Term loans:</b>		
<b>From bank</b>	677.59	811.67
Less: Current maturities of long term debt (refer note 19)	(146.61)	(138.35)
	<b>530.98</b>	<b>673.32</b>
<b>From others</b>	13.41	354.46
Less: Current maturities of long term debt (refer note 19)	(6.82)	(126.10)
	<b>6.59</b>	<b>228.36</b>
<b>II. Unsecured - at amortised cost</b>		
<b>Loans from related parties</b>		
Preference Shares ( refer note 30)	5,333.06	4,501.91
<b>Total</b>	<b>5,870.63</b>	<b>5,403.59</b>

#### Footnotes:

##### Secured

##### Term loans from Bank

(a) Rs. 102.05 lakhs (March 31, 2022 Rs. 166.54 lakhs ) secured by second charge on all present and future stock and book debts of the Company and second pari pasu charge over immovable Property, plant and equipment ( buildings), leasehold land of the Company and its movable plant & machinery, furniture & fixtures and other movables at its factory at Shendra (near Aurangabad) and personal guarantee of Promoter Director of the Company. The working capital term loan is repayable in 36 equal monthly instalments of Rs. 5.50 lakhs each till 7 December 2024 and carried interest rate of 7.5 % p.a.

Rs. 98.77 lakhs (March 31, 2022 Rs. 98.62 lakhs ) secured by second charge on all present and future stock and book debts of the Company and second pari pasu charge over immovable Property, plant and equipment ( buildings), leasehold land of the Company and its movable plant & machinery, furniture & fixtures and other movables at its factory at Shendra (near Aurangabad) and personal guarantee of Promoter Director of the Company . The working capital term loan is repayable in 36 equal monthly instalments of Rs. 2.73 lakhs each till 7 December 2026 after end of balance moratorium period of 5 months and carries interest rate of 7.5 % p.a.

(b) Rs. 361.68 lakhs (March 31, 2022 Rs. 403.37 lakhs ) secured by first pari- pasu charge over Land and Building situated at Shendra, MIDC Aurangabad . The working capital term loan is repayable in remaining 63 monthly instalments Rs. 8.91 lakhs each till August 2028 and carries interest rate of 14 % p.a.

(c) Rs. 115.09 lakhs (March 31, 2022 Rs. 143.14 lakhs ) secured by hypothecation of vehicles. Out of these , the term loan of Rs. 126.49 lakhs (March 31, 2022 Rs. 126.49 lakhs) carrying interest rate of 7.65 % is repayable in remaining 41 equal monthly instalments by August, 2026 and the term loan of Rs. 13.62 lakhs (March 31, 2022 Rs. 16.65 lakhs) carrying interest rate of 7.65 % p.a. is repayable in remaining 45 equal monthly instalments by December, 2026.

##### Term loan from Others

(d) Rs. 13.41 lakhs (March 31, 2022 Rs. 23.53 lakhs) secured by hypothecation of vehicles. Out of these , the term loan of Rs. 3.24 lakhs (March 31, 2022 Rs. 10.54 lakhs) carrying interest rate of 8.63 % is repayable in remaining 5 equal monthly instalments by August, 2023, the term loan of Rs. 10.17 lakhs (March 31, 2022 Rs. 12.81 lakhs) carrying interest rate of 8.21 % is repayable in remaining 32 equal monthly instalments by November, 2025. The term loan of Rs. Nil (March 31, 2022 Rs. 0.18 lakhs) carrying interest rate of 8.82 % is fully repaid in April, 2022,

(e) Rs. Nil (March 31, 2022 Rs. 268.02 lakhs) secured by first pari- pasu charge over Land and Building situated at Shendra, MIDC Aurangabad and first pari-pasu over Plant and Machinery situated at Shendra, MIDC Aurangabad and pledge of Nil shares (March 31, 2022 600,000 shares) of NRB Bearings Limited held by a director of the Company. The working capital term loan is fully paid in March 2023 and carried interest rate of 13 %.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

- (f) Rs. Nil (March 31, 2022 Rs. 62.91 lakhs) secured by second pari- pasu charge over Land and Building situated at Shendra, MIDC Aurangabad and second pari-pasu over Plant and Machinery situated at Shendra, MIDC Aurangabad and pledge of Nil shares (March 31, 2022 600,000 shares) of NRB Bearings Limited held by a director of the Company. The working capital term loan is fully paid in March 2023 and carried interest rate of 13 %.

### Unsecured

#### Loans from related parties

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

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

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

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

65 lakhs 2 % Redeemable Cumulative Non -Convertible Preference shares of Rs. 10 each fully paid up were issued to a Promoter shareholder in March 2023 with redemption at the end of 10 years.

- (h) Pursuant to the members' resolution passed dated November 29, 2019 for conversion of unsecured loan of a Promoter shareholder into 2% Redeemable Cumulative Non- convertible Preference Shares of Rs. 10 each ("Preference Shares"), the Company, during the year, sought to increase its authorized share capital from Rs. 85 Crore (Equity share capital Rs. 5 Crore and Preference share capital Rs. 80 Crore) to Rs. 99 Crore (Equity share capital Rs. 5 Crore and Preference share capital Rs. 94 Crore) by obtaining an approval from members via a resolution approved through a postal ballot dated March 20, 2023.

During the voting period for such postal ballot, the Scrutinizer invalidated the vote of a Promoter shareholder, who had initially voted against the resolution and later (during the voting period) communicated the decision to vote in favour of the said resolution. Accordingly, the Scrutinizer, in accordance with Clause 16.5.4 (d) of SS-2 'Secretarial Standard on General Meetings' while counting the votes and declared that the resolution to increase the authorized share capital was passed by absolute majority ('the decision').

Subsequently, the Scrutinizer received communication from another Promoter shareholder challenging 'the decision'/ result published by the Scrutinizer . The Company is of the view, supported by legal opinions, that the Scrutinizer's decision is appropriate and accordingly the resolution for increase in authorised capital is valid.

#### (i) Preference Share Capital

(Rs. in lakhs)

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of shares	Amount	No. of shares	Amount
<b>Authorised:</b>				
Equity shares of Rs. 2/- each	-	-	-	-
Redeemable cumulative non-convertible preference shares of Rs. 10/- each (Refer note (h) above)	94,000,000	9,400.00	80,000,000	8,000.00
<b>Total</b>	<b>94,000,000</b>	<b>9,400.00</b>	<b>80,000,000</b>	<b>8,000.00</b>
<b>Issued, Subscribed and Fully Paid:</b>				
Redeemable cumulative non-convertible preference shares of Rs. 10/- each (Refer note (h) above)	86,500,000	8,650.00	80,000,000	8,000.00
<b>Total</b>	<b>86,500,000</b>	<b>8,650.00</b>	<b>80,000,000</b>	<b>8,000.00</b>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(ii) Reconciliation of the number of shares outstanding at the beginning and at the end of the period.

Particulars	No. of shares	Share capital (Amount)
Balance at April 01, 2022	80,000,000	8,000.00
Issued during the year	6,500,000	650.00
<b>Balance at March 31, 2023</b>	<b>86,500,000</b>	<b>8,650.00</b>

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

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of shares	Percentage	No. of shares	Percentage
<b>Equity shares:</b>				
Trilochan Singh Sahney ( Refer Note 30)	40,000,000	46.24%	40,000,000	50.00%
Devesh Singh Sahney	46,500,000	53.76%	40,000,000	50.00%
<b>Total</b>	<b>86,500,000</b>	<b>100%</b>	<b>80,000,000</b>	<b>100%</b>

**B. Current Borrowings**

(Rs. in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>I. Secured - at amortised cost</b>		
(a) Loans repayable on demand		
From banks	1,486.95	1,415.18
<b>II. Unsecured - at amortised cost</b>		
(a) Loans repayable on demand		
Interest free loan from Directors (refer note 30)	3,684.15	4,334.15
<b>III. Current Maturities of long term borrowings</b>		
From banks	146.61	138.35
From Others	6.81	126.10
<b>Total</b>	<b>5,324.52</b>	<b>6,013.78</b>

Also refer Note 40 - (a)

**Footnotes:**

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

Rs. 1,486.95 lakhs (March 31, 2022 Rs. 1,415.18 lakhs ) secured by first pari passu charge on all present and future stock and book debts of the Company and first pari pasu charge over immovable Property, plant and equipment ( buildings ), leasehold land of the Company and its movable plant and machinery, furniture and fixtures and other movables at its factory at Shendra (near Aurangabad). The present interest rate is in the range of 10.00 % p.a. to 12.5% p.a.

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

### Note 18 : Trade Payables

(Rs. in lakhs)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Current	Non-Current	Current	Non-Current
Trade payables				
- Total outstanding dues of Micro Enterprises and Small Enterprises (see Footnote)	-	-	-	-
- Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises (Refer Note 41)	2,239.76	90.33	1,684.44	85.34
<b>Total</b>	<b>2,239.76</b>	<b>90.33</b>	<b>1,684.44</b>	<b>85.34</b>

Also refer Note 40 - (a)

#### Notes:

- The company does not have any dues outstanding to Micro and Small Enterprises ("MSME") as mentioned in the Micro, Small and Medium Enterprises Development Act 2006. This is determined on the basis of information available with the Company. This has been relied upon by the auditors.
- The credit period ranges from 45 days to 90 days .

### Trade Payables Ageing

(Rs. in lakhs)

Particulars	As at March 31, 2023						Total
	Unbilled	Not Due	Outstanding for the following period from due date of payments:				
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-	-	-
(ii) Others	-	881.45	1,276.78	21.65	37.70	112.49	2,330.09
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-	-

(Rs. in lakhs)

Particulars	As at March 31, 2022						Total
	Unbilled	Not Due	Outstanding for the following period from due date of payments:				
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-	-	-
(ii) Others	-	673.65	885.79	60.46	24.41	125.47	1,769.78
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-	-

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

### Note 19 : Other financial liabilities

(Rs. in lakhs)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Current	Non- Current	Current	Non- Current
<b>Other Financial Liabilities measured at amortised cost</b>				
(a) Interest accrued	1.87	-	-	-
<b>Total</b>	<b>1.87</b>	<b>-</b>	<b>-</b>	<b>-</b>

Also refer Note 40 - (a)

### Note 20 : Other current liabilities

(Rs. in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
	Current	Current
(a) Advances received from customers ( Refer Note Below)	41.15	10.95
(b) Security Deposits	8.50	10.50
(c) Payables for Property plant and equipment	8.10	16.80
(d) Statutory remittances (Super annuation, Withholding tax, Goods and Service Tax etc.)	47.85	54.36
<b>Total</b>	<b>105.60</b>	<b>92.61</b>

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

(Rs. in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Private company in which directors are directors		
NRB-IBC Bearings Private Limited (NIBC) (Refer note 37)	-	19.97
	-	19.97

### Note 21 : Provisions

(Rs. in lakhs)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Current	Non- Current	Current	Non- Current
<b>Provision for employee benefits</b>				
1) Compensated absences	8.41	37.82	8.41	28.65
2) Gratuity	12.38	-	46.93	-
<b>Total</b>	<b>20.79</b>	<b>37.82</b>	<b>55.34</b>	<b>28.65</b>

(i) As at March 31, 2023 and as at March 31, 2022, the increase in the carrying amount of the provision for compensated absences results from the increase in employees and change in financial assumptions during the year ended March 31, 2023.

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

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

#### Note 22 : Revenue from Operations

(Rs. in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>Revenue from contract with customers</b>		
Sale of products	7,713.97	6,632.12
Rendering of services		
(a) Job work charges	170.32	121.30
(b) Service Charges	52.80	48.00
Other operating revenues		
(a) Sale of scrap	64.65	75.17
(b) Export incentives	53.52	56.07
(c) Royalty Income	17.48	11.65
<b>Total</b>	<b>8,072.74</b>	<b>6,944.31</b>

#### Note :

1. Refer Note 36 for geography wise revenue from contracts with customers.

(Rs. in lakhs)

#### Note 23 : Other Income

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>Interest income on financial assets at amortised cost</b>		
(a) Interest income on bank deposits	1.02	3.76
(b) Other Interest income	-	4.44
<b>Other non-operating income</b>		
Rent income	92.93	84.48
<b>Other gains and losses</b>		
(a) Liability no longer payable required written back	26.59	22.48
(b) Foreign exchange fluctuation gain (Net)	61.86	13.19
<b>Total</b>	<b>182.40</b>	<b>128.35</b>

#### Note 24 : Cost of material consumed

(Rs. in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Opening stock	566.05	674.58
Add: Purchases [ Including Sub-contracting charges)	3,718.91	2,674.62
Less: Closing stock	(668.82)	(566.05)
<b>Total</b>	<b>3,616.14</b>	<b>2,783.15</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

### Note 25 : Changes in inventories of finished goods, work-in-progress and stock-in-trade (Rs. in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Opening stock		
- Work in progress	691.28	921.79
- Finished goods	717.92	496.15
Closing stock		
- Work in progress	(614.16)	(691.28)
- Finished goods	(1,012.17)	(717.92)
<b>Net (increase)/Decrease</b>	<b>(217.13)</b>	<b>8.74</b>

### Note 26 : Employee Benefits Expense (Rs. in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Salaries and wages	1,534.43	1,367.35
Contribution to provident and other funds (Refer note 35)	133.31	143.65
Staff welfare expenses	93.05	82.48
<b>Total</b>	<b>1,760.79</b>	<b>1,593.48</b>

### Note 27 : Finance Costs (Rs. in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>(a) Interest costs :-</b>		
- Interest on borrowings from banks	261.57	151.83
- Interest on borrowings from others	44.44	63.21
- Interest on Preference shares	614.40	540.62
- Other interest expense	0.42	0.43
(b) Other borrowing cost	44.94	27.22
<b>Total</b>	<b>965.77</b>	<b>783.31</b>

### Note 28 : Depreciation and amortisation expense (Rs. in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation on property, plant and equipment	919.53	896.91
Depreciation on Right of Use Assets	8.20	8.21
Amortisation of intangible assets	1.05	6.03
<b>Total</b>	<b>928.78</b>	<b>911.15</b>

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

#### Note 29 : Other Expenses

(Rs. in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Consumption of Stores and spares parts	535.37	410.45
Power and Fuel	450.78	371.23
Rent	4.47	3.54
Repairs and maintenance:		
- Buildings	0.81	0.85
- Plant and machinery	16.74	4.95
- Others	61.05	67.02
Insurance	21.63	19.20
Rates and taxes	42.69	15.92
Travelling and Conveyance expense	186.54	85.98
Printing and stationary	7.86	4.38
Freight and Forwarding	194.80	214.10
Business Promotion	99.14	64.32
Legal and other professional fees	161.22	131.69
Auditors remuneration (See Footnote below)	43.99	38.55
Allowance for doubtful debts	33.78	57.39
Director sitting fees	4.70	4.60
Security, houskeeping and contract labour Charges	498.28	356.00
IT related expenses	44.91	32.49
Bank charges	10.10	8.42
Bad debts / advances written off	8.40	-
Loss on sale of property, plant and equipments	-	17.09
Miscellaneous expenses	85.72	66.97
<b>Total</b>	<b>2,512.98</b>	<b>1,975.14</b>

#### Footnote:

#### Details of Auditors' remuneration:

(excluding indirect taxes)

(Rs. in lakhs)

As auditors (for audit, review of unaudited quarterly results and audit of consolidated financial statements and regulatory matters)	37.50	32.28
Taxation matters	5.50	5.50
out-of-pocket expenses	0.99	0.77
<b>Total</b>	<b>43.99</b>	<b>38.55</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

### Note 30:

Consequent to the demise of Mr. Trilochan Singh Sahney ("TSS") in 2018, his WILL has been probated. According to the Will, Mrs. Hanwantbir Kaur Sahney is sole executrix and having lifetime interest.

The Company has received the communication of the Probate of the WILL. As per the WILL, subject to the life interest of the Executrix:

- a. The redeemable cumulative non-convertible preference shares ("Preference Shares") and the unsecured interest free loan from TSS will be distributed amongst the beneficiaries as mentioned in the WILL.
- b. The Company has received certain communication pertaining to transmission (of the Preference Shares) and transfer (of the unsecured interest free loan), from the representatives of the Executrix of the estate of Mr. TSS and has received communication from beneficiary that the matter as per (a) above is under discussion with the Executrix.

Accordingly, as at March 31, 2023, the name of TSS is still appearing in books of accounts.

### Note 31: Earnings per share

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

Particulars		Year ended March 31, 2023	Year ended March 31, 2022
<b>Basic / Diluted</b>			
Loss after tax attributable to equity shares (Rs. in lakhs)	<b>(A)</b>	(1,289.00)	(1,009.56)
Weighted average number of Shares	<b>(B)</b>	24,230,650	24,230,650
<b>Basic &amp; Diluted EPS (in Rs.)</b>	<b>(A) / (B)</b>	<b>(5.32)</b>	<b>(4.17)</b>
<b>Nominal value of equity share (in Rs.)</b>		<b>2.00</b>	<b>2.00</b>

#### Note:

There is no dilution to the basic EPS as there are no outstanding potentially dilutive equity shares.

### Note 32 : Leases

#### 1. Lease Expense:

The Company has taken land, office and residential premises on operating lease. The lease term in respect of the leasehold land is 85 years.

The Company has paid the entire lease premium for the lease hold land as a result of which there is no corresponding Lease liability against the Right-of-Use asset.

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

(Rs. in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation charge for Right-of-Use assets	8.20	8.21
Low value leases accounted for on a straight line basis (included in Note 29)	4.47	3.54
Total cash outflow for leases	4.47	3.54

General description of lease agreements:

- (a) Refundable interest free deposit have been given and contain a provision for renewal.
- (b) The agreements provide for early termination by either party with a notice period which varies from 1 month to 6 months.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

### 2. Lease Income:

The Company had entered into lease agreement effective from 8 March, 2013 for certain portion of its factory and office premises including furniture and fixtures, electrical installation, etc. During the year, Rs. 92.93 lakhs (previous year Rs. 84.48 lakhs) recognised as rental income in the Statement of Profit and Loss. The agreement contains renewal clause. The said agreement was renewed with effect from April 1, 2018 for a period of five years. Subsequent to the year end, it was further renewed for a period of 5 years with effect from April 1, 2023.

### Note 33 - Contingent liabilities not provided for:

(Rs. in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Bank guarantees		
- To Maharashtra Pollution Control Board	-	5.00
- To President of India through Commissioner of Customs	0.45	0.45
(ii) Claims against the company not acknowledged as debt:-		
Matters decided against the company in respect of which the company has preferred an appeal		
Central Excise matters	192.61	-
(iii) Corporate Gurantee to Associate Companies.		
- NRB IBC Bearings Private Limited	200.00	-
- NIBL- Korta Engineering Private Limited	200.00	-
<b>Total</b>	<b>593.06</b>	<b>5.45</b>

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

### Note 34 - Commitments

(Rs. in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
1. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	34.17	4.44
<b>Total</b>	<b>34.17</b>	<b>4.44</b>

### Note 35 : Employee Benefits

#### Brief description of the Plans:

#### 1) Defined contribution plans :

##### a) Provident and Family Pension Fund

The eligible employees of the company are entitled to receive post employment benefits in respect of provident and family pension fund, in which both employees and the company make monthly contributions at a specified percentage of the employees' eligible salary (currently 12% of employees' eligible salary). The contributions are made to the Regional Provident Fund Commissioner. Provident Fund and Family Pension Fund are classified as Defined Contribution Plans as the company has no further obligations beyond making the contribution

##### b) Superannuation

The eligible employees of the company are entitled to receive post employment benefits in respect of superannuation scheme, in which the company makes quarterly contributions at 15% of employees' eligible salary. Superannuation scheme is classified as Defined Contribution Plan as the Company has no further obligations beyond making the contribution.



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

The Company has recognized, in the Statement of Profit and Loss for the year, an amount of Rs. 108.87 lakhs (March 31, 2022 Rs. 97.69 lakhs) as expenses under defined contribution plans.

(Rs. in lakhs)

Benefit (Contribution to)	Year ended March 31, 2023	Year ended March 31, 2022
i) Employer's Contribution to Provident Fund	47.21	39.73
ii) Employer's Contribution to Family Pension Fund	36.57	37.02
iii) Employer's Contribution to Superannuation Fund	25.09	20.95
<b>Total</b>	<b>108.87</b>	<b>97.69</b>

**2) Defined Benefit Plans : (Gratuity Funded)**

The Company has an obligation towards gratuity, a funded defined benefit retirement plan covering eligible employees. The plan provides for lump sum payment to vested employees at retirement, death while in employment or on termination of the employment of an amount equivalent to 15 days salary, as applicable, payable for each completed year of service, without any payment ceiling. Vesting occurs upon completion of five years of service.

**Nature of benefits:**

The gratuity benefits payable to the employees are based on the employee's service and last drawn salary at the time of leaving. The employees do not contribute towards this plan and the full cost of providing these benefits are met by the Company.

**Regulatory framework:**

There are no minimum funding requirements for a gratuity plan in India. The trustees of the gratuity fund have a fiduciary responsibility to act according to the provisions of the trust deed and rules. Since the fund is income tax approved, the Company and the trustees have to ensure that they are at all times fully compliant with the relevant provisions of the income tax and rules. Besides this if the Company is covered by the Payment of Gratuity Act, 1972 then the Company is bound to pay the statutory minimum gratuity as prescribed under this Act.

**Governance of plan:**

The Trust established for the purpose, has arrangement with Insurance Company ( currently HDFC Standard Life Insurance Company Limited and Kotak Life Insurance Company Limited) for future payments of gratuities on behalf of the Trust.

**Inherent risk**

The plan is of a final salary defined benefit in nature which is sponsored by the Company and hence it underwrites all the risks pertaining to the plan. In particular, there is a risk for the Company that any adverse salary growth or demographic experience or inadequate returns on underlying plan assets can result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature the plan is not subject to any longevity risks.

The most recent actuarial valuation of the present value of the defined benefit obligation was carried out at March 31, 2023 by an independent actuary. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

#### A. Principal actuarial assumptions used:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Discount Rate	7.44% p.a.	6.98% p.a.
Expected return on plan assets	7.44% p.a.	6.98% p.a.
Salary escalation rate	5.00% p.a.	5.00% p.a.
Attrition rate	7.85 % p.a	7.45 % p.a
Mortality Rate During Employment	Indian Assured Lives Mortality (2012-14) (Urban)	Indian Assured Lives Mortality (2012-14) (Urban)

The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

#### B. Expenses recognised in Statement of Profit and Loss

(Rs. in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Current Service Cost	21.17	19.14
Interest on net defined benefit liability/ (asset)	3.27	2.46
Expected Return on Plan Assets	-	-
<b>Total Expenses / (Income) recognised in the Statement of Profit And Loss*</b>	<b>24.44</b>	<b>21.60</b>

\* The current service cost and the net interest expenses for the year are included in the 'Employee benefits expenses' Note : 26 in the Statement of Profit & Loss

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

(Rs. in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Actual return on plan assets in excess of the expected return	6.06	(2.69)
Actuarial (Gain)/Loss on account of :	-	-
- Financial Assumptions	(8.03)	(8.86)
- Experience Adjustments	31.89	29.65
- Demographic assumption	1.07	(1.03)
<b>Net (Income)/Expense For the Period Recognized in OCI</b>	<b>30.99</b>	<b>17.07</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

### D. Net Asset/(Liability) recognised in the Balance Sheet (Rs. in lakhs)

Particulars	As at March 31,	
	2023	2022
Present Value of Defined Benefit Obligation as at the end of the year	291.92	238.97
Fair Value of plan assets	279.54	192.04
<b>Net asset/(liability) recognised in the Balance Sheet</b>	<b>(12.38)</b>	<b>(46.93)</b>

Recognised under:	2023	2022
Long term provision (Refer note 21)	-	-
Short term provision (Refer note 21)	(12.38)	(46.93)
<b>Total</b>	<b>(12.38)</b>	<b>(46.93)</b>

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

Particulars	As at March 31, 2023	As at March 31, 2022
Present value of defined benefit obligation at the beginning of the year	238.97	199.69
Expenses Recognised in Profit and Loss Account:		
Current Service Cost	21.17	19.14
Interest cost	16.68	12.86
Liability Transferred Out/ Divestments	-	-
Recognised in Other Comprehensive Income		
Remeasurement (gains)/losses		
- Financial Assumptions	(8.02)	(8.86)
- Experience Adjustments	31.89	29.65
- Demographic assumption	1.07	(1.03)
Benefit payments	(9.84)	(12.48)
<b>Present value of defined benefit obligation at the end of the year</b>	<b>291.92</b>	<b>238.97</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

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

Particulars	As at March 31, 2023	As at March 31, 2022
Fair value of the plan assets at the beginning of the year	192.04	161.43
Contribution made	90.00	30.00
Income Recognised in Profit and Loss Account:		
Interest income	13.40	10.40
Recognised in Other Comprehensive Income		
Remeasurement gains/(losses)		
- Actual Return on plan assets in excess of the expected return	(6.06)	2.69
Benefits paid	(9.84)	(12.48)
<b>Fair value of the plan assets at the end of the year</b>	<b>279.54</b>	<b>192.04</b>

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

Particulars	As at March 31, 2023	As at March 31, 2022
Insurer managed funds (100%)	279.54	192.04

### H. Sensitivity Analysis

Gratuity is a lump sum plan and the cost of providing these benefits is typically less sensitive to small changes in demographic assumptions. The key actuarial assumptions to which the benefit obligation results are particularly sensitive to are discount rate and future salary escalation rate. The following table summarizes the impact on the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 100 basis points.

These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analyses.

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

(Rs. in lakhs)

Principal assumptions	Year	Changes in assumption	Impact on defined benefit obligation	
			Increase in assumption	Decrease in assumption
Discount rate	2023	1%	(16.02)	18.07
	2022	1%	(14.85)	16.94
Salary escalation rate	2023	1%	18.33	(16.52)
	2022	1%	17.11	(15.24)
Employee Turnover	2023	1%	2.93	(3.31)
	2022	1%	2.28	(2.60)

The above sensitivity analyses are based on change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

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

Projected Benefits Payable in Future Years From the Date of Reporting	Estimated as at March 31, 2023	Estimated as at March 31, 2022
1st Following Year	31.14	22.98
2nd Following Year	27.53	19.94
3rd Following Year	27.94	24.25
4th Following Year	25.64	20.23
5th Following Year	25.06	19.36
Sum of Years 6 to 10	187.83	147.50
Sum of Years 11 and above	189.66	181.87

### J. Other Disclosures

- a) The weighted average duration of the obligations as at March 31, 2023 is 8 years (March 31, 2022: 8 years).
- b) The Company expects to contribute Rs. 50 lakhs to the plan during financial year 2023-24.

### Note 36 : Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Company. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director and Chief Financial Officer of the Company. The Company operates only in one Business Segment i.e. industrial bearings, hence does not have any reportable Segments as per Ind AS 108 "Operating Segments".

### Geographic information (Rs. in lakhs)

Particulars	Revenue from operations		Non Current Assets	
	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022
India	5,618.74	4,781.68	7,048.49	8,224.16
Outside India	2,454.00	2,162.63	155.02	146.82
	<b>8,072.74</b>	<b>6,944.31</b>	<b>7,203.51</b>	<b>7,884.10</b>

### Revenue from major products and services (Rs. in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
(a) Ball & roller bearings	7,082.04	6,092.76
(b) Roller	631.93	539.36
<b>Total</b>	<b>7,713.97</b>	<b>6,632.12</b>

### Information about major customers:

There was no customer to whom sales made by the Company for more than 10 % of total revenue from operation for the year ended March 31, 2023 and Revenues of approximately Rs. 664.35 Lakhs arise from sales to one customer who contributes 10% or more to the Company's revenue for year ended March 31, 2022

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

### Note 37 : Related Party transactions

#### A) Name of the related party and nature of relationship where control exists:

Sr. no.	Nature of relationship	Names of related parties
(a)	Associate	NRB IBC Bearings Private Limited NIBL- Korta Engineering Private Limited
(b)	Key Management Personnel (KMP)	Mr. Devesh S. Sahney, Chairman and Managing Director Mr. Nikhilesh Panchal, Director (upto 31st March 2023) Mrs. Aarti Sahney, Director Mr. Ashish Chhugani, Director Mr. Samrat Nirmal Zaveri, Director
(c)	Relative of Key Management Personnel	Mrs. Harshbeena S Zaveri , sister of Mr. Devesh Singh Sahney Ms. Mallika Sahney - AGM Strategy, daughter of Mr. Devesh Singh Sahney
(d)	A Company over which KMP are able to exercise significant influence.	Khaitan & CO. (upto 31st March 2023)
(e)	A Company over which relatives of KMP are able to exercise significant influence.	NRB Bearings Limited NRB Bearings (Thailand) Limited Sahney Technologies Private Limited

#### B) Related Party Transactions:

(Rs. in lakhs)

Sr. No.	Nature of Transactions	Associate		A Company over which KMP / relatives of KMP are able to exercise significant influence.		Key Management Personnel and their Relative		Total	
		March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
1	<b>Sale of finished Goods</b> NIBL- Korta Engineering Private Limited	3.33	-	-	-	-	-	3.33	-
2	<b>Income from job work</b> NRB IBC Bearings Private Limited	133.23	91.68	-	-	-	-	133.23	91.68
3	<b>Rent Income</b> NRB IBC Bearings Private Limited	92.93	84.48	-	-	-	-	92.93	84.48
4	<b>Service Charges</b> NRB IBC Bearings Private Limited NIBL- Korta Engineering Private Limited	39.60 13.20	36.00 12.00	- -	- -	- -	- -	39.60 13.20	36.00 12.00
5	<b>Royalty income</b> NRB IBC Bearings Private Limited	17.48	11.65	-	-	-	-	17.48	11.65
6	<b>Payments made/ expenses incurred on behalf of related party</b> NRB IBC Bearings Private Limited NIBL- Korta Engineering Private Limited	116.08 23.78	92.59 -	- -	- -	- -	- -	116.08 23.78	92.59 -
7	<b>Purchase of material</b> NRB IBC Bearings Private Limited NIBL- Korta Engineering Private Limited	28.52 2.88	23.21 0.21	- -	- -	- -	- -	28.52 2.88	23.21 0.21

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(Rs. in lakhs)

Sr. No.	Nature of Transactions	Associate		A Company over which KMP / relatives of KMP are able to exercise significant influence.		Key Management Personnel and their Relative		Total	
		March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
8	<b>Corporate Guarantee given to bank for loan taken by</b>								
	NRB IBC Bearings Private Limited	200.00	-	-	-	-	-	200.00	-
	NIBL- Korta Engineering Private Limited	200.00	-	-	-	-	-	200.00	-
9	<b>Loan repayment</b>								
	Mr. Devesh S. Sahney	-	-	-	-	650.00	-	650.00	-
	The Estate of Mr. T. S. Sahney	-	-	-	-	-	7.00	-	7.00
10	<b>Issue of Preference shares</b>								
	Mr. Devesh S. Sahney	-	-	-	-	650.00	-	650.00	-
11	<b>Sitting Fees</b>								
	Mr. Nikhilesh Panchal	-	-	-	-	1.10	1.45	1.10	1.45
	Mrs. Aarti Sahney	-	-	-	-	0.60	0.90	0.60	0.90
	Mr. Ashish Chhugani	-	-	-	-	1.50	1.45	1.50	1.45
	Mr. Samrat Nirmal Zaveri	-	-	-	-	1.50	0.80	1.50	0.80
12	<b>Legal and Professional Fees</b>								
	Khaitan and Co.	-	-	7.46	1.15	-	-	7.46	1.15
13	<b>Remuneration to relative of KMP</b>								
	Ms. Mallika Sahney	-	-	-	-	25.43	23.86	25.43	23.86
13	<b>Computer hire charges</b>								
	Sahney Technologies Private Limited	-	-	0.42	-	-	-	0.42	-

### Amounts outstanding with related parties

(Rs. in lakhs)

Sr. No.	Nature of Transactions	Associate		A Company over which KMP / relatives of KMP are able to exercise significant influence.		Key Management Personnel and their Relative		Total	
		March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
1	<b>Trade Receivables</b>								
	NRB Bearings (Thailand) Limited	-	-	-	4.62	-	-	-	4.62
	NIBL- Korta Engineering Private Limited	13.36	11.54	-	-	-	-	13.36	11.54
	NRB IBC Bearings Private Limited	1.67	-	-	-	-	-	1.67	-
2	<b>Trade Payables</b>								
	NRB Bearings Limited	-	-	17.37	17.37	-	-	17.37	17.37
	NIBL- Korta Engineering Private Limited	-	-	-	-	-	-	-	-
	Khaitan and Co.	-	-	0.63	-	-	-	0.63	-
	Sahney Technologies Private Limited	-	-	0.42	-	-	-	0.42	-
3	<b>Advances received from customers</b>								
	NRB IBC Bearings Private Limited	-	19.97	-	-	-	-	-	19.97
4	<b>Loan outstanding</b>								
	Mr. D. S. Sahney	-	-	-	-	788.65	1,438.65	788.65	1,438.65
	The Estate of Mr. T. S. Sahney	-	-	-	-	2,895.50	2,895.50	2,895.50	2,895.50
5	<b>Other Receivables</b>								
	NIBL- Korta Engineering Private Limited	23.78	-	-	-	-	-	23.78	-

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

### Footnote:

- i) No amounts pertaining to related parties have been provided for as doubtful debts. Further, no amounts have either been written off or written back during the period.
- ii) Outstanding balances (other than borrowings) at the year-end are unsecured and interest free and settlement occurs in cash.
- iii) The transactions with related parties are made in the normal course of business and on terms equivalent to those that prevail in arm's length transactions. All the Related Party Transactions are reviewed and approved by the Audit Committee.

### iv) Compensation of key managerial personnel

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

Particulars	(Rs. in lakhs)	
	Year ended March 31, 2023	Year ended March 31, 2022
Short-term benefits	167.40	129.55
Post-employment benefits @	23.76	18.51
<b>Total</b>	<b>191.16</b>	<b>148.06</b>

@ Compensation of key managerial personnel excludes provision for gratuity and compensated absences which is determined on the basis of actuarial valuation done on overall basis for the Company.

- v) The term loan of Rs. 200.82 lakhs ( as at March 31, 2022 Rs 265.16 lakhs) ( refer note (a) and (b) of Note 17), is secured by personal guarantee of Mr. Devesh Singh Sahney .
- vi) Corporate guarantee and security given by a second pari passu charge over immovable property plant and equipment (buildings) leasehold land of company and its movable fixed asset at its factory at Shendra (near Aurangabad) for loan taken by associate companies in NRB IBC bearings Private Limited and NIBL Korta Engineering Private Limited.

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

(Rs. in lakhs)

Particulars	Year ended	
	March 31, 2023	March 31, 2022
a) Charged to Statement of Profit and Loss	194.52	101.48
b) Capitalized to Fixed Assets	-	-
<b>Total</b>	<b>194.52</b>	<b>101.48</b>

### Footnote:

The Department of Scientific and Industrial Research has given recognition to the In- House R & D unit of the Company at B -18, Five star MIDC area, Shendra, Aurangabad from October 28, 2014.

### Note 39 : Capital management and Risk management

#### I Capital Management

The Company's capital management strategy is to effectively determine, raise and deploy capital so as to create value for its shareholders. The same is done through a mix of either equity and/or preference and/or combination of short term /long term debt as may be appropriate.

The Company determines the amount of capital required on the basis of its product, capital expenditure, operations and strategic investment plans. The same is funded through a combination of capital sources be it either equity and/or preference and/or combination of short term/long term debt as may be appropriate.

#### II Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk . In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

### A CREDIT RISK

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables).

#### Trade receivables

Customer credit risk is managed as per the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on payment performance over the period of time. The Company's exposure of its customers are continuously monitored based on the customer's past performance and business dynamics. Credit exposure is controlled by customer's credit limits that are reviewed and approved by the management at regular intervals.

An impairment analysis is performed at each reporting date. The Company applies the simplified approach to providing for expected credit losses prescribed by Ind AS 109, which permits the use of the lifetime expected loss provision for all trade receivables. The Company has computed expected credit losses based on a provision matrix which uses historical credit loss experience of the Company and where applicable, specific provisions are made for individual receivables.

### B LIQUIDITY RISK

#### (i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by way of banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

#### (ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

		March 31, 2023				Total	Carrying amount
Maturities of Financial Liabilities	Weighted average effective interest rate	Upto 1 year	1 to 3 years	3 to 5 years	Above 5 years		
Non-interest bearing		5,925.78	90.33	-	-	6,016.11	6,016.11
Fixed interest rate instruments	4.20%	1,722.26	1,453.20	3,257.16	4,676.70	11,109.32	7,511.00
		<b>7,648.04</b>	<b>1,543.53</b>	<b>3,257.16</b>	<b>4,676.70</b>	<b>17,125.43</b>	<b>13,527.11</b>

(Rs in lakhs)

		March 31, 2022				Total	Carrying amount
Maturities of Financial Liabilities	Weighted average effective interest rate	Upto 1 year	1 to 3 years	3 to 5 years	Above 5 years		
Non-interest bearing		6,018.59	85.34	-	-	6,103.93	6,103.93
Fixed interest rate instruments	4.90%	1,790.59	740.06	2,333.72	6,133.52	10,997.89	7,083.22
		<b>7,809.18</b>	<b>825.40</b>	<b>2,333.72</b>	<b>6,133.52</b>	<b>17,101.82</b>	<b>13,187.15</b>

(Rs in lakhs)

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

#### Interest Rate sensitivity

Interest rate risk is the risk that the fair value of future cash flows of a financial instruments will fluctuate because of changes in market interest rate. As at March 31, 2023 and as at March 31, 2022 the Company does not have significant interest rate risk as the Company' s debt obligations are with fixed interest rates.

#### **C Market Risks**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company uses derivatives to manage any significant market risks. Derivatives are only used for economic hedging purposes and not as speculative investments. All such transactions are carried out within the guidelines set by the Board of Directors .

#### **(i) Currency Risk**

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company's exposure to currency risk relates primarily to the Company's operating activities when transactions are denominated in a different currency from the Company's functional currency.

The Company's foreign currency exposure are denominated in US Dollar, Euro and Japanese Yen and Emirati Dirham which arise mainly from foreign exchange imports, exports and foreign currency borrowings.

As at the end of the reporting period, the carrying amounts of the company's foreign currency denominated financial assets and financial liabilities are as follows:

As at March 31, 2023		In foreign currency in lakhs	Equivalent Rs in lakhs
<b>Financial Assets</b>			
Trade Receivables	EURO	5.92	530.49
	USD	3.73	295.77
	AED	0.22	4.34
Advance to suppliers	EURO	0.15	13.06
	JPY	0.94	0.58
	USD	0.28	22.67
Capital Advance	JPY	36.00	22.32
<b>Financial Liabilities</b>			
Trade Payables	EURO	1.09	98.00
	USD	0.36	29.73
	JPY	0.06	0.04

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

As at March 31, 2022		In foreign currency in lakhs	Equivalent Rs in lakhs
<b>Financial Assets</b>			
Trade Receivables			
	EURO	7.08	599.39
	USD	0.78	59.34
	AED	0.38	7.57
Advance to suppliers	EURO	0.02	1.88
	JPY	0.94	0.58
	USD	0.25	18.73
<b>Financial Liabilities</b>			
Trade Payables	EURO	1.08	91.14
	USD	-	-

**(ii) Interest Rate Risk**

Refer note B (ii) for interest rate sensitivity

**(iii) Raw material price risk**

The Company does not have significant risk in raw material price variations. In case of any variation in price same is passed on to the customer through appropriate adjustments to selling prices.

**Note 40 : Fair Value Disclosures**

This section explains the judgment and estimates made in determining the fair value of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair value are disclosed in financial statements. To provide an indication about the reliability of the inputs used in determining the fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standards.

**a) Categories of Financial Instruments:**

(Rs. in lakhs)

Financial assets/ financial liabilities	Fair value hierarchy as at March 31, 2023			Total
	Level-1	Level-2	Level-3	
<b>Financial assets</b>				
Financial assets carried at amortised cost				
Trade Receivables	-	2,045.96	-	2,045.96
Cash and cash equivalents	-	16.46	-	16.46
Other Bank balances	-	45.45	-	45.45
Other Financial Assets	-	57.55	-	57.55
<b>Total</b>	-	<b>2,165.42</b>	-	<b>2,165.42</b>
<b>Financial liabilities</b>				
Financial liabilities held at amortised cost				
Borrowings	-	11,195.15	-	11,195.15
Trade Payables	-	2,330.09	-	2,330.09
Other financial liabilities	-	1.87	-	1.87
<b>Total</b>	-	<b>13,527.11</b>	-	<b>13,527.11</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(Rs. in lakhs)

Financial assets/ financial liabilities	Fair value hierarchy as at March 31, 2022			Total
	Level-1	Level-2	Level-3	
<b>Financial assets</b>				
Financial assets carried at amortised cost				
Trade Receivables	-	1,842.45	-	1,842.45
Cash and cash equivalents	-	584.11	-	584.11
Other Bank balances	-	5.45	-	5.45
Other Financial Assets	-	20.53	-	20.53
<b>Total</b>	-	<b>2,452.54</b>	-	<b>2,452.54</b>
<b>Financial liabilities</b>				
Financial liabilities held at amortised cost				
Borrowings	-	11,417.37	-	11,417.37
Trade Payables	-	1,769.78	-	1,769.78
Other financial liabilities	-	-	-	-
<b>Total</b>	-	<b>13,187.15</b>	-	<b>13,187.15</b>

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

**b) Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required):**

The Company consider that the carrying amount of financial asset and financial liabilities recognised in the financial statements approximate their fair value.

**Note 41 :**

The Company and NRB IBC Bearings Private Limited (NIBC) have transactions with IBC INDUSTRIAL BEARINGS AND COMPONENTS AG (IBC AG) and IBC Walzlager, GmbH ( IBC GmbH) in nature of export of goods and import of raw materials since December 2013. For transactions held between December 2013 and August 2015, IBC AG and IBC GmbH has netted off the outstanding receivables and payables in their books of accounts and remitted Euro 28,079 in October 2015 for the same.

As per RBI Circular RBI/2014-15/5 Master Circular No.14/2014-15 dated July 1, 2014 Clause C.25, RBI had delegated the powers to accept the application for set-off of export receivables against import payables to Authorised Dealer bank (AD) on behalf of RBI .

The Company had made the statutory application to its AD bank along with all the necessary documents seeking approval for set off of export receivables against import payables in the books of the Company. Pending approval the Company has disclosed receivables of Rs. 155.02 lakhs ( March 31, 2022 Rs. 146.82 lakhs ) as Non current Trade Receivable in Note 12 and payable of Rs. 90.33 lakhs ( March 31, 2022 Rs. 85.34 lakhs) as Non current Trade Payable in Note 18.

**Note 42 : Additional Regulatory Information**

- (I) The Group does not have any benami property, where any proceeding has been initiated or pending against the Company for holding any benami property.
- (II) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (III) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:(a) directly or indirectly lend or invest in

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or(b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

- (IV) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Company shall:(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or(b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.
- (V) The Group does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- (VI) The Group is not declared wilful defaulter by and bank or financials institution or lender during the year.
- (VII) The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (VIII) Quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.
- (IX) The Group has used the borrowings from banks and financial institutions for the specific purpose for which it was obtained
- (X) The Group did not have any transactions with struck off companies under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

Name of the entity in the	Net assets, i.e., total assets minus total liabilities				Share of profit or loss			
	As at 31 March 2023		As at 31 March 2022		Year ended March 31, 2023		Year ended March 31, 2022	
	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount
Holding Company								
NRB Industrial Bearings Limited	100.00%	(1,812.60)	100.00%	(916.10)	102.03%	(1,343.18)	97.53%	(999.38)
Associates								
Indian								
NRB-IBC Bearings Private Limited	-	-	-	-	-	-	-	-
Korta Engineering India Private Limited	-	-	-	-	-2.03%	26.73	2.47%	(25.31)
<b>Total</b>	<b>100.00%</b>	<b>(1,812.60)</b>	<b>100.00%</b>	<b>(916.10)</b>	<b>100.00%</b>	<b>(1,316.45)</b>	<b>100.00%</b>	<b>(1,024.69)</b>

**Note 43 :** The figures for the previous year have been regrouped where necessary to confirm to the current year's classification.

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

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

**Gulestan Kolah**  
Chief Financial Officer

**Vandana Yadav**  
Company Secretary

Place : Mumbai  
Date : May 25, 2023