

NRB

BEARINGS



44th Annual Report

NRB Vision

We want NRB to be the first choice for bearings and allied solutions for every application where we can be a market leader and to become a billion dollar company by 2020, with a presence in every vehicle in the world.



NRB • A MOVEMENT • A REVOLUTION

ANNUAL REPORT**2008-2009**

Directors	:	Trilochan Singh Sahney, <i>Chairman & Managing Director</i> Dr. P. D.Ojha Dr. (Ms.) Kala S Pant Harshbeena S Zaveri K M Elavia Devesh S Sahney
Bankers	:	BNP Paribas Citibank N.A. Canara Bank Axis Bank Ltd.
Auditors	:	A. F. Ferguson & Co.
Solicitors	:	Wadia Ghandy & Co.
Registered Office	:	Dhannur, 15 Sir. P M Road, Fort, Mumbai 400 001. Tel. : 2266 4160 / 2266 4998 Fax : 2266 0412
Works	:	Pokhran Road No.2, Majiwade, Thane-400 606. E-40, M.I.D.C. Industrial Area, Chikalthana, Aurangabad-431 010. C-6, Additional M.I.D.C. Industrial Area, Jalna-431 203 E-72, (I) & (II) M.I.D.C., Waluj, Aurangabad-431 133 A-5, Uppal Industrial Estate, Hyderabad-500 039 Plot No.33, Sector – II, SIDCUL IIE Panthnagar, Udhamsingh Nagar, Uttarakhand-263 153.
Registrar & Share Transfer Agent	:	Mondkar Computers Pvt. Ltd. 25, Shakil Niwas, Mahakali Caves Road, Andheri (East), Mumbai 400 093. Tel: 2836 6620, 2820 7203-05 Fax: 2836 9704, 2820 7207

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AGM NOTICE

The Members,
NRB BEARINGS LIMITED

NOTICE IS HEREBY GIVEN that the 44th Annual General Meeting of the members of the Company will be held at M C Ghia Hall, K Dubash Marg, Mumbai 400 001 on Wednesday, 12th August, 2009, at 11.00 a.m. to transact the following business:

ORDINARY BUSINESS

1. To receive and adopt the Accounts, Balance Sheet, Cash Flow Statements and the reports of the Directors and Auditors for the year ended 31st March, 2009.
2. To declare a dividend for the year ended 31st March, 2009.
3. To appoint a Director in place of Dr. P D Ojha who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in place of Mr. D S Sahney who retires by rotation and is eligible for re-appointment.
5. To consider and if thought fit, to pass with or without modifications, the following resolution:

“RESOLVED THAT M/s. A F Ferguson & Co., Chartered Accountants, Mumbai be and are hereby re-appointed as Auditors of the Company to hold office until the conclusion of the next Annual General Meeting on such remuneration plus out-of-pocket expenses, as may be mutually agreed upon between the Board of Directors and the Auditors.”

SPECIAL BUSINESS

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

Waiver of the requirement of repayment of excess remuneration paid by the Company in case of Mr. T S Sahney, Managing Director.

“RESOLVED THAT pursuant to the provisions of section 198, 269 and 309, and other applicable provisions, if any, of the Companies Act, 1956, (“the Act”) read with Part II of Schedule XIII to the Act, as amended from time to time (including any statutory modification or re-enactment thereof, for the time being in force) and subject to the approval of the Central Government, the consent of the Company be and is hereby accorded to ratify and / or approve, the payments made to Mr. T S Sahney, Managing Director of the Company in excess of the remuneration payable to Mr. T S Sahney in accordance with the provisions of Schedule XIII to the Act for the financial year 2008-09; such excess amount amounting to Rs. 28,81,045/- (Rupees Twenty Eight Lakh Eighty One Thousand Forty Five only).”

“RESOLVED FURTHER THAT subject to the approval of the Central Government, and in accordance with the provisions of Section 309 of the Act, the recovery of aforesaid excess remuneration paid to Mr. T S Sahney, Managing Director of the Company for the financial year 2008-09, being the amount exceeding the statutory limits laid down under the Act, and arising as a consequence of inadequacy and/ or absence of profits, be and is hereby waived.”

“RESOLVED FURTHER THAT any one of Mr. D S Sahney, Director Strategic Sourcing or Mr. S C Rangani, Company Secretary be and are severally authorized to make such application, provide such further information and explanation and to sign, execute and submit the necessary applications, declarations, statements, affidavits, documents as may be required in respect of the aforesaid application made to the Central Government pursuant to the provisions of Section 309 of the Act to give effect to this resolution as required from time to time.”

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

Waiver of the requirement of repayment of excess remuneration paid by the Company in case of Ms. Harshbeena S. Zaveri, President and Whole Time Director.

“RESOLVED THAT pursuant to the provisions of section 198, 269 and 309, and other applicable provisions, if any, of the Companies Act, 1956, (**“the Act”**) read with Part II of Schedule XIII to the Act, as amended from time to time (including any statutory modification or re-enactment thereof, for the time being in force) and subject to the approval of the Central Government, the consent of the Company be and is hereby accorded to ratify and / or approve, the payments made to Ms. Harshbeena S. Zaveri, President and Whole Time Director of the Company in excess of the remuneration payable to Ms. Harshbeena S. Zaveri in accordance with the provisions of Schedule XIII to the Act for the financial year 2008-09; such excess amount amounting to Rs. 15,44,848/- (Rupees Fifteen Lakh Forty Four Thousand Eight Hundred and Forty Eight only).”

“RESOLVED FURTHER THAT subject to the approval of the Central Government, and in accordance with the provisions of Section 309 of the Act, the recovery of aforesaid excess remuneration paid to Ms. Harshbeena S. Zaveri, President and Whole Time Director of the Company for the financial year 2008-09, being the amount exceeding the statutory limits laid down under the Act, and arising as a consequence of inadequacy and / or absence of profits, be and is hereby waived.”

“RESOLVED FURTHER THAT any one of Mr. D S Sahney, Director Strategic Sourcing or Mr. S C Rangani, Company Secretary be and are severally authorized to make such application, provide such further information and explanation and to sign, execute and submit the necessary applications, declarations, statements, affidavits, documents as may be required in respect of the aforesaid application made to the Central Government pursuant to the provisions of Section 309 of the Act to give effect to this resolution as required from time to time.”

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

Approval for payment of remuneration to Mr. T S Sahney, Managing Director.

“RESOLVED THAT in accordance with the resolution passed by the members at the 40th Annual General Meeting of the Company held on August 11, 2005, as modified by the Board of Directors at their meeting held on 7th June, 2007 and pursuant to the provisions of Sections 198, 269, and 309, and other applicable provisions, if any, of the Act read with Schedule XIII to the Act, as amended from time to time (including any statutory modification or re-enactment thereof, for the time being in force), subject to the approval of the Central Government, the consent of the Company be and is hereby accorded for Mr. T S Sahney to continue to remain appointed as the Managing Director of the Company for a period from April 01, 2009 to September 30, 2010, on the following broad terms and conditions:

- (a) A basic remuneration of Rs. 4,50,000 in the grade of Rs. 1,00,000 - Rs. 5,00,000. The annual increments which will be effective 1st October each year will be decided by the Board and will be merit based and take into account the Company's performance.
- (b) In addition to the basic salary payable, the Managing Director shall also be entitled to allowances/perquisites noted below in accordance with the rules of the Company.
 - (i) Housing
 1. Free unfurnished accommodation in case the accommodation is owned by the Company.
 2. In case the accommodation is hired by the Company the expenditure by the Company on hiring such unfurnished accommodation for the Managing Director will be subject to a ceiling of 60% of the salary over and above 10% payable by the Managing Director.
 3. In case no accommodation is provided by the Company, the Managing Director shall be entitled to house rent allowance subject to the ceiling of 60% of the monthly basic salary.

- (ii) The expenditure incurred by the company on gas, electricity, water and furnishings shall be valued as per the Income-tax Rules, 1962.
 - (iii) Leave travel assistance
Reimbursement of actual traveling expenses to any place in India and return there from in respect of himself and family.
 - (iv) Reimbursement of Medical Expenses
Reimbursement of medical expenses for self and family.
 - (v) Personal Accident Insurance
Premium not exceeding Rs. 5500/- p.a.
 - (vi) Club Fees
Reimbursement of membership fees for clubs.
 - (vii) Provision of car with driver and telephone at residence will not be considered as perquisites.
 - (viii) Contribution to Provident Fund, will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable, under the Income-Tax Act.
- (c) Commission - Such remuneration by way of Commission at the rate of 1% for each financial year, in addition to the above salary and perquisites calculated with reference to the net profit of the Company in a particular financial year, as may be determined by the Board of Directors of the Company at the end of each financial year, subject to the overall ceiling stipulated in sections 198 and 309 of the Act, and limited to one year basic salary will be payable to the Managing Director for the relevant financial year.

"RESOLVED FURTHER THAT, in the event that during the currency of the tenure of Mr. T S Sahney as the 'Managing Director', the Company has no profits or its profits are inadequate, the consent of Company be and is hereby accorded, subject to the approval of the Central Government in this regard, to continue to pay the remuneration as mentioned herein and as determined by the Board of Directors to Mr. T S Sahney without any requirement of Mr. Sahney refunding to the Company, in accordance with the provisions of Section 309 of the Act, such part of the remuneration as agreed herein, which may be in excess of the remuneration payable to him in accordance with the provisions of the Act."

"RESOLVED FURTHER THAT, in the event of absence or inadequacy of profits in the Company as set out above, any one of Mr. D S Sahney, Director Strategic Sourcing or Mr. S C Rangani, Company Secretary be and are severally authorized to seek approval of the Central Government in terms of the provisions of Section 309 of the Act, if required, for waiver of the requirement of refunding by Mr. T S Sahney of such excess monies to the Company.'

"RESOLVED FURTHER THAT, if necessary, the Company be and is hereby authorised to make an application in the prescribed form within the prescribed period to the Central Government as per the provisions of Section 269 and Section 309 of the Act for obtaining its approval to payment of remuneration as provided above in the event it exceeds the limits provided in Part I and/or II of Schedule XIII to the Act and any of the Directors of the Company or the Company Secretary be and are hereby severally authorized to execute and sign such forms, writings, give such notice, as may be necessary in this regard."

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

Approval for payment of remuneration to Ms. Harshbeena S. Zaveri, President and Whole Time Director.

"RESOLVED THAT in accordance with the resolution passed by the members at the 40th Annual General Meeting of the Company held on August 11, 2005, and as modified by the Board of Directors at their meeting held on 27th October, 2006, 7th June, 2007 and 30th January, 2009 and pursuant to the provisions of Sections 198, 269, and 309, and other applicable provisions, if any, of the Act read with Schedule XIII to the Act, as amended from time to time (including any statutory modification or re-enactment thereof, for

the time being in force), subject to the approval of the Central Government, the consent of the Company be and is hereby accorded for Ms. H S Zaveri to continue to remain appointed as President and whole time director of the Company for a period from April 01, 2009 to April 01, 2014, on the following broad terms and conditions:

- (a) Basic Remuneration - Rs. 2,85,000 in the grade of Rs. 75,000 – Rs. 4,50,000. Annual increments effective 1st April each year to be decided by the Board and will be merit based and take into account the Company's performance.

- (b) Perquisites

In addition to the basic salary the perquisites noted below will also be payable.

- (i) Housing

1. Free unfurnished accommodation in case the accommodation is owned by the company.
2. In case no accommodation is provided by the Company house rent allowance subject to a ceiling of 60% of the monthly basic salary.

- (ii) The expenditure incurred by the company on providing electricity and furnishings for the accommodation shall be valued as per the Income tax rules 1962.

- (iii) Leave travel assistance

Once in a year, incurred in accordance with the rules specified by the Company, subject to a ceiling of Rs.1,00,000-p.a.

- (iv) Reimbursement of Medical Expenses

Reimbursement of medical expenses for self and family.

- (v) Medical/Accident Insurance

As per rules of the company.

- (vi) Personal Accident Insurance

As per rules of the company with annual premium not exceeding Rs. 4500/-.

- (vii) Club fees

Reimbursement of membership fees for upto 2 clubs not exceeding Rs. 40,000/- p.a.

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

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

- (c) Commission - Such remuneration by way of Commission at the rate of 1% for each financial year, in addition to the above salary and perquisites calculated with reference to the net profit of the Company in a particular financial year, as may be determined by the Board of Directors of the Company at the end of each financial year, subject to the overall ceiling stipulated in sections 198 and 309 of the Act, and limited to half year's basic salary will be payable to the President and Whole time Director for the relevant financial year.

“RESOLVED FURTHER THAT, in the event that during the currency of the tenure of Ms. Harshbeena S. Zaveri as the President and Whole Time Director, the Company has no profits or its profits are inadequate, the consent of Company be and is hereby accorded, subject to the approval of the Central Government in this regard, to continue to pay the remuneration as mentioned herein and as determined by the Board of Directors to Ms. Zaveri without any requirement of Ms. Zaveri refunding to the Company, in accordance with the provisions of Section 309 of the Act, such part of the remuneration as agreed herein, which may be in excess of the remuneration payable to him in accordance with the provisions of the Act.”

“RESOLVED FURTHER THAT, in the event of absence or inadequacy of profits in the Company as set out above, any one of Mr. D S Sahney, Director Strategic Sourcing or Mr. S C Rangani, Company

Secretary be and are severally authorized to seek approval of the Central Government in terms of the provisions of Section 309 of the Act, if required, for waiver of the requirement of refunding by Mrs. Harshbeena S. Zaveri of such excess monies to the Company.”

“RESOLVED FURTHER THAT if necessary, the Company be and is hereby authorised to make an application in the prescribed form within the prescribed period to the Central Government as per the provisions of Section 269 and Section 309 of the Act for obtaining its approval to payment of remuneration as provided above in the event it exceeds the limits provided in Part I and/or II of Schedule XIII to the Act and any one of Mr.D S Sahney, Director Strategic Sourcing or Mr. S C Rangani, Company Secretary be and are hereby severally authorized to execute and sign such forms, writings, give such notice, as may be necessary in this regard.”

By Order of the Board
S C Rangani
 Secretary

June 2, 2009

Notes

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.

Proxies in order to be effective, must be received by the Company not less than 48 hours before the meeting.

2. The Register of Members of the Company and Transfer Books thereof will be closed from 5th August, 2009 to 12th August, 2009 (both days inclusive).

3. i) The dividend after declaration, will be paid to those shareholders whose names appear in the Register of Members after giving effect to all valid share transfers in physical form lodged with the Company on or before 4th August 2009.
 - ii) In respect of shares held in electronic form, to those “deemed Members” whose names appears on the statements of beneficial ownership furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) at the end of business hours on 4th August 2009.
 - iii) Members and all others concerned are requested to lodge transfer deeds, change of address communication, mandates (if any) with the Company’s Share Transfer Agents M/s. Mondkar Computers Pvt. Ltd., 21, Shakil Niwas, Mahakali Caves Road, Andheri (East), Mumbai 400 093 before 4th August, 2009.
- 4. The Securities and Exchange Board of India has made it mandatory for all companies to use the bank account details furnished by the depositories for depositing dividend through Electronic Clearing Service (ECS) to investors wherever ECS and bank details are available. In the absence of ECS facilities, the company will print the bank account details if available, on the payment instrument for distribution of dividend.**

EXPLANATORY STATEMENT PURSUANT TO SECTION 192A(2) and 173(2) OF THE COMPANIES ACT, 1956.

Item No: 6

Waiver of the requirement of repayment of excess remuneration paid by the Company in case of Mr. T S Sahney, Managing Director.

The members at the 40th Annual General Meeting of the Company held on August 11, 2005, had approved the appointment and remuneration of Mr. T S Sahney as a Managing Director of a Company for a period of five years w.e.f. October 01, 2005. Thereafter the Board of Directors at their meeting held on 7th June, 2007 had enhanced the remuneration for all whole time directors in line with market levels.

Due to inadequacy and absence of profits during the year 2008-09, the managerial remuneration paid to Mr. T S Sahney was in excess of the maximum permissible limit as prescribed under Schedule XIII of the Act. Reasons for absence of profit / inadequate profit have been set out in detail elsewhere in this Explanatory Statement.

The excess remuneration paid to Mr. Sahney Rs. 28,81,045/- (Rupees Twenty Eight Lakh Eighty One Thousand Forty Five only) (excluding contribution to provident fund for the financial year 2008-09.)

As per the provisions of Section 309 of the Companies Act, 1956, any remuneration paid to a director in excess of the maximum remuneration payable to him in accordance with the provisions of Schedule XIII of the Companies Act, 1956 is required to be refunded by the director to the Company, unless such requirement is waived by the company pursuant to receipt of permission from the Central Government.

The Board of Directors at its meeting held on 2nd June, 2009, have considered the extensive expertise of Mr. T S Sahney in the industry, his significant contribution to the growth of the Company and the fact that the remuneration paid to him is clearly justified by his long experience and achievements and have accordingly ratified, confirmed and approved, subject to the approval of the shareholders and of the Central Government, the payment of aforesaid remuneration, in excess of the limits prescribed under Schedule XIII of the Act and have decided to waive the recovery of the excess remuneration paid to Mr. T S Sahney, subject to approval of the Central Government in this regard. An application in this regard, will be made to Central Government for seeking its approval for waiver of the requirement for recovery of excess remuneration paid to Mr. T S Sahney.

The Board of Directors recommends the passing of this resolution. No other director except Mr. T S Sahney, Ms. H S Zaveri and Mr. D S Sahney is interested in passing of the resolution to the extent of the excess remuneration paid to Mr. T S Sahney.

Item No : 7

Waiver of the requirement of repayment of excess remuneration paid by the Company in case of Ms. Harshbeena S. Zaveri, President and Whole Time Director.

The members, at the 40th Annual General Meeting of the Company held on August 13, 2005, had approved the appointment and remuneration of Ms. Harshbeena S. Zaveri, President and Whole Time Director of the Company for a period of 5 years w.e.f. April 01, 2005. Thereafter the Board of Directors at their meeting held on 27th October, 2006 and 7th June, 2007 had enhanced the remuneration for all whole time directors in line with market levels.

Due to inadequacy and absence of profits during the year 2008-09, the managerial remuneration paid to Ms. Zaveri was in excess of the maximum permissible limit as prescribed under Schedule XIII of the Act. Reasons for loss of profit / inadequate profit have been set out in detail elsewhere in this Explanatory Statement.

The excess remuneration paid to Ms. Zaveri was Rs. 15,44,848/- (Rupees Fifteen Lakh Forty Four Thousand Eight Hundred and Forty Eight only) (excluding contribution to provident fund and superannuation scheme for the financial year 2008-09.)

As per the provisions of Section 309 of the Companies Act, 1956, any remuneration paid to a director in excess of the maximum remuneration payable to him in accordance with the provisions of Schedule XIII of the Companies Act, 1956 is required to be refunded by the director to the Company, unless such requirement is waived by the company pursuant to receipt of permission from the Central Government.

The Board of Directors at its meeting held on 2nd June, 2009, have considered the extensive expertise of Ms. Zaveri in the industry, her significant contribution to the growth of the Company and the fact that the remuneration paid to her is clearly justified by her long experience and achievements and have accordingly ratified, confirmed and approved, subject to the approval of the shareholders and of the Central Government, the payment of aforesaid remuneration, in excess of the limits prescribed under Schedule XIII of the Act and have decided to waive the recovery of the excess remuneration paid to Ms. Harshbeena S Zaveri, subject to approval of the Central Government in this regard. An application in this regard, has already been made to Central Government for seeking its approval for waiver of the requirement for recovery of excess remuneration paid to Ms. Harshbeena S Zaveri.

The Board of Directors recommends the passing of this resolution. No Director of the Company except Ms. H S Zaveri, Mr.T S Sahney and Mr.D S Sahney is interested in passing of the resolution to the extent of the excess remuneration paid to Ms. H S Zaveri.