





**NRB**  
BEARINGS

NRB. A MOVEMENT. A REVOLUTION.



## ANNUAL REPORT

### 2010-2011

|   |   |  |
|---|---|--|
| <b>Directors</b>                            | : | T. S. Sahney, Executive Chairman<br>Dr. P. D. Ojha<br>Dr. (Ms) K. S. Pant<br>(Ms) H. S. Zaveri – Managing Director & President<br>K. M. Elavia<br>D. S. Sahney<br>A. N. Desai  |
| <b>Company Secretary</b>                    |   | S. C. Rangani<br>Tel No. 022-22664160/4998   |
| <b>Bankers</b>                              | : | BNP Paribas<br>Citibank N.A.<br>Canara Bank<br>Axis Bank Ltd.  |
| <b>Auditors</b>                             | : | Deloitte Haskins & Sells   |
| <b>Solicitors</b>                           | : | Wadia Ghandy & Co.   |
| <b>Registered Office</b>                    | : | Dhannur, 15 Sir. P M Road, Fort,<br>Mumbai 400 001.<br>Tel. : 022-2266 4160 / 2266 4998 Fax :022-2266 0412   |
| <b>Works</b>                                | : | Pokhran Road No.2, Majiwade,<br>Thane-400 606.<br><br>E-40, M.I.D.C. Industrial Area, Chikalthana,<br>Aurangabad-431 010.<br><br>C-6, Additional M.I.D.C. Industrial Area,<br>Jalna-431 203<br><br>E-72, (I) & (II) M.I.D.C., Waluj,<br>Aurangabad-431 133<br><br>A-5, Uppal Industrial Estate,<br>Hyderabad-500 039<br><br>Plot No.33, Sector – II,<br>SIDCUL IIE Panthnagar,<br>Udhamsingh Nagar, Uttarakhand-263 153. |
| <b>Registrar &amp; Share Transfer Agent</b> | : | Universal Capital Securities Pvt.td.<br>(Formerly known as M/s.Mondkar Computers Pvt.Ltd.)<br>21, Shakil Niwas, Mahakali Caves Road<br>Andheri (East), Mumbai 400 093<br>Tel: 022-2836 66 20, 28207203-05<br>Fax: 022-2836 9704, 28207207  |

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## **AGM NOTICE**

The Members,  
NRB BEARINGS LIMITED

NOTICE IS HEREBY GIVEN that the 46th 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 27th July, 2011, at 11.30 a.m. to transact the following business:

### **ORDINARY BUSINESS**

1. To receive and adopt the Accounts, Balance Sheet, Cash Flow Statements for the year ended 31st March, 2011 and the reports of the Directors and Auditors thereon.
2. To declare a dividend for the year ended 31st March, 2011.
3. To appoint a Director in place of Dr.(Ms) Kala S Pant who retires by rotation and is eligible for re-appointment.
4. To consider and if thought fit, to pass with or without modifications, the following resolution:  
**"RESOLVED THAT** M/s.Deloitte Haskins & Sells, Chartered Accountants, Mumbai (Registration no. ICAI 117365W) be and are hereby 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**

5. To consider and if thought fit, to pass, with or without modifications, the following Resolution as a **Special Resolution**.

#### **Re-appointment of Wholetime Director Mr.D S Sahney**

**"RESOLVED THAT** in accordance with 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 to the re-appointment of Mr. D S Sahney as Whole time director of the Company for a further period of five years from April 01, 2011 to March 31, 2016, on the following broad terms and conditions:

- (a) Basic Remuneration - Rs.3,00,000 in the grade of Rs.2,00,000 - Rs.5,00,000. 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

Cash allowances

Education allowance                      -Rs.20,000/-p.m

Other allowances                              -Rs.18000/-p.m

- (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 40% 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.75,000-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) Club fees  
Reimbursement of membership fees for upto 2 clubs not exceeding Rs. 50,000/p.a.
- (vii) Provision of car with driver and telephone at residence will not be considered as perquisites.
- (viii) 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.
- (ix) 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 Whole time Director for the relevant financial year.

**"RESOLVED FURTHER THAT,** in the event that during the currency of the tenure of Mr. Devesh S Sahney as the 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 Mr. Devesh S Sahney without any requirement of Mr. Devesh 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 Ms.H S Zaveri, Managing Director & President 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.Devesh 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 one of Ms.H S Zaveri, Managing Director & President 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."

6. To consider and if thought fit, to pass, with or without modifications, the following Resolution as a **Special Resolution**

**Payment of commission to Non-Executive Directors**

**"RESOLVED THAT** in accordance with the provisions of Section 309(4) and other applicable provisions, if any, of the Companies Act, 1956, in accordance with clause 49 of the Listing Agreement and Article



116(3)(b) of the Articles of Association of the Company, the Directors (excluding the Managing Director, the Whole-time Directors) be paid for the period commencing from April 1, 2010 to March 31, 2015, a yearly commission (to be divided amongst them in such manner as the Board of Directors may from time to time determine) of such amount as may be determined by the Board of Directors and not exceeding an amount equal to 0.125% of the net profits of the company and that the net profits of the company shall be computed in the manner prescribed under Section 198(1) of the Companies Act, 1956."

**"RESOLVED FURTHER THAT** the Board of directors be and is hereby authorized to take such steps, as may be necessary, desirable or expedient to give effect to the resolution."

By Order of the Board

**S C Rangani**  
Secretary

May 30, 2011

### 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 18th July, 2011 to 27th July, 2011 (both days inclusive).
3. 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 16th July, 2011.

In respect of shares held in electronic form, to those "Deemed Members" whose names appear 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 16th July, 2011.

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 Universal Capital Securities Pvt. Ltd. (Formerly known as M/s. Mondkar Computers Pvt. Ltd.) 21, Shakil Niwas, Mahakali Caves Road, Andheri (East), Mumbai 400 093 before 16th July, 2011.

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 National Electronic Clearing Service (NECS) to investors wherever NECS and bank details are available. In the absence of NECS facilities, the company will print the bank account details if available, on the payment instrument for distribution of dividend.

### EXPLANATORY STATEMENT

As required by Section 173 of the Companies Act, 1956, the following Explanatory Statement sets out all material facts relating to the business mentioned under items 5 -6 in the accompanying notice dated 30th May, 2011.

#### Item No. 5

##### **Re-appointment of Wholetime Director Mr.D S Sahney**

Mr. Devesh S Sahney was appointed as the Whole Time Director of the Company for a period of 5 years with effect from 24th May, 2006 at the Annual General Meeting of the Company held on August 11, 2006 on the terms and conditions set out therein. At the Board meeting held on 28th January, 2011 the Board of Directors have approved the re-appointment of Mr.D S Sahney as Whole time director for a further period of 5 years w.e.f. 1st April, 2011 to 31st March, 2016 on the terms and conditions as set out in the resolution. At the same meeting the board of directors have enhanced the remuneration for the new tenure in line with market levels.

This may be treated as an abstract under section 302 of the Companies Act, 1956 of the terms and conditions governing the appointment of Mr. D S Sahney as the Whole Time Director of the Company.

The Board of Directors of the Company recommend the passing of this Special Resolution. Except Mr. T S Sahney, Ms. Harshbeena S Zaveri and Mr. Devesh S Sahney, none of the other directors are concerned or interested in this Resolution.

**Item No. 6****Payment of commission to Non Executive Directors**

The members have approved payment of commission to non-executive directors at the AGM held on 11th August, 2006 in accordance with Clause 49 of the Listing Agreement. In view of the efforts put in, contributions made and increased responsibilities shouldered by the non-executive Directors, it is appropriate that they be paid commission over and above the sitting fees, on the revised terms as set out in the Special Resolution under item no.6 of the accompanying Notice.

The eligible Directors may be deemed to be concerned or interested in the payment of commission to them

**Notes on Directors seeking appointment/re-appointment**

As required under Listing Agreement, particulars of Directors who are to be appointed/re-appointed are given below:

|   |  |
|---|--|
| Name  | Dr.(Ms.) Kala S Pant   |
| Date of Birth                               | 09.02.1935   |
| Qualification                               | Bachelors degree in Science followed by post graduation in Statistics applied to Economics and Industry and Doctoral Research work by quantitative methods in the field of banking and transport |
| Experience                                  | 42 years training in the field of Management and Research methodology, Research in the problems of transport, ports, infrastructure benefits/cost analysis, both at macro and micro level.       |
| Director Since                              | 30.09.1997   |
| List of other Directorships                 | 1. Gujarat Sidhee Cement Ltd<br>2. Binani Metals Ltd   |
| Membership in Committees in other companies | Member of Audit Committee – Binani Metals Ltd  |
| No.of shares held                           | Nil  |

By Order of the Board

**S C Rangani**  
Secretary

May 30, 2011



**DIRECTORS' REPORT**

To  
The Members  
NRB BEARINGS LIMITED  
Mumbai

Your Directors have pleasure in presenting their Fortysixth Annual Report together with Audited Accounts for the year ended 31st March, 2011.

| 1. <b>Financial Results</b>                              | <b>Year ended<br/>31st March, 2011<br/>Rs. lacs</b> | <b>Year ended<br/>31st March, 2010<br/>Rs. lacs</b> |
|--|---|---|
| Profit before providing for<br>Depreciation and taxation | <b>10753.70</b>                                     | 5669.46   |
| Less: Depreciation                                       | <b>2286.47</b>                                      | 1954.50   |
| Provision for taxation                                   |   |   |
| Current (net)  | <b>2650.00</b>                                      | 1250.00   |
| In respect of earlier years                              | <b>42.96</b>  | -   |
| Deferred   | <b>(119.88)</b>                                     | 24.07   |
| Profit after taxation                                    | <b>5391.52</b>                                      | 2440.89   |
| Add: Balance brought forward                             | <b>2773.74</b>                                      | 2040.47   |
|  | <b>8165.26</b>                                      | 4481.36   |
| Appropriation:   |   |   |
| Dividend   | <b>1938.45</b>                                      | 969.23  |
| Tax on distributed profits                               | <b>314.46</b>                                       | 160.97  |
| General Reserve  | <b>539.15</b>                                       | 244.09  |
| Debenture redemption reserve                             | -   | 333.33  |
| Profit & Loss Account                                    | <b>5373.20</b>                                      | 2773.74   |
|  | <b>8165.26</b>                                      | 4481.36   |

2. **Appropriation****Dividend**

Directors recommend dividend of Rs.2.00/- per equity share of Rs.2/- (Rs.2.00 per share for previous year) payable to members/beneficial owners as per the Register of Members as applicable, aggregating Rs. 1938.45 lacs.

**Bonus**

During the year bonus shares in the ratio of 1:1 i.e. one new fully paid up equity share of Rs.2/- each for every one fully paid up equity share of Rs.2/- each, were credited to the members account as on the record date 16.9.2010. As a result the equity capital has been enhanced to Rs.1938.45 lacs.

### 3. **Operations / Outlook**

During fiscal 2010-11 the Indian economy has emerged rapidly from the slowdown caused by the global financial crisis of 2007-09 and remains one of the fastest growing economies of the world. GDP growth has recovered sharply to 8%. The automotive sector in Asia, particularly India and China, have experienced strong growth. Your company has posted record net sales revenues and profits. Sales (net of excise duty) for the year ended 31st March, 2011 were Rs. 46636 lacs as against Rs.34660 lacs in the previous year, an increase of 34%. Profit before tax (PBT) was at Rs.7965 lacs as compared to Rs.3715 lacs in 2009-10, up by 114%. After providing for current and deferred taxes, the Profit after tax (PAT) was Rs.5392 lacs (Rs.2441 lacs in 2009-10), up by 121%.

Economic and financial events over the year, however, have increased concerns about the sustainability of the growth momentum- high and persisting inflation has emerged as a significant risk factor in sustaining India's growth, with inflationary pressures spilling over to manufactured products. In general higher global metals and commodity prices have contributed to rising input costs which are being progressively passed on to customers. Secondly, the high fiscal deficit as a result of the fiscal stimulus to counter the slowdown, has the effect of increasing interest rates. The third concern is that India's overall balance of payments remains weaker than expected, putting pressure on the Rupee. Foreign direct investments have slowed since the last quarter of fiscal 2011, offsetting the increase in external borrowings. Although it is still too early to spot definitive trends, industrial growth has slowed not just because of statistical base effects, but even in seasonally adjusted month on month terms, with reports of increasing automobile and housing inventories.

The fundamental drivers of India's growth prospects remain intact. However, global developments, in conjunction with Indian policy responses to the concerns noted above, are likely to make 2011-12 a challenging year. The management is taking cognizance of these challenges and is geared to face them. To further consolidate our position, capacities are being enhanced and the company is well positioned to leverage the opportunities FY2011-12 will bring.

As required under the new Accounting Standards, related party transactions, calculations of earnings per share, provision of deferred tax liability and consolidated accounts of the company and its subsidiaries are made a part of the Annual Report

### 4. **Public Deposits**

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

### 5. **Directors**

Dr.P D Ojha and Dr.(Ms) Kala S Pant retire by rotation pursuant to Article 111 of the Articles of Association and are eligible for reappointment.

Dr.P D Ojha has on health grounds opted not to seek re-appointment at the Annual General meeting.

Attention of the members is invited to the relevant items of the Notice of the Annual General Meeting and the Explanatory Statement thereto.

### 6. **Subsidiaries and Joint Venture Company**

As of 31st March, 2011 the company has two subsidiaries viz. SNL Bearings Ltd (SNL) and NRB Bearings (Thailand) Ltd. The consolidated results include the working of these subsidiaries.

SNL Bearings, in which your company holds 73.45% equity, has reported a record PAT of Rs.381.71 lacs (previous year Rs.5.12 lacs). Your company benefited from the surge in demand from the automotive sector and has improved its capacity utilization to keep pace with the growth in demand. Your company