

INNOVATION

TECHNOLOGY



**NRB**  
BEARINGS

EXCELLENCE



**47<sup>th</sup> Annual Report 2011-2012**



**NRB**  
BEARINGS

NRB. A MOVEMENT. A REVOLUTION.



**ANNUAL REPORT****2011-2012**

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

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## **AGM NOTICE**

The Members,  
NRB BEARINGS LIMITED

NOTICE IS HEREBY GIVEN that the 47th Annual General Meeting of the members of the Company will be held at M C Ghia Hall, K Dubash Marg, Mumbai 400 001 on Friday 3rd August, 2012, at 3.00 p.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, 2012.
2. To declare a dividend for the year ended 31st March, 2012.
3. To appoint a Director in place of Mr.K M Elavia 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.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**

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

#### **Enhancement in Borrowing Powers to Rs.250 crores**

"RESOLVED THAT in partial modification of resolution no. 9 passed at the Annual General Meeting held on 11th August,2005, the consent of the Company be and is hereby accorded under the provisions of Section 293(1)(d) of the Companies Act,1956, to the Board of Directors of the company for borrowing from time to time all such sums of money not exceeding Rs.250,00,00,000 (Rupees Two Hundred Fifty Crores) as they may deem requisite for the purpose of the business of the company, notwithstanding that moneys to be borrowed together with moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not so set apart for any specific purpose."

By Order of the Board

**S C Rangani**  
Secretary

May 30, 2012

### **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 25th July, 2012 to 3rd August, 2012 (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 24th July, 2012.

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 24th July, 2012.

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 24th July, 2012.

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 item 6 in the accompanying notice dated 30th May, 2012.

### Enhancement in borrowing powers

At the 40th Annual General Meeting of the Company held on 11th August, 2005, the company had accorded its consent under Section 293(1)(d) of the Companies Act, 1956, to the Directors borrowing monies up to a limit of Rs.150 crores. Taking into account the further requirements of additional finance for the expansion programmes planned by the company, a fresh resolution is proposed providing that, in addition to the company's existing borrowings, the directors may, for and on behalf of and for the purposes of the company, borrow further sums of money, up to a total borrowing limit of Rs.250 crores.

None of the directors are concerned or interested in the resolution.

### 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:

#### 1. Mr.K M Elavia

Age	66 Years
Qualifications	B.Com (Hons) FCA
Expertise/Experience	39 years of post qualification experience, former partner of M/s.Kalyaniwalla & Mistry, Chartered Accountants
Director Since	30.01.2006
Category	Non-executive Independent
DIN	00003940

Other Indian Public companies In which Directorship is held	Chairman/Member of Committee in public companies in which he is a Director				
	Audit Committee	Remuneration Committee	Corp.Gov. Committee	Share allotment Committee	Finance Committee
Goa Carbon Ltd	Member	Chairman	Member	-	-
Uni Abex Alloy Products Ltd	Chairman	Chairman	-	-	-
Uni Deritend Ltd	-	Member	-	-	-
Allcargo Logistics Ltd	Chairman	Member	-	Chairman	Member
Insilco Ltd	Member	Member	-	-	-
Dai-ichi Karkaria Ltd	Member	-	-	-	-
Uni Klinger Ltd	-	-	-	-	-
Peerless Trust Management Co.Ltd.	-	-	-	-	-
Raptor Research and Conservation Fund (Section 25 company)	-	-	-	-	-
No.of shares held	NIL				

**2. Mr.D S Sahney**

Name	Mr. D S Sahney
Date of Birth	17.11.1968
Qualifications	Bachelor of Arts degree (Business Administration & Economics) from Richmond College, London and Master in Business Administration (General management) from the Asian Institute of Management (Phillipines)
Experience	19 years
Director Since	May 2001
Category	Executive and Non independent (Promoter)
DIN	00003956
List of other Directorships	NRB Industrial Bearings Ltd NRB-IBC Bearings Pvt.Ltd. Schneeberger India Pvt.Ltd.
Membership in Committees in other companies	None
No.of shares held	3634600

By Order of the Board

**S C Rangani**  
Secretary

May 30, 2012

**DIRECTORS' REPORT**

To  
The Members  
NRB BEARINGS LIMITED  
Mumbai

Your Directors have pleasure in presenting their Fortyseventh Annual Report together with Audited Accounts for the year ended 31st March, 2012.

**1. Financial Results**

	<b>Year ended 31st March, 2012 Rs. lacs</b>	<b>Year ended 31st March, 2011 Rs. lacs</b>
Profit before providing for Depreciation and taxation	<b>9664.06</b>	10251.07
Less: Depreciation	<b>2777.34</b>	2286.47
Provision for taxation		
Current (net)	<b>2045.07</b>	2650.00
In respect of earlier years	<b>1.50</b>	42.96
Deferred	<b>11.48</b>	(119.88)
Profit after taxation	<b>4828.67</b>	5391.52
Add: Balance brought forward	<b>5373.19</b>	2773.74
	<b>10201.86</b>	8165.26
Appropriation:		
Dividend	<b>1938.45</b>	1938.45
Tax on distributed profits	<b>305.43</b>	314.47
General Reserve	<b>482.87</b>	539.15
Profit & Loss Account	<b>7475.11</b>	5373.19
	<b>10201.86</b>	8165.26

**2. 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.

**3. Operations / Outlook**

During fiscal 2011-12, global uncertainties led to a slow down of demand in the Indian economy, which combined with rising input costs, higher interest rates and the sudden depreciation in the value of the rupee has put pressure on margins. Maintaining its focus on providing customer specific solutions, your company has posted record net sales revenues crossing the milestone of Rs. 500 crores Sales (net of excise duty) for the year ended 31st March, 2012 were Rs. 54071 lacs as against Rs.46636 lacs in the previous year, an increase of 16%. However margin pressures resulted in Profit before tax (PBT) being lower at Rs.6887 lacs as compared to Rs. 7965 lacs in 2010-11, down by 13.5%. After providing for current and deferred taxes, the Profit after tax (PAT) was Rs. 4829 lacs (Rs.5392 lacs in 2010-11), down by 10.5%.

Economic and financial events over the year, however, have increased concerns about the sustainability of the growth momentum - high and persisting inflation coupled with a continuing high fiscal deficit have emerged as significant risk factors in sustaining India's growth. In general higher global metals and commodity prices have contributed to rising input costs which are being progressively passed on to customers. Currently India's overall balance of payments remains weak, putting pressure on the Rupee which has touched a historic low. Government action in attracting Foreign Direct investments, which have slowed since the last quarter of fiscal 2011, and reversing the Centre's policy inaction, are the much required steps to set the India growth story back on track.



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 2012-13 a challenging year. The management is taking cognizance of these challenges and is geared to face them. To further consolidate our position, capacities will be sweated to enable the company regain its profitability.

**4. Public Deposits**

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

**5. Directors**

Mr. K M Elavia and Mr. D S Sahney retire by rotation pursuant to Article 111 of the Articles of Association and are eligible for reappointment.

**6. Subsidiaries and Joint venture company**

As of 31st March, 2012 the company has three subsidiaries viz. SNL Bearings Ltd (SNL), NRB Industrial Bearings Ltd (NIBL) 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.446.51 lacs (previous year Rs.381.71 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 will continue to make every effort to consolidate this improved performance and capture further growth opportunities during the current year.

NRB Industrial Bearings Ltd, a wholly owned subsidiary has incurred a loss of Rs.1.43 lacs since its incorporation in February' 2011. The project is under implementation and the activity of manufacture of bearings for the industrial sector is expected to commence w.e.f.1st October,2012. Shareholders have already approved the Scheme of Arrangement between the holding company and NIBL whereby the industrial bearings undertaking of the holding company will stand transferred to NIBL.

NRB Bearings (Thailand) Ltd, a wholly owned subsidiary, has incurred a loss of THB 19.98 million (Rs. 330 lacs approx). During the year, manufacture of needle rollers has commenced since November 2011 and has complemented the trading and brand building activities being carried out. Manufacture of new products as well as enhanced production of needle rollers, planned during FY 2012-13 will ensure a better mix of revenue from trading and manufacturing.

The joint venture, Schneeberger India Pvt.Ltd. has shown improved performance for the financial year ended 31st December,2011 with net revenue of Rs.149.33 lacs (growth of 66% over the previous year) and PAT of Rs 77.44 lacs, a growth of 120% over the previous year.

**7. Information regarding employees**

Information pursuant to Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees), Rules, 1975 forms part of this report.

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

Information required as per Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 has been given in the Annexure forming part of this report.

**9. Industrial Relations**

During the year the company maintained cordial relations with the workmen's unions at all plants.

**10. Safety, Health and Environment**

The company's plants at Thane, Aurangabad, Waluj, Hyderabad, Jalna and Panthnagar have already been awarded internationally recognized external certification viz. ISO14001:2004 (for adherence to environmental processes), OHSAS:18001:1999 (for Health & Safety) and ISO/TS:16949:2002 (quality management)

The company is committed to establishing and maintaining a safe working environment that promotes the health and performance of all our employees as well as taking active measures to protect the environment. The

commitment to the environment extends beyond legal compliance requirements and initiatives are underway across the company's locations to minimize the consumption of natural resources and reducing waste and emissions and include greening programmes, rainwater harvesting, vermiculture, treatment plants, etc.

Safety is accorded the highest priority by the company. The Safety policy inter alia ensures safety of public, employees, plant, equipment and business associates, ensuring compliance with all statutory rules and regulations on an ongoing basis. Several training programmes and communication tools have been put in place. TPM techniques like Poka Yoke (mistake proofing), photo-electric safety guards, two hand switch operations, gas and fumes detection systems have been implemented on machines to minimize accidents. Special initiatives are being taken up such as mock drills, up gradation of Fire protection systems, encouraging reporting of near-miss incidents. All plants are striving to achieve "Accident Reduction".

#### **11. Corporate social responsibility**

Your company has always believed in and worked towards "inclusive growth"- improving the quality of life of the people we touch and in the communities where we operate. In addition to the company further strengthening its partnership with the local authorities like ITI's and contributing to the skills development of locals, your company has joined hands with Habitat for Humanity to build homes in Aurangabad Region. Habitat for Humanity is a non profit organization that seeks to provide safe, decent and affordable shelter for the poor. By partnering with Habitat, we will get an opportunity to bring about a tangible change in the lives of people and strengthen our commitment to social change.

Your company focuses on education; particularly for underprivileged communities and women. It is one of the founder partners of the First Tech Challenge, part of the FIRST: For Inspiration and Recognition in Science and Technology program in India. The project is part of a technological literacy movement that seeks to bridge the academic gap and inspire all students to design products of the future.

During the year, your company has encouraged and supported young engineers and budding technology/ automotive enthusiasts through the following sponsorships:

- 1 Team-IIT Mumbai sponsored for Bajaj-SAE in year 2011 and also 2012.
- 2 Rookie Driver Sponsored for Volkswagen Polo Racing Circuit in 2011-12
- 3 7 School Teams (from under-privileged areas) sponsored and actively mentored for FIRST Tech Challenge India : a Robotics competition for 9-10 grade students.

#### **12. Corporate governance**

Pursuant to clause 49 of the listing agreements with the stock exchanges, a Management Discussion and Analysis, Corporate Governance Report and Auditors' Certificate regarding compliance of conditions of Corporate Governance are made part of the Annual Report.

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

The relevant certification on the various matters specified under paragraph V of clause 49 has been done by the Managing Director and the VP: CFO of the Company.

The Ministry of Corporate Affairs vide its circular dated February 8, 2011 has issued directions under Section 212(8) of the Companies Act, 1956 granting general exemption from applicability of the provisions of the Section in relation to the subsidiary companies, subject to the fulfillment of the conditions specified in the said circular.

Availing the benefit of this general exemption, the Accounts of the subsidiaries are not included in this Annual Report. In terms of the said circular, your Directors undertake that the annual accounts of the subsidiary companies and the related detailed information shall be made available to Members of the Company and its subsidiary companies seeking such information at any point of time and shall also be kept for inspection by any Members at the registered office of the Company and of the respective subsidiary company concerned and shall also be posted on the web site of the company viz. [www.nrbbearings.com](http://www.nrbbearings.com). The statement as required under clause (iv) of the aforesaid circular is also attached to the financial statements hereto.