



**NRB**  
**BEARINGS**

**DESIGN TO  
DELIVERY  
2015-16**

5 1 s t   A N N U A L   R E P O R T



TO BE THE RECOGNIZED LEADER IN THE  
DESIGN AND PRODUCTION OF CUSTOMIZED  
FRICTION SOLUTIONS, WITH A PRESENCE IN  
EVERY VEHICLE IN THE WORLD.

---

NRB BEARINGS LTD.  
DHANNUR, 15 SIR PM ROAD  
FORT, MUMBAI - 400 001 INDIA  
PHONE: +91 22 - 2266 4160/2266 4998  
FAX: +91 22 - 2266 0412  
WWW.NRBBEARINGS.COM

---

**CERTIFICATIONS:**

ISO 9001:2008  
ISO/TS 16949:2009  
ISO 14001:2004

OHSAS 18001:2007  
REACH COMPLIANT  
ELV COMPLIANT

---

**CIN : L29130MH1965PLC013251**

<b>Directors</b>	: Trilochan Singh Sahney - Executive Chairman Harshbeena S Zaveri - Vice Chairman & Managing Director Tashwinder Singh Uday Khanna Aslesha A Gowariker Devesh S Sahney Ashank D Desai – (w.e.f. 30.3.2016) Satish C Rangani - Executive Director & Company Secretary
<b>Bankers</b>	: BNP Paribas Citibank N.A. DBS Bank
<b>Auditors</b>	: Deloitte Haskins & Sells
<b>Solicitors</b>	: Wadia Ghandy & Co. AZB Partners & Co.
<b>Registered Office</b>	: Dhannur, 15 Sir. P M Road, Fort Mumbai 400 001
<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 263153
<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: 2836 66 20, 28207203-05 Fax: 2836 9704, 28207207

## CONTENTS

Particulars	Page No.
Notice .....	3
Board's Report.....	7
Annexure to Board's Report .....	14
Annexure to Board's Report Whistle Blower Policy .....	17
Secretarial Audit Report .....	22
Extract of Annual Return - MGT-9.....	24
Management Discussion & Analysis .....	39
Corporate Governance .....	45
Auditors' Certificate on compliance of Corporate Governance.....	53
Shareholders' Information .....	54
Independent Auditors' Report (NRB) .....	60
Balance Sheet as at 31st March 2016 (NRB) .....	66
Statement of Profit & Loss Account for the year ended 31st March 2016 (NRB).....	67
Cash Flow statement for the year ended 31st March 2016 (NRB) .....	68
Notes forming part of the financial statements .....	70
Independent Auditors' Report (Consolidated) .....	98
Balance Sheet as at 31st March 2016 (Consolidated) .....	102
Statement of Profit & Loss Account for the year ended 31st March 2016 (Consolidated).....	103
Cash Flow statement for the year ended 31st March 2016 (Consolidated).....	104
Notes forming part of the Consolidated financial statements.....	106

## AGM NOTICE

The Members,  
NRB BEARINGS LIMITED

NOTICE IS HEREBY GIVEN that the 51st Annual General Meeting of the members of the Company will be held at M C Ghia Hall, K Dubash Marg, Mumbai 400 001 on Tuesday 23rd August, 2016 at 11.00 a.m. to transact the following business:

### ORDINARY BUSINESS

1. To consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2016 and the reports of the Board of Directors and the auditors thereon.
2. To confirm the payment of interim dividend as final dividend on equity shares for the financial year 2015-16.
3. To appoint a Director in place of Mr. D S Sahney (DIN 00003956) 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 the appointment of M/s. Deloitte Haskins & Sells, Chartered Accountants, (Registration no. ICAI 117365W) as Auditors of the Company be and is hereby ratified to hold office until the conclusion of the Annual General Meeting to be held for the financial year ending 31st March, 2017, 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 an **Ordinary Resolution**:

#### **Appointment of Mr. Ashank Dutta Desai as an Independent Director**

"RESOLVED THAT pursuant to the provisions of section 149, 152 read with schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (appointment and qualifications of Directors) Rules 2014 and SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015, Mr. Ashank Dutta Desai, DIN.00017767 who was appointed as an Additional Director pursuant to the provisions of section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office upto the date of this Annual General Meeting, be and is hereby appointed as Independent Director of the Company, to hold office for five consecutive years for a term up to the conclusion of the 56th Annual General Meeting of the Company in the calendar year 2021, on such remuneration by way of sitting fees, other permissible fees plus out-of-pocket expenses, as approved by the Board of Directors."

By Order of the Board

**S C Rangani**

Executive Director & Company Secretary

24th May, 2016

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. **A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING 50 AND HOLDING IN THE AGGREGATE NOT MORE THAN 10 PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY. HOWEVER, A MEMBER HOLDING MORE THAN 10%, OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER PERSON OR MEMBER.**
3. The Register of Members of the Company and Transfer Books thereof will be closed from 17th August, 2016 to 23rd August, 2016 (both days inclusive).
4. E-voting facility to all members has been provided through the e-voting platform of CDSL and the Company has appointed Mr. Upendra Shukla, practicing Company Secretary, as Scrutiniser for the e-voting process. Instructions and manner of the process have been detailed in the para 8 below. The Scrutiniser will make a report to the Chairman of the Company, of the votes cast in favour and against and the results on the resolutions alongwith the scrutiniser's report will be available on the website of the Company within two working days of the same being passed.
5. The Board has not declared any final dividend and the interim dividend declared on 10th March, 2016 has been considered as final dividend. The 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 August, 2016 shall be entitled to participate in evoting/ballot at the AGM.

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 August, 2016.

6. 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. SEBI has also mandated the submission of PAN by every participant in the securities market. Members holding shares in electronic form are requested to submit their PAN to the DPs with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the Company.
7. The Company has transferred on due dates, the unpaid/unclaimed dividends (interim and final) for the financial year ended 31st March, 2008 to the IEPF. Pursuant to the provisions of IEPF (uploading of information regarding unpaid and unclaimed amounts lying with Companies) Rules 2012 the Company has uploaded such details as on 24th July, 2015 (date of last AGM) on the website of the Company.

#### **8. PROCESS FOR MEMBERS OPTING FOR E-VOTING**

The voting period begins on Saturday, 20th August, 2016 at (9:00 am IST) and ends on Monday 22nd August, 2016 at 5:00 pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 13th August, 2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

A member can opt for only one mode of voting i.e. either through e-voting or in physical form. If a member casts his vote by both modes, then voting done through e-voting shall prevail and the vote by ballot shall be treated as invalid.

In case of members receiving e-mail:

- (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) 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 voting of any Company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

##### **For Members holding shares in Demat Form and Physical Form**

**PAN** Enter your 10 digit alpha-numeric \*PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)

- Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.
- In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field. Please enter your sequence number as Sr. No. which is mentioned in the EVSN covering letter.

**DOB** Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.

Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio.

- Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or Company please enter the member id / folio number in the Dividend Bank details field.
- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) 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.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) 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.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June, 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as corporates.
  - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

**In case of members receiving the physical copy:**

- (A) Please follow all steps from sl. no. (i) to sl. no. (xviii) above to cast vote.
- (B) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
9. Members/Proxies are requested to bring their attendance slip duly filled in and their copy of the Annual Report for the meeting.

By Order of the Board  
**S C Rangani**  
Executive Director & Company Secretary

24th May, 2016

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013****Item No:5****Appointment of Mr.Ashank D Desai as an Independent Director**

Ashank is the Founder and Former Chairman of Mastek Ltd. Mastek and the sister company Majesco together are \$ 200 -million, publicly-held IT players with global operations providing Enterprise Solutions to Government, Health, Retail, Banking and Software Products for Life and Non-life Insurance organizations in North America, Europe, UK, Canada, the Middle East and the Asia Pacific region. He also guides Mastek Foundation, whose mission is to enable "Informed Giving and Responsible Receiving".

He is an alumnus of the Indian Institute of Technology (IIT), Bombay and the Indian Institute of Management (IIM), Ahmedabad.

He is actively involved with many social initiatives and institutions such as NASSCOM, Society for Innovation and Entrepreneurship (SINE), Bombay First, an NGO working on the mission to make Mumbai a World Class city, Rashtriya Uchchatar Shiksha Abhiyan (RUSA) for Goa Government, Goa Institute of Management (GIM), SOM School of Management IIT, Bombay, Maharashtra State Security Council

He also advises government organizations both in India and abroad. For last many years, he has been involved with the Confederation of Indian Industry (CII) and Federation of Indian Chambers of Commerce and Industry (FICCI) Executive Committees at National or Regional level

**Major Awards & Recognitions:**

Recently he has been felicitated by the Prime Minister Shri Narendra Modi for his contribution to NASSCOM & IT Industry for the last 25 years.

The Computer Society of India (CSI) recently conferred upon Ashank the honor of "Fellow of the Society" in recognition of his services to the Indian IT Industry as an entrepreneur and for his contribution to the growth of education.

He is also a recipient of the "Distinguished Alumnus Award" & "Distinguished Service Award" from IIT, Bombay.

He was conferred with the much coveted Outstanding Entrepreneur Award at the Asia Pacific Entrepreneurship Awards (APEA) 2010 India.

The Board considers that his association as Director will be beneficial and in the interest of the Company. The Directors recommend passing of the resolution set out at item no. 5 of the accompanying notice. Except Ms. Ashank D Desai, none of the other Directors, key management personnel and their relatives are interested or concerned with the resolution.

Copy of the appointment letter shall be available for inspection on all working days between 11.00 a.m. and 3.00 p.m.

As required by SEBI (Listing Obligation and Disclosure requirements) Regulation 2015 entered into with the Stock Exchanges, the statement below gives the relevant details of the Directors being appointed/re-appointed under the accompanying notice.

Name of Director	Mr.D S Sahney	Mr.Ashank D Desai
DIN	00003956	00017767
Date of Birth	17.11.1968	16.05.1951
Nationality	Indian	Indian
Date of appointment on Board	25.05.2001	30.3.2016
Qualification	BA (Bus. Adm & Econ) UK MBA Asian Inst. of Mgnt (Phillipines)	BE (Mechanical) M-Tech (IIT) PGDBM from IIM
Shareholding in Company	1663981	-
List of Directorships held in other companies (excluding foreign, private and section 8 companies)	NRB Industrial Bearings Ltd	Mastek Ltd
Memberships/Chairmanships of Audit and Stakeholders Relationship Committees across public companies	Audit Committee	Audit Committee Stakeholder Relationship Committee

By Order of the Board

**S C Rangani**

Executive Director & Company Secretary

24th May, 2016

## BOARD'S REPORT

To  
The Members  
NRB BEARINGS LIMITED  
Mumbai

Your Directors have pleasure in presenting their Fifty First Annual Report together with Audited Accounts for the year ended 31st March, 2016.

### 1. Financial Results

Year ended	Consolidated		Standalone	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
	Rs.lacs	Rs.lacs	Rs.lacs	Rs.lacs
Revenue from operations (Net)	67493.69	67030.87	65919.68	65559.03
Profit before tax	6389.29	7802.80	6381.53	7418.94
Provision for taxation				
Current (net)	2124.65	2446.10	1849.16	2239.34
In respect of earlier years	(25.26)	17.11	(25.26)	17.11
Deferred tax	(28.06)	(30.55)	(40.67)	(43.97)
Profit after taxation	4199.78	5323.09	4598.30	5206.46
Add: Balance brought forward	12303.39	8880.38	14826.90	11323.31
	16503.17	14203.47	19425.20	16529.77
Appropriation:				
Dividend	1429.15	1453.84	1356.92	1453.84
Tax on distributed profits	290.94	249.03	276.24	249.03
Tax on preference dividend	17.94	47.21		
General Reserve	--	--	--	--
Debenture Redemption Reserve	750.00	--	750.00	--
Capital Redemption Reserve	25.00	150.00	--	--
Profit & Loss Account	13990.14	12303.39	17042.04	14826.90
	16503.17	14203.47	19425.20	16529.77

### 2. Appropriation

#### Dividend

On 10th March, 2016, Directors have declared interim dividend of Rs. 1.40/-per equity share of Rs. 2/- (Rs. 1.50 per share for previous year) payable to members/beneficial owners as per the Register of Members as applicable aggregating Rs. 1356.92 lacs. The Directors have not recommended any final dividend and decided that the interim dividend be treated as final.

### 3. Operations/Outlook

Global growth in 2015 has fallen short of expectations – this is reflected in growth deceleration in emerging and developing economies, lows in commodity prices and subdued global trade which has hurt Indian exports.

Indian economic performance has been impacted by a weak monsoon, slowdown in exports, delayed reform initiatives which has resulted in the investment cycle not gaining strength and a banking system weighed down by poor recovery of loans and low business confidence. Economic growth remains subdued with industrial production remaining lackluster. The overall volatility has had a negative influence on consumer sentiment and demand. While there has been growth in the high value 4-wheeler segments of passenger cars, driven by new model launches and of medium/

heavy commercial vehicles mainly on account of replacement of aging fleets and pick up in infrastructure demand, there has been minimal growth in 2/3 wheelers with low farm output impacting rural demand and de-growth in the farm equipment/off highway segment owing to the weak monsoon and floods in some parts of the country. Your Company aggressively pushed sales in the domestic market and successfully increased overall sales, in spite of the decline in export sales to achieve its highest ever sales turnover of Rs. 65920 lacs (previous year Rs. 65559 lacs) – domestic sales up by 5% to Rs. 52435 Lacs (previous year Rs. 49748 lacs) and exports of Rs. 13484 lacs (previous year Rs. 15811 lacs). Profit after tax has declined to Rs. 4598 lacs (previous year Rs. 5206 lacs) with higher material consumption, employee costs and higher charge on depreciation.

The Government and the Indian Automotive industry need to work together to address all the key issues to take India to its rightful position in the global auto industry's sweepstakes. India is now counted as a major auto manufacturing hub and has emerged as one of the most preferred locations in the world for manufacturing high quality automotive components and vehicles of all kinds. Over the next decade, the automotive industry at global levels is likely to see significant transformation – shift of growth in demand from developed nations to developing nations (mainly BRICS), dramatic increase in the share of electronics in automobiles making them “computer on wheels”, relentless pursuit of economies of scale and in scope of design and engineering of automobiles and components, while also pursuing low cost manufacturing destinations.

There is still optimism that economic activity will accelerate – inflation downtrend, narrowing fiscal and current deficits, falling interest rates, GDP growth pick up to 6.5%, forex reserves improving with strong FII/FDI flows, food and fuel inflation down. Slowdown in China adds to India's comparative charm and value proposition. Domestic consumption remains a key growth engine for the Indian economy and with significant additions to the working age population, rising disposable incomes particularly in rural areas and the government revived spending on infrastructure and in the social sector to foster inclusive growth, will help India realize its long term development potential in a sustainable way. Your Company, with a clear and dedicated customer focus, is investing in and building its R&D capabilities, developing product lines with better profit margins and streamlining its production processes to eliminate waste from operations.

#### **4. Finance**

The company has been rated by Crisil A1+ for short term and AA- (stable) for long term borrowings.

The Company continues to focus on judicious management of its working capital. Receivables, inventories and other working capital parameters are continuously monitored.

##### **a. Public Deposits**

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

##### **b. Non convertible debentures**

During the year the non convertible debentures aggregating Rs. 30 crores, as a first tranche, were issued on private placement basis in August 2015. The funds raised have been utilized for converting short term loans into long term.

##### **c. Particulars loans, guarantees or investments**

During the year under review, the company has not advanced any fresh loans or given guarantees or made investments other than NRB Thailand Ltd's trade receivables and advances aggregating Rs. 1806 lacs converted into inter corporate deposit.

Details of loans, guarantees and investments covered under the provisions of section 186 of the Companies Act, 2013 are given in the notes to the financial statements.

#### **5. Directors**

The Board of Directors has, on the recommendation of the Nomination & Remuneration Committee appointed Mr. Ashank D Desai as Additional Director of the Company in the category of independent Directors w.e.f. 30th March, 2016 to fill the vacancy caused by the resignation of Mr. S B (Ravi) Pandit on account of work pressures. In the case of Mr. Ashank D Desai, the notice for the forthcoming Annual General Meeting (AGM) includes his appointment as independent Director under the Companies Act, 2013 for a period of five years w.e.f. 30th March, 2016.

All independent Directors have given declarations that they meet the criteria of independence as laid down under section 149(6) of the Companies Act, 2013 and the provisions of the Listing Agreement.

Mr. D.S Sahney retires by rotation pursuant to Article 111 of the Articles of Association and is eligible for reappointment.