



NRB
INDUSTRIAL

**3rd Annual Report
2012 - 2013**

NRB INDUSTRIAL BEARINGS LTD

MOVING THE WHEELS OF INDUSTRY

3rd ANNUAL REPORT

2012-2013

Chairman	: Mr. Trilochan Singh Sahney
Managing Director	: Mr. Devesh Singh Sahney
Directors	: Mrs. Harshbeena Sahney Zaveri Mr. Pankaj Madhav Baliga Mr. Shailesh Rajnikant Sheth Mr. Daljit Lilaram Mirchandani
Company Secretary	: Ms. Neha Solanki
Auditors	: Deloitte Haskins & Sells
Solicitors	: Wadia Ghandy & Co.
Bankers	: Standard Chartered Bank
Registered and Corporate Office	: 15, Dhannur, 2nd Floor, Sir P. M. Road, Fort, Mumbai, Maharashtra-400001. Phone: 22-21704206, Fax: 22-22704207
Works	: B-18, Five Star, MIDC Area, D-Zone, Shendra, Aurangabad – 431201.
Registrar & Share Transfer Agent	: Universal Capital Securities Pvt. Ltd. (Formerly known as M/s. Mondkar Computer 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

To,
The Members,
NRB Industrial Bearings Limited,
Mumbai

Notice is hereby given that the 3rd Annual General Meeting of the Members of NRB Industrial Bearings Limited will be held on Friday, 11th April, 2014 at 11 A.M. at MC Ghia Hall, Kalaghoda, Fort, Mumbai-400001, to transact the following business as:

ORDINARY BUSINESS:

1. To receive, consider, approve and adopt the Audited Balance Sheet as on 31st December, 2013, Cashflow Statement and Profit and Loss Account for the 15 months period ended on that date and the Report of the Directors and Auditors thereon.
2. To appoint Mr. Trilochan Singh Sahney who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors of the Company and fix their remuneration.

Item No.1: Adoption of Audited Balance Sheet and the Profit and Loss Account:

To consider and if thought fit, to pass with or without modification(s), the following resolution as ORDINARY RESOLUTION:

"RESOLVED THAT the Audited Balance Sheet as on 31st December, 2013 and the Statement of Profit & Loss Account for the fifteen months period ended on that date as placed before the meeting along with Directors' Report and Auditors' Report thereon, be and are hereby adopted."

Item No.2: To re-appoint Trilochan Singh Sahney as Director.

To consider and if thought fit, to pass with or without modification(s), the following resolution as ORDINARY RESOLUTION:

"RESOLVED THAT Pursuant to the provision of Section 255 and 256 of the Companies Act, 1956, Articles of Association of the Company and other applicable provisions, if any, Mr. Trilochan Singh Sahney retires by rotation at the AGM and being eligible re-appointed as a director of the Company."

Item No.3: To appoint Auditor of the company and fix their remuneration.

To consider and if thought fit, to pass with or without modification(s), the following resolution as ORDINARY RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Section 225 and other applicable provisions, if any, of the Companies Act, 1956, M/s. Deloitte Haskins & Sells, Chartered Accountants (Registration No: ICAI117365W), Mumbai, be and is hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting upto the conclusion of the next Annual General Meeting, to audit the accounts of the Company for the financial 15 months period ended 2014-15 at a remuneration to be fixed by the Board of Directors on the recommendation of the Audit Committee of Directors."

SPECIAL BUSINESS:**Item No.4 : Increase The Borrowing Limit to Rs. 150 Crores :**

To consider and if thought fit, to pass with or without modification(s), the following resolution as SPECIAL RESOLUTION:

"RESOLVED THAT the consent of the Company be and is hereby accorded to the Board of Directors under section 180(1)(c) of the Companies Act, 2013 and other applicable provisions, if any, including any statutory modifications or re-enactments thereof and in supersession of all the earlier resolutions passed in this regard, to borrow any sum or sums of money from time to time notwithstanding that the money and monies to be borrowed together with monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in ordinary course of business) may exceed the aggregate of the paid-up capital and free reserves of the Company, provided, that the total amount so borrowed shall not exceed Rs.150 Crores (Rupees One Hundred and Fifty Crores only).

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto, and to sign and execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution."

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

Sd/-

**Neha Solanki
Company Secretary**

Place: Mumbai

Date: 28th February, 2014

Notes :

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself/herself. Such a proxy need not be a member of the Company.
2. The enclosed proxy form, if intended to be used, should be returned duly filled, stamped and authenticated at the Registered Office of the Company not less than 48 hours before the scheduled time of the Meeting
3. The Register of Members and Share Transfer Books of the Company will remain closed from 3rd April, 2014 to 11th April, 2014 (both days inclusive).
4. Members are requested to inform immediately any change in their registered address to the Company at its registered office.
5. The shares of the Company are being traded compulsorily in the demat form only. Members who still hold the shares of the Company in the physical form are advised to have their holdings dematerialized in their own interest through authorized depository participant.
6. Members are requested to bring their copies of Annual Report to the meeting.
7. Corporate Members are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the meeting.
8. The Ministry of Corporate Affairs (MCA) by circular number 17/2011, 18/2011 dated April 21, 2011 and April 29, 2011 respectively permitted companies to send official documents to the share holders electronically as part of its green initiative in corporate governance. Recognizing the spirit of the circular issued by MCA, we are sending documents including notice convening general meetings, annual reports in electronic form to the email address provided by you to your depositories.
9. The Members who hold shares in physical form are requested to intimate/update their email address to the Company/Registrar and Share Transfer Agent. Members are requested to further note that they will be entitled to be furnished, free of cost, the physical copy of the documents sent by e-mail, upon receipt of a requisition from them, any time, as a member of the Company and also requested to notify immediately any change in their address to their Depository Participants (DP's) or the Registrar and Share Transfer Agent of the Company.

10. Disclosures as per Clause 49 of the Listing Agreement for appointment/reappointment of Directors, brief particulars of Directors being appointed/re-appointed as under:

Particulars	Re-appointment of Director
Name	TRILOCHAN SINGH SAHNEY
Brief profile	
Brief profile of Director and nature of his expertise in functional areas	Directorships/Committee Memberships in other companies
<ul style="list-style-type: none">Trilochan Singh Sahney He is a Post-Graduate having secured his degree of Master of Arts from University School of Economics and Sociology, Bombay. He is an Alumni of International Institute of Management Development - Lausanne (Switzerland) Mr. T S Sahney is Founder, Managing Director and later Chairman of NRB Bearings Ltd. He possesses vast experience in Bearings Industries in India and Abroad. He is well travelled within India and Abroad.Member – Executive Committee:Indo French Chamber of Commerce & Industry (Past Vice-President);Indo German Chamber of Commerce;Textile Machinery Manufacturers Association (India) (TMMA); andBall & Roller Bearing Manufacturers Association of India (BRBMA) - (Past President).	<ul style="list-style-type: none">i. NRB Bearings Limitedii. NRB-IBC Bearings Private Limitediii. Needle Roller Bearings Company Private Limitediv. Indo- German Chamber of Commercev. Indo-French Chamber of Commerce and Industry

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.

Item No.4:

The Company is making efforts to make the Company's position in terms of profit and overall growth strong by taking various steps, and therefore, in order to meet the fund requirement of the Company for long term, the Company may require to borrow from time to time and the existing approved limit may likely to be insufficient in near future and it is therefore, recommended to enhance the borrowing limits of the Company upto Rs. 150 Crores (Rupees One Hundred and Fifty Crores Only).

As per Section 180(1)(c) of the Companies Act, 2013, borrowings (apart from temporary loans obtained from the Company's bankers in ordinary course of business) by the Company beyond the aggregate of the paid up capital of the company and its free reserve requires approval from the shareholders of the Company.

Considering the above your Directors recommend resolutions to the Shareholders to be passed as "Special Resolution".

None of the Directors and any key managerial personnel and their relatives is interested in the Resolution.

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

Sd/-

Neha Solanki
Company Secretary

Place: Mumbai
Date: 28th February, 2014

DIRECTORS' REPORT

To,
The Members,
NRB Industrial Bearings Limited,
Mumbai

Your Directors are presenting the 3rd Annual Report and Audited Statement of Accounts for the Fifteen Months period ended 31st December, 2013.

1. FINANCIAL RESULTS

Particulars	For the Period From 01.10.2012 to 31.12.2013 Rs. Lacs	For the Period From 01.04.2012 30.09.2012 Rs. Lacs
Sales & Other Income	3,154.97	-
EBITDA	(1,041.46)	(0.27)
Less :		
Provision For :		
• Depreciation	693.47	-
• Interest	688.90	-
• Tax	(106.12)	-
Profit/ Loss After Tax	(2,316.90)	(0.27)
Surplus brought forward	(1.70)	(1.43)
Profit available for appropriation	-	-
Transfer to General Reserve		
Balance Carried Forward	(2,318.60)	(1.70)

2. FINANCIAL/OPERATION PERFORMANCE REVIEW:

The Company had started its operation and has during the year under review, recorded a turnover of Rs.3001.87 lacs. Further, the Company has incurred loss after tax of Rs.2,316.90 lacs.

Your company originally the Industrial Bearings Division was demerged from NRB Bearings Limited on October 1, 2012. Machinery and equipment engaged in production of certain types of Industrial Bearing was shifted from the NRB Bearings Plants. Transfer and installation of these machines was completed by March 2013. Many of the old machines need to be refurbished and this process would be completed in next six months.

Production of Ball and Cylindrical Roller Bearings as also setting up modern tool room, metrology and R & D facilities, has commenced with latest state of art machinery and equipment mainly imported from Europe and installed.

The company has recruited young and talented workforce with ITI qualified workman for machine and other operation engineer for operational/supervision. Practical training about product and processes has also been imparted at the company's Learning Centre.

During the period, business environment remained difficult and operating in such an environment was challenging. The economy has grown at a very slow rate leading to low production and low investment for expansion or new ventures. Distributors are carrying large stocks, leading to lower off - take.

This difficult and challenging environment has resulted into operating losses.

We however, are optimistic for the coming financial period of 15 months, ending 31st March, 2015. We are enlarging our customer base and offering of new products both within India and in overseas. The global economy is steadily growing and surge in demand is expected to result in improved sales turnover and better profitability.

3. DIVIDEND:

Considering the loss made, the Directors of your Company do not recommend any dividend for the period under review.

4. LISTING OF SHARES:

The shares of the company were listed on National Stock Exchange Limited (NSE) and Bombay Stock Exchange (BSE) and got trading permission effective from 9th April, 2013.

5. EXTENSION OF ACCOUNTING YEAR:

The Company got the permission to extend the financial year from the Registrar of Company for three months and extend it up to 31st March 2014 (i.e in aggregate by 6(six) months). The Board of Directors decided to keep the accounting year of 15(fifteen) months starting from 1st October, 2012 and ending on to 31st, December, 2013. As a consequences of the said change the figures in statement of profit and loss figures for current year are of fifteen months ending 31st December, 2013, whereas the comparative figures for previous year are for 6(six) months ending 30th September, 2012.

6. DIRECTORS:

In accordance with the provisions of Companies Act, 1956 and the Articles of Association of the Company, Mr. Trilochan Singh Sahney retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

Further, during the period under review, three additional Directors Mr. Shailesh Rajnikant Sheth, Mr. Pankaj Madhav Baliga, and Mr. Daljit Lilaram Mirchandani were appointed on 31st October, 2012. However, on 14th February, 2014, Mr. Daljit Lilaram Mirchandani resigned from Directorship of the company. The Board placed on record its appreciation of the valuable contribution made by Mr. Daljit Lilaram Mirchandani at the Board meeting held and his guidance and conduct of the Audit Committee meetings during his tenure as Chairman of the Audit Committee.

7. SUBSIDIARY COMPANY :

The Company had one wholly owned Subsidiary namely NRB-IBC Bearing Pvt. Limited, which ceased to be the wholly owned subsidiary of the company w.e.f. 9th December, 2013. Therefore the Statement specified in Section 212 of the Companies Act, 1956 relating to Subsidiary Companies are not attached to this report and also the Audited Consolidated financial statements, which form part of the Annual Report as required by the Listing Agreement with the stock exchanges are also not attached.

8. DIRECTORS' RESPONSIBILITY STATEMENT:

In accordance with the provisions of Section 217(2AA) of the Companies Act, 1956, your Directors state and confirm as under:

- a) That in the preparation of the annual accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- b) That appropriate accounting policies have been selected and applied 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 as on 31st December, 2013 and the profit of the Company for that period;
- c) That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- d) That the annual accounts have been prepared on a going concern basis.

9. MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT:

Management Discussion and Analysis Report as required under Clause 49(F) of the Listing Agreement is annexed hereto as Annexure-I and forms part of Directors' Report.

10. CORPORATE GOVERNANCE & COMPLIANCE CERTIFICATE:

A detailed report on corporate governance of the Company as required under Clause 49(VI) of the Listing Agreement is enclosed as Annexure-II. A Practicing Company Secretary has certified compliance with requirement of corporate governance in relation to clause 49 of the Listing Agreement.

11. PUBLIC DEPOSITS:

Your Company has neither invited nor accepted any deposits from public within the meaning of the Companies (Acceptance of Deposits) Rule, 1975, during the last Financial Period.

12. AUDITORS:

M/s. Deloitte Haskins & Sells, Chartered Accountants, Mumbai, the Statutory Auditors, retire at the conclusion of ensuing Annual General Meeting and have confirmed their eligibility and willingness to accept the office if reappointed.

They have furnished a certificate stating that their re-appointment would be within the limits specified under section 224(IB) of the Companies Act, 1956.

The product "Bearings" is subject to cost audit under the Central Government Rules. M/s Nanabhoy & Co., Cost Accountants, Mumbai have been appointed as the Cost Auditors for period ending 31st March, 2015.

13. AUDITORS' REPORT:

The Auditors' Report to the members together with Audited Accounts for the Fifteen months period ended 31st December, 2013 and notes thereon are attached, which are self-explanatory except on the given below matters on which they have drawn attention to:

- (i) Note 41 to the Financial Statement: The Company has paid and debited to the Statement of Profit and Loss, managerial remuneration of Rs. 79.51 lacs to the Managing Director which is subject to the approval of the Central Government.

** The Board noted that the requisite application has already made to the Central Government in this behalf and is confident that the same will be favorably considered as the scheme of Demerger provided that the terms and conditions of the employees joining from the Demerging company would be on the terms not less favorable than their previous employment.*

- (ii) Note 45 of the Financial Statements: The Company had placed Inter Corporate Deposit with the company covered under Section 295 of the Companies Act, 1956 without obtaining previous approval of the Central Government. The Company will be making an application to the Central Government for approval of the deposit placed.

****** The Board noted that the Inter corporate Deposit was placed for a short period of 30 days out of temporary surplus funds available with the company. The Inter corporate Deposit has been repaid with the interest on the due date.

14. PARTICULARS OF EMPLOYEES:

Information as per section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended is as follows:

Name	Mr. Devesh Singh Sahney
Date of Birth	17.11.1968
Qualification	Bachelors of Arts degree (Business Administration & Economics) from Richmond College, London and Master in Business Administration (General Management) from the Asian Institute of Management (Philippines)
Experience	21 Years
Director Since	May 2001
Date of Commencement of Employment	1st October, 2012
* Remuneration	Rs. 79.51 Lacs
Last Employment	NRB Bearings Limited

* Remuneration includes the basic salary and allowances.

15. PERSONNEL:

The employer-employee relations throughout the year were very cordial. The company enjoys a healthy working atmosphere that inspires the employees to put their best foot forward in achieving a high-sustainable growth. The Directors also wish to place on record the support and confidence reposed in the management by the employees. Total quality in every sphere of activities, employee training and development continues to be on the top priority of your management.

16. RESEARCH AND DEVELOPMENT:

Since the market scenario and technologies are changing rapidly, Research and Development (R&D) is important to ensure that company increases its market share. The company always attempts to use the latest and advanced technology in production process. Keeping pace with the technological developments, the company keeps on adding sophisticated equipments with focus on automation to minimize manual intervention in the manufacturing process thereby ensuring better quality of the final products.

17. INDUSTRIAL RELATIONS:

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

18. SAFETY, HEALTH AND ENVIRONMENT:

The company committed for 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. 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".

19. CORPORATE SOCIAL RESPONSIBILITY:

Your company firmly believes in "inclusive growth"- improving the quality of life of the people we touch and in communities where we operate. However, the company has not undertaken any work in this area, being the first year of operation with focus on project implementation.

20. FOREIGN EXCHANGE EARNINGS AND OUTGO:

a) Foreign Exchange Earnings	Rs. 542.80 Lacs
b) Foreign Exchange Outgo	
- CIF value of imports of raw material	
and other goods	Rs. 213.04 Lacs
- foreign travel	Rs. 13.98 Lacs

21. ACKNOWLEDGEMENT:

Your Directors look to the future with confidence and place on record their appreciation for the co-operation and assistance received from investors, customers, business associates, bankers, vendors as well as regulatory and government authorities. Your Directors also thank the employees at all levels who, through their dedication, co-operation, support and smart work have enabled the Company to implement the project and commercial production in good time.

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

**Place: Mumbai
Date: 28th February, 2014**

**Sd/-
Devesh Singh Sahney
Managing Director**