

NIBL/BSE/NSE/35/2018-19

19<sup>th</sup> November, 2018

National Stock Exchange Ltd.  
Listing Department  
Exchange Plaza, 5<sup>th</sup> Floor,  
G Block, Bandra-Kurla Complex  
Bandra (East), Mumbai-400051  
Fax No.:022-26598237/38

BSE Limited  
Listing Department  
Sir P.J. Tower, Dalal Street,  
Mumbai-400001  
Fax No. 022-22723121/3719/2037

Ref. : BSE Scrip Code: 535458; NSE Symbol: NIBL

Sub. : Postal Ballot Notice - Disclosure under Regulation 30 of the SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR").

Dear Sirs,

Further to our letter dated October 31, 2018, informing the Stock Exchange about the approval of the Board of Directors of the Company for the postal ballot and in terms of Regulation 30 of the SEBI LODR, we hereby enclose a copy of the Postal Ballot Notice and Postal Ballot Form.

The Postal Ballot Notice, along with other documents as required, has been dispatched to Members whose names appear in the Register of Members/ Beneficial Owners received from the Registrar and Share Transfer Agent, as on November 16, 2018 (Cut- off date), seeking approval of the members for the items as set out in the Notice.

The Company has engaged the services of CDSL for purpose of providing e-voting facility to all its Members. The voting through postal ballot and through e-voting will commence from Monday, November 19, 2018 (9:00 A.M. IST) and shall end on Tuesday, December 18, 2018 (5:00 P.M. IST).

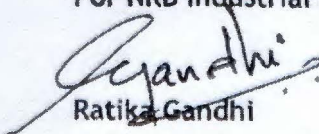
The above documents are also available on the website of the Company [www.nrbindustrialbearings.com](http://www.nrbindustrialbearings.com)

Kindly take this on record.

Thanking you,

Yours truly,

For NRB Industrial Bearings Limited

  
Ratika Gandhi

Company Secretary



**N R B I N D U S T R I A L B E A R I N G S L T D .**

REGD. OFFICE : 2ND FLOOR, DHANNUR, 15, SIR P.M. ROAD, FORT, MUMBAI - 400 001, MAHARASHTRA, INDIA.

TEL: 9122 - 2270 4206 FAX : 9122 - 2270 4207

WEBSITE : <http://www.nrbindustrialbearings.com>

GSTIN : 27AADCN565711ZY

CIN : L29253MH2011PLC213963

## **NRB INDUSTRIAL BEARINGS LIMITED**

**CIN No. L29253MH2011PLC213963**

**Regd. Office :** Dhannur, 2nd Floor, 15, Sir P. M. Road, Fort, Mumbai-400001

**Ph. No.** 022-22704206 | **Fax No.** 022 22704207

**Website:** www.nrbindustrialbearings.com | **Email:** investorcare@nibl.in

### **POSTAL BALLOT NOTICE**

**[Pursuant to Section 110 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014]**

Dear Members,

Notice is hereby given pursuant to Section 110 and other applicable provisions, if any, of the Companies Act 2013 (the Act) read with Rule 22 of the Companies (Management and Administration) Rules 2014, including any statutory modification or re-enactment thereof for the time being in force, that the resolutions appended below is proposed to be passed by way of postal ballot/e-voting. The Explanatory Statements pursuant to Section 102(1) of the Companies Act, 2013 setting out all material facts pertaining to the resolutions concerning each item and the reasons thereof are annexed hereto along with a Postal Ballot Form (the Form) for your consideration.

The Board of Directors of the Company has appointed Mr. Upendra Shukla, Practicing Company Secretary, Mumbai as the scrutinizer for conducting the postal ballot process and e-voting process in a fair and transparent manner.

Members desiring to exercise their votes by postal ballot are requested to carefully read the instructions printed on the Postal Ballot Form and record your assent (for) or dissent (against) therein by filling necessary details and affixing your signature at the designated place in the Form and return the same in original duly completed in the enclosed self-addressed business reply envelope, so as to reach the Scrutinizer not later than the close of working hours, i.e. not later than 05:00 P.M. on December 18, 2018. The Ballot Form received after the said date will be treated as not received as per Rule 22 (12) of the Companies (Management and Administration) Rules, 2014.

Shareholders desiring to opt for e-voting as per facilities arranged by the Company are requested to read the notes to the notice and instructions overleaf the Form. References to Postal Ballot(s) in this notice include votes received electronically.

The result of postal ballot/e-voting shall be declared and notified by the Chairman in this behalf on or before 5.00 p.m. on December 20, 2018 at the Registered Office of the Company at Dhannur, 2nd Floor, 15, Sir P. M. Road, Fort, Mumbai-400001. The results would be displayed at the Registered Office of the Company, intimated to the Stock Exchanges where shares of the Company are listed, published in newspapers and displayed along with Scrutinizer's report on the website of Company at www.nrbindustrialbearings.com and CDSL at www.cdslindia.com.

The date of declaration of the result shall be deemed to be the date of passing of the resolution.

#### **PROPOSED RESOLUTION:**

- 1. To approve the revision in remuneration of Mr. Devesh Singh Sahney, Managing Director for the period of three year from October 01, 2018 to September 30, 2021:**

**To consider and, if thought fit, to pass the following resolution as Special Resolution**

**"RESOLVED THAT** pursuant to the provisions 196, 197, 198 and other applicable provisions, if any, of Companies Act, 2013 (the Act) read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Schedule V of the Act (including any statutory modifications and re-enactment thereof for the time being in force), in supersession of the Ordinary Resolution passed by the shareholder in 6<sup>th</sup> Annual General Meeting, the consent of the members of the Company be and is hereby accorded for the revision of remuneration payable to Mr. Devesh Singh Sahney (DIN: 00003956) as Managing Director of the Company, with effect from October 01, 2018 to September 30, 2021, as set out below:

- a) Basic Remuneration: ₹ 4,80,000 p.m. at the discretion of the Board of Directors to increase the basic remuneration from time to time.
- b) Cash allowance:
  - i. Education allowances – ₹ 20,000/- p.m.
  - ii. Other allowances – ₹ 18,000/- p.m.
- c) Perquisites:

In addition to the Basic Salary the following perquisites will also be payable:

  - i) Housing: Free company owned accommodation;

- ii) 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 ₹ 75,000/- per annum;
  - iv) Reimbursement of Medical Expenses: Self and Family at actuals;
  - v) Medical/Accident Insurance: As per rules of the Company;
  - vi) Club fees: Reimbursement of membership fees for up to 2 clubs;
  - vii) Provision of Car with driver and telephone at Residence will 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; and
- d) 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 based on the recommendation of the Nomination and Remuneration Committee at the end of each financial year."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company, on the recommendation of the Nomination and Remuneration Committee, shall be entitled to vary or increase the remuneration specified above during the period from October 01, 2018 to September 30, 2021 to the extent the Board of Directors may deem appropriate, provided that such variation or increase, as the case may be, shall not exceed ₹ 200.00 lacs per annum."

**"RESOLVED FURTHER THAT** any of the Directors, Chief Financial Officer and Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, matters, things and execute all such documents, instruments and writings as may be necessary, desirable or expedient for the aforesaid purpose, including filing of relevant forms with the Office of the Registrar of Companies in accordance with the provisions of the Companies Act, 2013 and the Rules made thereunder."

**2. To ratify the payment of managerial remuneration paid to Mr. Devesh Singh Sahney during Demerger as per the High Court Order for period of 18 months from October 1, 2012 to March 31, 2014.**

**To consider and, if thought fit, to pass the following resolution as Special Resolution**

**"RESOLVED THAT** pursuant to Section 197(17) of Companies Act, 2013 ("Act") read with Schedule V and all the applicable provisions of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the consent of the members of the Company be and is hereby accorded for the ratification of payment of remuneration of Rs. 34.81 lakhs paid to Mr. Devesh Singh Sahney, Managing Director of the Company as per the Scheme of Arrangement dated August 24, 2012 approved by the Honorable High Court of Bombay for the period of 18 months from October 1, 2012 to March 31, 2014.

**"RESOLVED FURTHER THAT** any of the Directors, Chief Financial Officer and Company Secretary of the Company be and is hereby severally authorized to do all such acts, deeds, matters, things and execute all such documents, instruments and writings as may be necessary, desirable or expedient for the aforesaid purpose, including filing of relevant forms with the Office of the Registrar of Companies in accordance with the provisions of the Companies Act, 2013 and the Rules made thereunder."

**3. To approve the increase in Authorized Share Capital of the Company and amend the Memorandum of Association.**

**To consider and, if thought fit, to pass the following resolution as Special Resolution**

**"RESOLVED THAT** pursuant to the provisions of Sections 13, 61(1)(a), and other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the members of the Company be and is hereby accorded to increase the Authorized Share Capital of the Company presently from ₹ 55,00,00,000/- (Rupees Fifty Five Crores only) divided into ₹ 5,00,00,000/- (Rupees Five Crore only) of 2,50,00,000 equity share of ₹ 2/- each and ₹ 50,00,00,000/- (Rupees Fifty Crore only) of 5,00,00,000 preference shares of ₹ 10/- each to ₹ 65,00,00,000/- (Rupees Sixty Five Crore only) divided into ₹ 5,00,00,000/- (Rupees Five Crore only) of 2,50,00,000 equity shares of ₹ 2/- each and ₹ 60,00,00,000/- (Rupees Sixty Crore only) of 6,00,00,000 preference shares of ₹ 10/- each;

**"RESOLVED FURTHER THAT** pursuant to the provisions of Section 13(1) of the Companies Act, 2013, the existing Clause V (a) of the Memorandum of Association stands substituted as under:

*The Authorised Share Capital of the Company is ₹ 65,00,00,000/- (Rupees Sixty Five Crore only) divided into ₹ 5,00,00,000/- (Rupees Five Crore only) of 2,50,00,000 equity shares of ₹ 2/- each and Rs.60,00,00,000/- (Rupees Sixty Crore only) of 6,00,00,000 preference shares of ₹ 10/- each."*

**"RESOLVED FURTHER THAT** any of the Directors, Chief Financial Officer and Company Secretary of the Company be and is hereby severally authorized to do all such acts, deeds, matters, things and execute all such documents, instruments and writings

as may be necessary, desirable or expedient for the aforesaid purpose, including filing of relevant forms with the Office of the Registrar of Companies in accordance with the provisions of the Companies Act, 2013 and the Rules made thereunder."

**4. To Approve the Issue and offer of Cumulative Redeemable Non-Convertible Preference shares on Private Placement to Mr. Devesh Singh Sahney, Managing Director.**

**To consider and, if thought fit, to pass the following resolution as Special Resolution**

**"RESOLVED THAT** pursuant to clause (b) of sub – section (1) of Section 23, Section 42, Section 55 and clause (c) of sub – section (1) of Section 62 and all other applicable provisions of the Companies Act, 2013 read with Companies (Prospectus and Allotment of Securities) Rules, 2014, Companies ( Share Capital and Debentures) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force) (hereinafter referred to as the "Act") as amended from time to time, subject to the Memorandum and Articles of Association of the Company, and subject to such conditions and modifications as may be considered necessary by the Board of Directors (hereinafter referred to as the "Board", which term shall be deemed to include any Committee thereof or persons nominated by the Board, exercising the powers conferred on the Board by this Resolution, for the time being) the Members of the Company hereby give their consent to create, offer and/or invite to subscribe, issue and allot, for cash at par up to 2,00,00,000 (Two Crore) Cumulative Redeemable Non-Convertible Preference Shares ("CRPS") at face value of ₹ 10/- each for an amount not exceeding ₹ 20,00,00,000/- (Rupees Twenty Crore Only) to Mr. Devesh Singh Sahney, Managing Director, in one or more tranches, within one year from the approval of members of the Company, on a private placement basis and on such terms and conditions as set out in the Explanatory Statement annexed to this Notice.

**"RESOLVED FURTHER THAT** in accordance with the provisions of Section 55 of the Companies Act, 2013 and Rule 9 of the Companies (Share Capital and Debentures) Rules, 2014, the particulars in respect of the aforesaid offer are as under:

- i. The CRPS shall carry a preferential right over the equity shares with respect to payment of dividend and repayment of capital in case of winding up.
- ii. The CRPS shall be non- participating in the surplus fund.
- iii. The CRPS shall be non-participating in the surplus assets and profits which may remain after the entire capital has been repaid, on winding up of the Company.
- iv. The holders of CRPS shall be paid dividend on a cumulative basis at the rate as recommended by the Board and declared by the shareholders of the Company.
- v. The CRPS shall not be convertible into equity shares.
- vi. The CRPS shall carry voting rights as per the provisions of Section 47(2) of the Act;
- vii. The CRPS shall be redeemed within a maximum period of 10 years as determined by the Board of Directors.
- viii. The CRPS shall not be listed on any stock exchange."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company, the Chief Financial Officer, and the Company Secretary be and are hereby severally authorized to issue Offer Letter, Application Forms, sign all / any e-forms, other forms, returns, documents as may be required to be filed whether physically or electronically with the Ministry of Corporate Affairs, Registrar of Companies and to take necessary steps to give effect to the issue of Cumulative, Redeemable, Non-Convertible Preference Shares by the Company.

**5. To approve material related party transaction with Mr. Devesh Singh Sahney, Managing Director.**

**To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:**

**"RESOLVED THAT** pursuant to Regulation 23 and other application provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015, the Companies Act, 2013 (hereinafter referred to as the "Act") as amended from time to time, subject to the Memorandum and Articles of Association of the Company, the Members of the Company hereby give their consent in respect of material related party transaction for the issuance of up to 2,00,00,000 (Two Crore) Cumulative Redeemable Non-Convertible Preference Shares ("CRPS") at face value of ₹ 10/- each for an amount not exceeding ₹ 20,00,00,000/- (Rupees Twenty Crore Only) to Mr. Devesh Singh Sahney, Managing Director, a related party, in one or more tranches, within one year from the approval of members of the Company, on a private placement basis and on such terms and conditions as set out in the Explanatory Statement annexed to this Notice."

Place: Mumbai  
Date: 31.10.2018

By Order of the Board

Devesh Singh Sahney  
Managing Director  
DIN: 00003956

## EXPLANATORY STATEMENTS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

### Item No. 1

The members of the Company at their 6th Annual General Meeting held on August 03, 2017 had approved the appointment of Mr. Devesh Singh Sahney (DIN: 00003956) as the Managing Director of the Company for a period of five years from October 01, 2017 up to September 30, 2022, along with terms of his remuneration for period of three years from October 01, 2017 up to September 30, 2020 in accordance with the provisions of the Companies Act, 2013.

Having regard to the vast knowledge, experience and dedicated services rendered by him towards the growth of the Company, the Board of Directors on the recommendation of the Nomination and Remuneration Committee, subject to approval of the members of the Company, has approved the increase in the remuneration of Mr. Devesh Singh Sahney as the Managing Director of the Company for period of three years with effect from October 01, 2018 up to September 30, 2021 as set out in the proposed resolution.

The proposed revision is in line with other employees including senior management personnel. Any further revision in salary will be on recommendation of Nomination and Remuneration Committee subject to the approval of the Board of Directors of the Company.

The revision in basic salary for the FY 2018-19 shall not be exceeding ₹ 6 lakhs w.e.f October 1, 2018. The Board of Directors on recommendation of the Nomination and Remuneration Committee has also approved to revise the remuneration payable to him from time to time, as may be approved by the Board on recommendation of Nomination and Remuneration Committee, during the said tenure, subject to a maximum ceiling of ₹ 200 lakhs (Rupees Two Hundred Lakhs only) per annum.

While recommending the revision of remuneration of Mr. Devesh Singh Sahney as Managing Director of the Company, the Nomination and Remuneration Committee evaluated the performance of Mr. Devesh Singh Sahney on various parameters such as his qualifications experience and trends in the industry, etc.

The key terms of the revision of remuneration of Mr. Devesh Singh Sahney as Managing Director of the Company are provided in the resolution no. 1 of the Postal Ballot Notice.

Mr. Devesh Singh Sahney and Mrs. Harshbeena Sahney Zaveri, being related, be deemed to be interested to the extent of remuneration payable to Mr. Devesh Singh Sahney as Managing Director. None of the other Directors, Key Managerial Personnel or their relatives be deemed to be interested or concerned, financially or otherwise, in this resolution.

In terms of Sections 196, 197 of the Companies Act, 2013 (the Act) read with Schedule V to the Act, the approval of the members of the Company is sought by way of special resolution for revision of the remuneration of Mr. Devesh Singh Sahney in case the Company is having no profit or inadequate profit. The information as required under Schedule V of the Companies Act, 2013 is annexed hereto.

The Board recommends the special resolution as set forth at item no. 1 of the Notice.

The information required to be provided in terms of Schedule V of the Companies Act, 2013 is given hereunder:

#### I. GENERAL INFORMATION

- 1) Nature of Industry: The Company belongs to engineering industry. It is one of the leading manufacturer of Industrial Bearings in India.
- 2) Date of Commencement of Commercial Production: OCTOBER 01, 2012.
- 3) In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the Prospectus: NOT APPLICABLE
- 4) Financial Performance based on given indicators: Turnover of the Company:

| Financial Year     | 2017-18 | 2016-17 | 2015-16 |
|--------------------|---------|---------|---------|
| Amount (₹ in Lacs) | 4279.49 | 4340.65 | 4080.98 |

- 5) Foreign investments or collaborations, if any: The Company has entered into joint venture with IBC Industrial Bearings and Components AG, Switzerland and a technical collaboration with Korta S.A.U, Spain.

#### II. INFORMATION ABOUT THE APPOINTEE:

##### 1) Background Details:

Mr. Devesh Singh Sahney, aged 50 years old, is a Bachelor in Business Administration and Economics from Richmond University, London. He has mastered in Business Administration from the Asian Institute of Management, Philippines and completed Program on Management Development from Harvard Business School, USA.

After his Bachelors graduation from UK, Mr. Devesh Singh Sahney worked with Larsen & Toubro (Mumbai) in the Finance department, L&T is a technology, engineering, construction and manufacturing company; one of the largest and most respected

companies in India's private sector. Followed by working with Credit Lyonnais, a French Bank in various departments. Before joining the Company, he was an Executive Director in NRB Bearings Limited. He has more than 24 years of experience in the field of industrial manufacturing, import, export and commercial activities and is associated with the Company since incorporation.

**2) Past remuneration:**

| Period                                         | Salary and Perquisites ( ₹ in lakhs) |
|------------------------------------------------|--------------------------------------|
| Financial Year 2011-12                         | 68.85                                |
| April 01, 2012 to September 30, 2012(6 months) | 38.76                                |
| October 01, 2012 to March 31, 2014 (18 months) | 79.51                                |
| April 1, 2014 to March 31, 2015 (15 months)    | 81.17                                |
| April 1, 2015 to March 31, 2016                | 72.03                                |
| April 1, 2016 to March 31, 2017                | 75.18                                |
| April 1, 2017 to March 31, 2018                | 87.16                                |

**3) Recognition or Awards:**

Mr. Devesh Singh Sahney had won a Special Award for Leadership from Asian Institute of Management, Philippines.

**4) Job Profile and his Suitability:**

Mr. Devesh Singh Sahney devotes his full time and attention to the business of the Company and is responsible for the general conduct and management of the affairs of the Company. He has more than 24 years of experience in the engineering industry in line with the business of the Company which is compatible with the organisational requirements. He has been associated with the Company since incorporation and the Company will continue to be benefited from his leadership and guidance.

**5) Remuneration Proposed:**

The details of the proposed remuneration are presented in the resolution set out in Item No.1 of the Notice.

**6) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person:**

The remuneration payable have been benchmarked with the remuneration being drawn by peers in similar capacity in similar companies of comparable size in the bearings industry and has been considered by the Nomination and Remuneration Committee of the Company at the meeting held on October 27, 2018. The profile of the Managing Director, his responsibilities, complex business operations, industry benchmark and size of the Company justify the payment of said remuneration. The comparative remuneration details in other companies are provided below:

| Name of Company           | Designation       | Turnover (₹ in millions) | Remuneration (₹) |
|---------------------------|-------------------|--------------------------|------------------|
| NRB Bearings Limited      | Managing Director | ₹ 8,483.60               | ₹ 3,80,05,022    |
| Schaeffler India Limited. | Managing Director | ₹ 19,910.7               | ₹ 1,77,85,097    |
| SKF India limited         | Managing Director | ₹ 28,048.2               | ₹ 3,14,80,000    |

Source from Annual Report 2017-18 of NRB Bearings Limited.

Source from Annual Report 2017 of Schaeffler India Limited.

Source from Annual Report 2018 of SKF India Limited.

**7) Pecuniary relationship directly or indirectly with the Company, or relationship with the Managerial Personnel:**

Mr. Devesh Singh Sahney is one of the Promoters of the Company and is holding 9,97,967(4.12%) as on September 30, 2018 in the Equity Capital of the Company in his personal capacity. Mr. Devesh Singh Sahney has also given an unsecured loan of ₹ 29.47 crores (Rupees Twenty Nine Crores Forty Seven Lacs) to meet Company's funding requirements. He is also an interested director with respect to related party transactions entered with NRB Bearings Limited and associate companies, NRB-IBC Bearings Private Limited and Korta Engineering India Private Limited. Mr. Devesh Singh Sahney has no other pecuniary relationship with the Company or with any key managerial personnel except to the extent of his remuneration as managing director and as mentioned above.

### III. OTHER INFORMATION:

#### 1) Reasons of loss or inadequate profits:

- a) The growth in Indian Economy has been sluggish during FY 2017-18 due to demonetisation and implementation of GST, thereby adversely affecting business environment.
- b) The Company has been consistently striving to increase its market share but it could not achieve targeted operational progress due to certain economic measures by government affecting its business. Our Business and targeted sales volume could not be achieved especially in recent quarters.
- c) The operating costs of the Company continued to increase in FY 2017-18.

#### 2) Steps taken or proposed to be taken for improvement:

- a) The Company has been expanding the product range in variety of bearings and fulfil the requirements of industrial customers.
- b) The Company is aligning the internal processes to meet the customer requirements especially in the Industrial OEM segment.
- c) The Company will continue to focus on segments such as Agriculture, Jute, Textile, Metal, Cement, Mining and Paper and Pulp to explore new avenues of business.
- d) The Company will be undertaking 'Brand Building' steps to improve the recognition of its products and expand its distribution network to supply its products.
- e) Improving cash flow has been accorded top priority with a drive on collection of dues from customers/vendors and careful control of cash outflows so as to reduce the borrowings.
- f) Control of operating expenses and overheads across the organization is being exercised.

The Company has initiated various measures towards achieving organizational and operating efficiencies and strengthening core competencies.

#### 3) Expected increase in productivity and profits in measurable terms:

In addition to steps proposed to be taken for improvement as detailed hereinabove, key focus areas would be profit maximization, conservation of cash, operational efficiencies, cost and working capital containment. While it is difficult to give precise figures, the above initiatives are expected to improve further the productivity and profitability of the Company.

### IV. DISCLOSURES

The disclosures on remuneration package of each managerial person and details of all elements of remuneration package, details of fixed components etc. were given in the Corporate Governance Report and Board's Report attached to the Annual Report (F Y 2017-18) for the information of the shareholders.

#### Item No. 2

In 2012, NRB Bearings Limited demerged its Industrial Bearing division to the Company pursuant to the order dated August 24, 2012 of the Hon'ble High Court of Judicature at Bombay approving the Scheme of Demerger ("Scheme") with effect from October 01, 2012. In terms of the said Scheme, all the employees of the industrial bearing division of NRB Bearings Limited were transferred to the Company on terms and conditions not less favourable than the terms of NRB Bearings Limited.

Mr. Devesh Singh Sahney was in the employment of NRB Bearings Limited in capacity of Executive Director prior to the demerger and his employment was transferred to the Company pursuant to the said Scheme.

In compliance with the applicable provisions of the Companies Act, 1956, the Members of the Company had approved the appointment and remuneration of Mr. Devesh Singh Sahney as Managing Director of the Company ("Managing Director") for a term of 5 years effective October 01, 2012 to September 30, 2017 at their meeting held on October 15, 2012.

Due to losses incurred by the Company during the period from October 01, 2012 upto March 31, 2014, the remuneration payable to the Managing Director was in excess of the limits prescribed under Schedule XIII of the Companies Act 1956 at that point of time. Hence, the Company applied for the approval of the Central Government for payment of remuneration to Managing Director as approved by Members. The Central Government vide letter Ref. No. SRNB95768693/2014/CL-VII dated August 28, 2014 approved the appointment of Managing Director for a term of five years and partially addressed the remuneration payable (Basic remuneration & Cash allowances) for the period upto March 31, 2014 and has not specifically addressed perquisites payable for that period. The Company has submitted an application for obtaining clarification/approval from the Central Government in respect of perquisites paid for the period upto March 31, 2014.

Accordingly, perquisites paid to the Managing Director of ₹ 34.81 lakhs for the period from October 01, 2012 to March 31, 2014 was subject to approval by the Central Government.

With the notification of amendment to Section 197 of the Companies Act, 2013 vide the Companies (Amendment) Act, 2017 with effect from September 12, 2018, any application made to the Central Government for seeking approval for payment of remuneration to director and is pending as on the date of commencement of the Companies (Amendment) Act, 2017, such application shall abate and the company shall, within one year of such commencement, obtain approval from the members in accordance with Section 197 of the Companies Act, 2013. As per Section 197(17) of the Act (as amended by the Companies (Amendment) Act, 2017), the members of the Company can waive and ratify the payment of such excess remuneration to the Managing Director.

Mr. Devesh Singh Sahney and Mrs. Harshbeena Sahney Zaveri, being related, shall be deemed to be interested to the extent of remuneration received by Mr. Devesh Singh Sahney as Managing Director. None of the other Directors, Key Managerial Personnel or their relatives be deemed to be interested or concerned, financially or otherwise, in this resolution.

The Board recommends the special resolution as set forth at item no. 2 of the Notice

#### Item No. 3

The present Authorized Share Capital of the Company is ₹ 55,00,00,000/- (Rupees Fifty Five Crore only) divided into ₹ 5,00,00,000/- (Rupees Five Crore only) of 2,50,00,000 equity share of ₹ 2/- each and ₹ 50,00,00,000/- (Rupees Fifty Crore only) of 5,00,00,000 preference shares of ₹ 10/- each.

In order to meet the financial requirements of the Company and to raise necessary funds for its business, the Board of Directors of the Company proposes to increase the authorized share capital of the Company to ₹ 65,00,00,000/- (Rupees Sixty Five Crore only) divided into ₹ 5,00,00,000/- (Rupees Five Crore only) of 2,50,00,000 equity share of ₹ 2/- each and ₹ 60,00,00,000/- (Rupees Sixty Crore only) of 6,00,00,000 preference shares of ₹ 10/-.

The increase in the Authorised Share Capital of the Company will also require consequential amendment in the Clause V(a) of the Memorandum of Association of the Company.

Pursuant to Sections 13 and 61 of the Companies Act, 2013, the increase in the authorized share capital and the alteration of the Capital Clause of the Memorandum of Association of the Company require approval of the members of the Company by way of passing a special resolution.

Accordingly, the Board recommends the resolution set out at item no. 3 in the Notice for the approval of the Members. A copy of the revised Memorandum of Association and Articles of Association of the Company shall be open for inspection by the Members at the Registered Office of the Company between 10.30 A.M. to 12.30 P.M. on any working day upto the last date of voting by postal ballot.

Pursuant to applicable provisions of the Companies Act, 2013, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the proposed resolution set forth in Item No. 3 of the Notice except to the extent of their shareholding in the Company.

#### Item No. 4

As required by Sections 42, 55 and 102 of the Companies Act, 2013 ("Act") and the Companies (Share Capital and Debentures) Rules, 2014, the following Statement sets out all material facts relating to the business under item No. 4 of the accompanying notice.

At the meeting of the Board of Directors of the Company ("Board") held on October 31, 2018, the Directors had, pursuant to the provisions of Sections 42, 55 and 62 of the Companies Act, 2013 ("Act") and the Rules framed thereunder, approved an issue, offer and allotment of up to 2,00,00,000 Cumulative Redeemable Non-convertible Preference Shares ("CRPS") of ₹ 10/- each for an aggregate amount not exceeding ₹ 20 crores, for cash at par on such terms and conditions as may be determined by the Board.

Section 62 of the Act read with the Companies (Share Capital and Debentures) Rules, 2014, inter alia, provides that whenever it is proposed to increase the subscribed capital of a company by issue of further shares, such shares may be offered to any persons, whether or not those persons are holders of the equity shares of the company, if so authorized by way of a Special Resolution.

Further more, as per Section 42 of the Act read with the Companies (Prospectus and Allotment of Securities) Rules, 2014, a company offering or making an invitation to subscribe to securities, including Redeemable Preference Shares on a private placement basis, is required to obtain prior approval of the Members by way of a Special Resolution, for such offer and invitation.

The approval of the Members is accordingly being sought by way of Special Resolution under Sections 42, 55 and 62 of the Act read with the Rules framed thereunder, for the issue and offer of CRPS and to allot the CRPS, on a private placement basis, to Mr. Devesh Singh Sahney, Managing Director, on the terms and conditions set out hereunder.

Given below are the terms of issue of CRPS and a Statement of disclosures as required under Rule 9(3) of the Companies (Share Capital and Debentures) Rules, 2014 and Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014:

|                                                                                                                                                                          |                                                                                                                                                                                                                                      |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Name of the Proposed allottee                                                                                                                                            | Mr. Devesh Singh Sahney                                                                                                                                                                                                              |
| Date of passing of Board resolution                                                                                                                                      | October 31, 2018                                                                                                                                                                                                                     |
| Issue Size/ Amount to be raised by way of such securities                                                                                                                | ₹ 20 Crores                                                                                                                                                                                                                          |
| Number of Preference shares                                                                                                                                              | 2,00,00,000 CRPS.                                                                                                                                                                                                                    |
| Nominal Value of each share                                                                                                                                              | ₹ 10/- each                                                                                                                                                                                                                          |
| Nature of Preference share                                                                                                                                               | The CRPS shall be redeemable, cumulative, non-participating and non-convertible Preference shares.                                                                                                                                   |
| Objective of the Issue                                                                                                                                                   | To repay loans of the Company and for other Working Capital requirements of the Company.                                                                                                                                             |
| Manner of issue of shares                                                                                                                                                | Private Placement basis                                                                                                                                                                                                              |
| Price at which such shares are proposed to be issued                                                                                                                     | ₹ 10/- each share                                                                                                                                                                                                                    |
| Basis on which such shares are proposed to be issued and basis or justification for the price (including premium, if any) at which the offer or invitation is being made | As per the valuation done by M/s MOK & Associates, Chartered Accountants.                                                                                                                                                            |
| Name and address of valuer who performed valuation                                                                                                                       | MOK and Associates, Chartered Accountants,<br>Head Office: Shop 11 & 12, Regency Avenue,<br>Syndicate, Murbad Road,<br>Kalyan (W), Mumbai - 421 310, Maharashtra                                                                     |
| Contribution being made by the promoters or directors as part of the offer or separately in furtherance of objects.                                                      | Mr. Devesh Sahney is the Promoter and Managing Director of the Company. He is contributing towards the company by subscribing to the Offer.                                                                                          |
| Expected Dilution in Equity Share Capital upon conversion of preference shares.                                                                                          | Nil, since the CRPS are non-convertible.                                                                                                                                                                                             |
| Terms of Issue & Rate of Dividend                                                                                                                                        | CRPS shall rank prior in respect to payment of dividend or return of capital compared to equity shareholders of the Company. The rate of dividend shall be as determined by the Board.                                               |
| Terms of Redemption                                                                                                                                                      | The CRPS shall be redeemed within a period of 10 years.                                                                                                                                                                              |
| Manner and mode of redemption                                                                                                                                            | Redemption shall be as determined by the Board in accordance with Section 55 of the Act, out of profits available for distribution as dividend or out of the proceeds of a fresh issue of shares made for the purpose of redemption. |
| Principle terms of assets charged as securities                                                                                                                          | None of the assets of the Company will be charged as security in relation to the CRPS.                                                                                                                                               |
| Current Shareholding pattern of the Company.                                                                                                                             | As below:                                                                                                                                                                                                                            |

| Preference Share Capital-Shareholding |                          |                               |                   |
|---------------------------------------|--------------------------|-------------------------------|-------------------|
| Sr. No.                               | Category                 | No. of Preference Shares held | % of Shareholding |
| <b>A</b>                              | <b>Promoter' Holding</b> |                               |                   |
| 1.                                    | Indian:                  |                               |                   |
|                                       | Individual               | 4,00,00,000                   | 100               |
|                                       | Bodies Corporate         | 0                             | 0                 |
|                                       | Sub-Total                | 4,00,00,000                   | 100               |
| 2.                                    | Foreign Promoters        | 0                             | 0                 |
|                                       | <b>Total</b>             | 4,00,00,000                   | 100               |

| Equity Share Capital- Shareholding     |                    |                |
|----------------------------------------|--------------------|----------------|
| Category                               | No. of Shares Held | Percentage (%) |
| <b>Promoters &amp; Promoters Group</b> |                    |                |
| Individuals                            | 75,85,603          | 31.31          |
| Trust                                  | 94,38,910          | 38.95          |
| <b>Public &amp; Others</b>             |                    |                |
| Institutions                           | 1,950              | 0.01           |
| Non-Institutions                       | 72,04,187          | 29.73          |
| <b>Total</b>                           | <b>2,42,30,650</b> | <b>100.00</b>  |

Mr. Devesh Singh Sahney and Ms. Harshbeena Sahney Zaveri, being related to each other, and their respective relatives, shall be deemed to be concerned or interested in the said resolution. None of the other Board of Directors, Key Managerial Personnel of the Company or their respective relatives is in any way concerned or interested, financially or otherwise in the said resolution.

The Directors recommend the Resolution set out in the Notice for the approval of the Members.

#### Item No. 5

The Audit Committee and the Board of Directors of the Company, in their meeting held on October 31, 2018 have approved material related party transaction for the issue of 2,00,00,000 Cumulative Redeemable, non-convertible, preference shares ("CRPS") of ₹ 10/ each aggregative to ₹ 20,00,00,000 (Rupees Twenty Crores only), which amounts to more than 10% of the annual consolidated turnover of the Company as per the last audited financial statements. Therefore pursuant to Regulation 23 (4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 ("Listing Regulations"), prior approval of shareholders is required by way of ordinary resolution for the proposed issue. Further as per Regulation 23 of the Listing Regulations, No related party of the Company shall be entitled vote to approve the aforesaid resolution irrespective whether they are related party to the proposed transactions or not.

The Members' approval to the above material related party transactions is sought in terms of Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The material terms relating to the issue of CRPS are provided in the Explanatory Statement to Item no. 4 of this Notice.

Mr. Devesh Singh Sahney and Ms. Harshbeena Sahney Zaveri, being related to each other, and their respective relatives, shall be deemed to be concerned or interested to the extent of the said resolution. None of the other Board of Directors, Key Managerial Personnel of the Company or their respective relatives is in any way concerned or interested, financially or otherwise in the said resolution.

The Directors recommend the Resolution set out in the Notice for the approval of the Members.

#### NOTES:

1. The relevant explanatory statement in accordance with Section 102(1) of Act setting out the material facts in respect of the Businesses is enclosed to the notice.
2. The documents relating to above businesses are available for inspection from 10.30 a.m. to 12.30 p.m. on all working days, except Saturdays and Sundays, at the Registered Office of the Company till announcement of result.
3. Electronic copy of the notice is being sent to all the shareholders whose email IDs are registered with the Company/ Depository Participants(s) unless any shareholder has requested for a hard copy of the same. For shareholders who have not registered their email address, physical copies of the notice is being sent in the permitted mode.
4. To promote green initiative, shareholders are requested to register their e-mail addresses through their Depository Participants for sending the future communications by e-mail. Shareholders holding the shares in physical form may register their e-mail addresses through the RTA, giving reference of their Folio Number.

#### Voting through electronic means:

In compliance with the provisions of Section 108 and other applicable provisions of the Act read with Rule 20 of Companies (Management and Administration) Rules 2014 and Listing Obligations and Disclosure Requirement, the Company is pleased to offer e-voting facility as an option to all the shareholders of the Company and business may be transacted through e-voting services provided by Central Depository Services (India) Limited (CDSL) instead of dispatching Form. The instructions to shareholders for e-voting are as under:

- (i) The voting period begins on November 19, 2018 at 9.00 a.m. and ends on December 18, 2018 at 5.00 p.m. During this period

shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of November 16, 2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders.
- (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                                             | <p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> </ul> |
| Dividend Bank Details<br>OR Date of Birth (DOB) | <p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>                                                                                                                                                                                                                                                                                          |

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach 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 NRB Industrial Bearings Limited 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 a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the login 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) **Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login 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.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favor of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xix) 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.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

**Place:** Mumbai  
**Date:** 31.10.2018

**By Order of the Board**

**Devesh Singh Sahney**  
Managing Director  
DIN: 00003956



## NRB INDUSTRIAL BEARINGS LIMITED

CIN No. L29253MH2011PLC213963

Regd. Office : Dhannur, 2nd Floor, 15, Sir P. M. Road, Fort, Mumbai-400001

Ph. No. 022-22704206 | Fax No. 022 22704207

Website: www.nrbindustrialbearings.com | Email: investorcare@nibl.in

### POSTAL BALLOT FORM

(Pursuant to Provisions of Section 110 of Companies act 2013 and rules made there under)

Serial No.:

- 1 Name and Registered Address  
of the Sole /First name share holder :
- 2 Name(s) of Joint holders(s), if any  
(in Block letters) :
- 3 Registered Folio No  
/DP Id\* / Client Id\*  
(\*Applicable for investors holding  
shares in dematerialized form) :
- 4 No. of Equity shares held :
- 5 Electronic Voting Sequence Number : 181113003

I/We hereby exercise my/our vote in respect of the resolution(s) to be passed through postal ballot for the business stated in the Postal Ballot Notice of the Company by sending my/our assent or dissent to the said resolution(s) by placing the tick (✓) mark at the appropriate box below:

| Item No. | Description of Resolution                                                                                                                                                                                                                                                                                                         | No. of Shares | (FOR)                         | (AGAINST)                      |
|----------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|-------------------------------|--------------------------------|
|          |                                                                                                                                                                                                                                                                                                                                   |               | I/We assent to the Resolution | I/We dissent to the Resolution |
| 1.       | Approve the revision in remuneration of Mr. Devesh Singh Sahney, Managing Director for the period of three year from October 01, 2018 to September 30, 2021.                                                                                                                                                                      |               |                               |                                |
| 2.       | Ratify the payment of managerial remuneration paid to Mr. Devesh Singh Sahney during Demerger as per the High Court Order for period of 18 months from October 1, 2012 to March 2014.                                                                                                                                             |               |                               |                                |
| 3.       | Approve the increase in Authorized Capital of the Company and amend the Memorandum of Association                                                                                                                                                                                                                                 |               |                               |                                |
| 4.       | Approve the issue and offer of Redeemable Cumulative Non-Convertible Preference shares on Private Placement to Mr. Devesh Singh Sahney, Managing Director.                                                                                                                                                                        |               |                               |                                |
| 5.       | Approve the material related party transaction of Issue and offer of Redeemable Cumulative Non-Convertible Preference shares on Private Placement to Mr. Devesh Singh Sahney, Managing Director under regulation 23(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 by way of ordinary resolution. |               |                               |                                |

Place:

Date :

SIGNATURE OF MEMBER/BENEFICIAL OWNER

- Notes:
- (i) If voting rights are exercised electronically, there is no need to use this form.
  - (ii) Please read carefully the instructions printed overleaf before exercising your vote.
  - (iii) Last Date of Receiving Postal Ballot Forms by the Scrutinizer: December 18, 2018 by 5.00 P.M

PTO

# **NRE**

## **INDUSTRIAL**

### **INSTRUCTIONS**

#### **I. For members opting for e-voting**

The Company is providing e-voting facility for its members to enable them to cast their votes electronically instead of dispatching Postal Ballot Form ("Form"). For the procedure to be followed for e-voting, kindly refer to Notes of the Notice.

#### **II. For members opting for Physical Ballot**

1. The Form should be duly completed and signed by the member (as per specimen signature registered with the Company/Registrar and Share Transfer Agent in case of shares held in physical form or furnished by National Securities Depository Limited/Central Depository Services (India) Limited, in case of shares held in dematerialized form). In case, shares are jointly held, the Form should be completed and signed by the first named member and in his/her absence, by the next named member.
  2. The votes should be casted either in favour or against the resolution by putting the tick (✓) mark in the column provided for assent or dissent. Form bearing tick (✓) mark in both the columns will render the form invalid.
  3. Form signed in the representative capacity should be accompanied by a certified copy of the Board Resolution/ Power of Attorney. Members are requested not to send any other paper.
  4. Members opting to cast vote by physical ballot, are requested to return the Form duly completed, along with the assent (for) or dissent (against), in the enclosed self-addressed, postage pre-paid envelope. Further, envelopes containing the forms sent by courier or registered post/speed post at the expense of the member or deposited by hand at the address given on the self-addressed postage pre-paid business reply envelopes are also acceptable. The form should reach the Scrutinizer on or before December 18, 2018 by 05:00 P.M. failing which, it will be treated as if no reply has been received from the member.
  5. The vote in this Postal Ballot cannot be exercised by a proxy.
  6. There will be only one Form for every folio/Client ID irrespective of the number of joint holder(s).
  7. Incomplete, unsigned, improperly or incorrectly tick marked form shall render the form invalid.
  8. The Scrutinizer's decision on the validity or otherwise of the Form shall be final.
- III. Kindly note that the members can opt for any one mode of voting only. In case member(s) casts their vote by sending physical form as well as votes through e-voting, then voting done by e-voting shall prevail and voting done through physical form shall be considered invalid.**
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