



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

COURT CONVENED MEETING OF THE MEMBERS	CONTENTS	PAGE NO.
Day : Friday Date : 3rd February, 2012 Time : 3:00 p.m. Venue : M C Ghia hall, 4th Floor, Bhogilal Hargovindas Building, 18/20, K Dubash Marg, Kala Goda, Mumbai 400001	Notice of Court Convened Meeting of the Members of NRB Bearings Limited	
	Explanatory Statement under Section 393 of the Companies Act, 1956	
	Scheme of Arrangement under Sections 391 to 394 of the Companies Act, 1956 between NRB Bearings Limited and NRB Industrial Bearings Limited and their respective Shareholders and Creditors	
	Form of Proxy	
	Attendance Slip	

**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY SUMMONS FOR DIRECTION NO. 772 OF 2011**

In the matter of the Companies Act, 1956 (1 of 1956);

AND

In the matter of Sections 391 to 394 read with Sections 100 – 103 of the Companies Act, 1956;

AND

In the matter of Scheme of Arrangement

BETWEEN

NRB Bearings Limited ("NRB" or "the Demerged Company" or "the Applicant Company")

AND

NRB Industrial Bearings Limited ("NIBL" or "the Resulting Company")

AND

their respective shareholders and creditors

NRB BEARINGS LIMITED, a Company
incorporated under Companies Act, 1956 and
having its registered office at Dhannur, 15, Sir
P. M. Road, Fort, Mumbai – 400001.

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).....Applicant Company

**NOTICE CONVENING THE MEETING OF MEMBERS OF NRB BEARINGS LIMITED,
THE APPLICANT COMPANY**

To,

The Members of NRB Bearings Limited ("the Applicant Company"),

TAKE NOTICE that by an Order made on 16th December, 2011, in the above Company Summons for Direction, the Hon'ble High Court of Judicature at Bombay has directed that a meeting of the Members of NRB Bearings Limited, the Applicant Company, be convened and held at M C Ghia hall, 4th Floor, Bhogilal Hargovindas Building, 18/20, K Dubash Marg, Kala Goda, Mumbai 400 001 on Friday, 3rd February, 2012 at 3:00 p.m. for the purpose of considering and, if thought fit, approving with or without modification(s), the proposed Scheme of Arrangement between NRB Bearings Limited and NRB Industrial Bearings Limited and their respective Shareholders and Creditors. ('the Scheme' or 'this Scheme').

TAKE FURTHER NOTICE that in pursuance of the said Order and as directed therein, a meeting of the Members of NRB Bearings Limited, the Applicant Company, will be convened and held at M C Ghia hall, 4th Floor, Bhogilal Hargovindas Building, 18/20, K Dubash Marg, Kala Goda, Mumbai 400001 on Friday, 3rd February, 2012 at 3:00 p.m. at which place, day, date and time you are requested to attend.

TAKE FURTHER NOTICE that you may attend and vote at the said meeting in person or by proxy provided that a proxy in the re-scribed form, duly signed by you or your authorised representative, is deposited at the Registered Office of the Applicant Company at Dhannur 15, Sir. P. M. Road, Fort, Mumbai – 400001 not later than 48 hours before the said meeting.

The Hon'ble High Court has appointed Mr. Trilochan Singh Sahney (Director) or failing him Mrs. Harshbeena Sahney Zaveri, (Director) or failing her Mr. Keki Manchershia Elavia (Director) of Applicant Company, to be the Chairperson of the said meeting.

A copy of the Explanatory Statement under Section 393 of the Companies Act, 1956, Scheme of Arrangement, Form of Proxy and Attendance Slip are enclosed.

J. S. S. S. S.

Mr. Trilochan Singh Sahney
(Executive Chairman)

Chairperson appointed for the meeting

Dated this 19th December, 2011

Registered office:

Dhannur, 15 Sir. P. M. Road, Fort, Mumbai - 400001

Notes:

1. All alterations made in the Form of Proxy should be initialed
2. Only registered shareholders of the Applicant Company may attend and vote (either in person or by proxy or by Authorised Representative under Section 187 of the Companies Act, 1956) at the Members meeting. The representative of a body corporate which is a registered Member of the Applicant Company may attend and vote at the Members meeting provided a certified true copy of the resolution of the Board of Directors or other governing body of the body corporate authorising such representative to attend and vote at the Members meeting is deposited at the registered office of the Applicant Company not later than 48 hours before the meeting.

Encl.: As above

IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY SUMMONS FOR DIRECTION NO. 772 OF 2011

In the matter of the Companies Act, 1956 (1 of 1956);

AND

In the matter of Sections 391 to 394 read with Sections
100 – 103 of the Companies Act, 1956;

AND

In the matter of Scheme of Arrangement

BETWEEN

NRB Bearings Limited ("NRB" or "the Demerged Company"
or "the Applicant Company")

AND

NRB Industrial Bearings Limited ("NIBL" or "the Resulting
Company")

AND

their respective shareholders and creditors

NRB BEARINGS LIMITED, a Company)
incorporated under Companies Act, 1956)
and having its registered office at)
Dhannur, 15 Sir P. M. Road, Fort,)
Mumbai - 400001.)Applicant Company

EXPLANATORY STATEMENT UNDER SECTION 393 OF THE COMPANIES ACT, 1956

1. Pursuant to an Order dated 16th December, 2011 passed by the Hon'ble High Court of Judicature at Bombay in the Company Summons for Direction referred to hereinabove, the meeting of the Members of NRB Bearings Limited, the Applicant Company is being convened and held at M C Ghia hall, 4th Floor, Bhogilal Hargovindas Building, 18/20, K Dubash Marg, Kala Goda, Mumbai 400001 on Friday, 3rd February, 2012 at 3:00 p.m. for the purpose of considering and if thought fit, approving with or without modification(s), the proposed Scheme of Arrangement between NRB Bearings Limited ('NRB') and NRB Industrial Bearings Limited ('NIBL') and their respective Shareholders and Creditors ('the Scheme' or 'this Scheme').
2. A copy of the Scheme setting out in detail the terms and conditions of the arrangement, inter alia, providing for the demerger of Industrial Bearings Division of NRB into NIBL which has been approved by Board of Directors of the Applicant Company at its meeting held on 12th October, 2011, is attached to this explanatory statement.
3. In this statement, **NRB BEARINGS LIMITED** is hereinafter referred to as 'NRB' or 'the Demerged Company' or 'the Applicant Company'. The other definitions contained in the Scheme shall apply to this Explanatory Statement also.
4. The background of NRB Bearings Limited is as under:
 - a. NRB Bearings Limited ('NRB' or 'the Applicant Company' or 'the Demerged Company') was incorporated in the State of Maharashtra on 30th day of June 1965 under the name "Needle Roller Bearing Company Limited". The name of the company was changed to "NRB Bearings Limited (section 43A deemed public company)" with effect from 17th day of April, 1990. The name of the Company was further changed to "NRB Bearings Limited (full fledged public limited company)" with effect from 10th day of February 1995.
 - b. The Registered Office of the Applicant Company is situated at Dhannur, 15, Sir P. M. Road, Fort, Mumbai – 400001.
 - c. The Authorised, Issued, Subscribed and Paid-up share capital of the Applicant Company as on March 31, 2011 is as under:

Particulars	Amount in Rupees
Authorised Capital 10,00,00,000 Equity Shares of Rs. 2/- each	20,00,00,000
TOTAL	20,00,00,000
Issued, Subscribed and Paid-up 9,69,22,600 Equity Shares of Rs. 2/- each	19,38,45,200

TOTAL	19,38,45,200
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Subsequent to the above balance sheet date, there has been no change in the Issued, Subscribed and Paid up Share Capital of NRB.

- d. The Objects of the Applicant Company are set out in its Memorandum of Association. Some of the objects of the Applicant Company are as follows:-
1. To manufacture, produce, prepare, assemble, buy, sell, re-sell, exchange, alter, hire, let on hire, export, import, distribute or otherwise deal in and generally carry on business in needle and/or roller and/or ball and/or plain bearings and components in respect thereof for use in connection with or in relation to industries of all descriptions and in particular for use in textile, machine tool, mechanical handling, electrical motors, electrical fans, electrical equipments, furniture, printing, industries.
 2. To manufacture, produce, prepare, assemble, buy, sell, re-sell, exchange, alter, hire, let on hire, export, import, distribute or otherwise deal in and generally carry on business in needle and/or roller and/or ball and/or plain bearings and components in respect thereof for use in connection with or in relation to vehicles of all kinds and descriptions and in particular for use in connection with or in relation to motor cars, trucks, lorries, buses, omnibuses, railways, trolleys, motor cycles, mopeds, scooters, cycles, tractors, tillers, aeroplanes, helicopters and all accessories thereof or component parts, equipment and apparatus relating thereto or for use in connection therewith.
 3. To carry on the business as manufacturers and/or assemblers of and dealers in all such products in which needle, rollers, balls or needle bearings or roller bearings or plain bearings are used in any form or method.
 4. To carry on (either in connection with the aforesaid business or as distinct or separate business) the business of builders, contractors, manufacturers, mechanical and general engineers and manufacturers of implements and other machinery, tool makers, brass founders, iron founders, metal makers, boiler makers, millwrights, machinists, iron and steel converters, smiths, wire drawers, tube makers, metallurgists, saddlers, galvanizers, annealers, painters, wood-workers, water supply engineers, electrical engineers, gas workers, printers, packing case workers, vehicle builders, carriers, dealers in steel frame, framers, automobile consultants, electroplaters, pattern makers, refiners and merchants and to buy, sell, manufacture, repair, convert, alter, export, import, distribute, hire, let on hire and deal in machinery, implements, rolling stock and hardware of all kinds.
 5. To carry on business as manufacturers, makers, importers and exporters of and dealers in machinery, articles, metals and goods of all classes and kinds whatsoever including mechanical, electrical and engineering materials, goods, machinery and requisites and as Electrical Mechanical and General Engineers and as manufacturers and workers in materials and metals of any nature and kind.
 6. To search for, get win, work, raise, make merchantable, buy, sell or otherwise deal in metals, minerals, oils, gases, whether found in a natural state or obtained by processing from other substances and to carry on business relating to the winning production, working, manufacture and preparation of any materials used in the manufacture of any of the abovementioned items or which may usefully or conveniently be combined with the manufacturing or engineering business of the Company or any contracts undertaken by the Company and either for such purposes only or in independent business.
5. The background of NRB Industrial Bearings Limited is as under:
- a. NRB Industrial Bearings Limited ('NIBL' or 'the Resulting Company') was incorporated on 24th day of February, 2011 under the provisions of Companies Act, 1956, under the name and style of "NRB Industrial Bearings Private Limited". Subsequently, the name of the company was changed to "NRB Industrial Bearings Limited" with effect from 17th November, 2011
 - b. The Registered Office of NIBL is situated at Dhannur, 15 Sir P.M. Road, Fort, Mumbai - 400001.
 - c. The authorised, issued, subscribed and paid-up share capital of NIBL as on October 31, 2011 is as under:

Particulars	Amount in Rs.
Authorised Capital	
50,000 equity shares of Rs. 10/- each	5,00,000
TOTAL	5,00,000
Issued, Subscribed and Paid-up	
50,000 equity shares of Rs. 10/- each	5,00,000
TOTAL	5,00,000

- d. The Main objects of NIBL are set out in its Memorandum of Association are as follows:
1. To produce, prepare, assemble, buy, sell, re-sell, exchange, alter, hire, let on hire, export, import, distribute or otherwise deal in and generally carry on business in needle and/or roller and/or ball and/or linear bearings and/or plain bearings and components in respect thereof for use in connection with or in relation to industries of all descriptions and in particular for use in textile, machine tool, mechanical handling, electrical motors, electrical fans, electrical equipments, furniture, printing, construction, mining, wind energy and other industries.

2. To produce, prepare, assemble, buy, sell, re-sell, exchange, alter, hire, let on hire, export, import, distribute or otherwise deal in and generally carry on business in needle and/or roller and/or ball and/or plain bearings and components in respect thereof for use in connection with or in relation to vehicles of all kinds and descriptions and in particular for use in connection with or in relation to motor cars, trucks, lorries, buses, omnibuses, railways, trolleys, motor cycles, mopeds, scooters, cycles, tractors, tillers, aeroplanes, helicopters and all accessories thereof or component parts, spare parts, equipment and apparatus relating thereto or for use in connection therewith.
3. To carry on the business as manufacturers and/or assemblers of and dealers in all such products in which needle, rollers, balls or needle bearings or roller bearings or plain bearings are used in any form or method.
6. NIBL is a wholly owned subsidiary of NRB and has been incorporated to carry on the business of manufacturing and selling industrial bearings. The Scheme of Arrangement is proposed for demerger and vesting of the Industrial Bearings Undertaking of NRB into NIBL, which is expected to provide ease of management and greater flexibility to both the entities in its operations. The restructuring proposed under the Scheme is expected to unlock shareholders' value and create long term value for all the other stakeholders.
7. The proposed arrangement was placed before the Board of Directors of the Applicant Company and NIBL on October 12, 2011, wherein the Share Allotment Report of M/s M. Malpani & Co, Chartered Accountant and Fairness Opinion on the said Share Allotment Report issued by M/s. Keynote Corporate Services Limited, a Category I Merchant Banker were also placed before the respective Boards.

Pursuant to the Scheme, there would be no change in the equity shareholding of the Applicant Company. The promoters and public would continue to hold the same percentage of equity shares in the Applicant Company, pre and post the demerger of Industrial Bearings Undertaking of NRB into NIBL. All costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed) of the implementation of the Scheme would be borne as mutually agreed by the Board of Directors of NRB and NIBL. The stamp duty levy pursuant to the transfer of the Industrial Bearings Undertaking to NIBL pursuant to this Scheme and other consequential matters shall only be borne by NIBL.

8. The salient features of the Scheme are as follows:
 - (a) This Scheme of Arrangement (the 'Scheme') is presented under Sections 391 to 394 read with sections 100 to 103 of the Companies Act, 1956 and other applicable provisions of the Companies Act, 1956, for demerger of Industrial Bearings Undertaking (as defined hereinafter) of NRB Bearings Limited ('NRB' or the 'Demerged Company') and vesting in NRB Industrial Bearings Limited ('NIBL' or the 'Resulting Company').
 - (b) **"Appointed Date"** means the April 1, 2012 or such other date as may be approved by the High Court of Judicature at Bombay or any other appropriate authority.
 - (c) **"Effective Date"** means the date on which the certified or authenticated copy of the Orders of High Court of Judicature at Bombay or any other appropriate authority under Sections 391 and 394 read with sections 100 to 103 of the Act sanctioning the Scheme is filed with the Registrar of Companies, Maharashtra at Mumbai or the Appointed date whichever is later.
 - (d) Upon the Scheme becoming effective, in consideration of the transfer and vesting of the Industrial Bearings Undertaking of NRB in NIBL in accordance with the provisions of this Scheme and as an integral part of this Scheme, NIBL shall, without any further application or deed, issue and allot to all shareholders of NRB whose name appears in the Register of Members of NRB as on the Record Date or to his/her heirs, executors, administrators or the successors-in-title, as the case may be, fully paid-up equity shares in the following ratio: *"In respect of every 4 (Four) Equity Shares of Rs. 2/- each, held by the shareholders in NRB, 1 (one) Equity Share of NIBL of Rs. 2 each fully paid up."*
 The entire existing issued, subscribed and paid up share capital of NIBL held by NRB shall stand cancelled upon allotment of shares pursuant to the Scheme.
 - (e) The Scheme is conditional upon and subject to:
 - The Scheme being approved by the requisite majorities in number and value of such classes of persons including the members of NRB and NIBL as may be directed by the High Court or any other competent authority, as may be applicable.
 - The Scheme being sanctioned by the High Court of Judicature at Bombay or any other authority under Sections 391 to 394 read with Sections 100 – 103 and other applicable provisions of the Act.
 - Certified copies of the Orders of the High Court of Judicature at Bombay under Sections 391 to 394 read with Sections 100 to 103 of the Act sanctioning the Scheme being filed with the Registrar of Companies, Maharashtra, at Mumbai by NRB and NIBL.
 - Sanctions and approvals including but not limited to in principle approvals, sanctions of any person or any governmental authority or any stock exchanges as may be required by law or under contract in respect of this Scheme being obtained.

The features set out above being only the salient features of the Scheme of Arrangement; the Members are requested to read the entire text of the Scheme of Arrangement annexed hereto to get fully acquainted with the provisions thereof.

9. The pre and post Scheme (expected) shareholding pattern of the Applicant Company i.e. as on September 30, 2011 is as under:

Pre and Post Arrangement

Category of Shareholder	No. of Shareholders	Total No. of Shares	Total No. of Shares held in Dematerialized Form	Total Shareholding as a % of total No. of Shares		Shares pledged or otherwise encumbered	
				As a % of (A+B)	As a % of (A+B+C)	No. of shares	As a % of Total No. of Shares
(A) Shareholding of Promoter and Promoter Group							
(1) Indian							
Individuals / Hindu Undivided Family	13	32,941,567	32,941,567	33.99	33.99	0	0
Central Government / State Government(s)	0	0	0	0.00	0.00	0	0
Bodies Corporate	1	3,77,55,640	3,77,55,640	38.95	38.95	0	0
Trust	0	0	0	0.00	0.00	0	0
Financial Institution / Banks	0	0	0	0.00	0.00	0	0
Sub Total (A)(1)	14	70,697,207	70,697,207	72.94	72.94	0	0
(2) Foreign							
Individuals (Non-Residents Individuals / Foreign Individuals)	0	0	0	0.00	0.00	0	0
Sub Total (A)(2)	0	0	0	0.00	0.00	0	0
Total shareholding of Promoter and Promoter Group (A)=(A1)+(A2)	14	70,697,207	70,697,207	72.94	72.94	0	0
(B) Public Shareholding							
(1) Institutions							
Mutual Funds / UTI	9	4,967,650	4,960,650	5.13	5.13	0	0
Financial Institutions / Banks	2	5,800	5,800	0.01	0.01	0	0
Central Government/ State Government(s)	0	0	0	0.00	0.00		0
Foreign Institutional Investors	6	76,40,200	76,40,200	7.88	7.88	0	0
Sub Total (b)(1)	17	12,613,650	12,606,650	13.01	13.01	0	0
(2) Non-Institutions							
Bodies Corporate	253	6,353,547	6,349,547	6.56	6.56	0	0
Individuals							
Individual shareholders holding nominal share capital up to Rs. 1 lakh	9,367	6,447,001	5,835,681	6.65	6.65	0	0
Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	5	598,457	598,457	0.62	0.62	0	0
Any Others (Specify)	211	212,738	212,738	0.22	0.22	0	0
Clearing members	72	60,015	60,015	0.06	0.06	0	0
Trust	0	0	0	0	0	0	0

NRIs / OCBs	138	152,323	152,323	0.16	0.16	0	0
Foreign Nationals	1	400	400	0.00	0.00	0	0
Sub Total (B)(2)	9,836	13,611,743	12,996,423	14.04	14.04	0	0
Total Public shareholding (B)=(B)(1)+(B)(2)	9,853	65,56,368	64,00,768	27.06	27.06	0	0
Total (A)+(B)	9,867	96,922,600	96,300,280	100.00	100.00	0	0
(C) Shares held by Custodians and against which Depository Receipts have been issued	0	0	0	0	0	0	0
(C)=(C1)+(C2)	0	0	0	0	0	0	0
Grand Total (A)+(B)+(C)	9,867	96,922,600	96,300,280	100.00	100.00	0	0

10. The Pre and Post Scheme shareholding pattern of NIBL based on shareholding pattern are as under:

Pre - Arrangement as on October 31, 2011

Category Shareholder	No. of Shareholders	Total Number of Shares	Total Shareholding as a percentage of total number of shares
Shareholding of Promoter and Promoters Group			
Individuals / Hindu Undivided Family	6	6	0.01%
Central Government / State Government (s)	NIL	NIL	NIL
Bodies Corporate	1	49,994	99.99%
Financial Institutions / Banks	NIL	NIL	NIL
Any Other (specify)	NIL	NIL	NIL
Total	7	50,000	100.00%

Post Arrangement (expected) Shareholding pattern as per Clause 35 of the Listing Agreement

Category of Shareholder	No. of Shareholders	Total No. of Shares	Total No. of Shares held in Dematerialized Form	Total Shareholding as a % of total No. of Shares		Shares pledged or otherwise encumbered	
				As a % of (A+B)	As a % of (A+ B+ C)	No. of shares	As a % of Total No. of Shares
A) Shareholding of Promoter and Promoter Group							
(1) Indian							
Individuals / Hindu Undivided Family	13	82,35,392	82,35,392	33.99	33.99	0	0
Central Government / State Government(s)	0	0	0	0.00	0.00	0	0
Bodies Corporate	1	94,38,910	94,38,910	38.95	38.95	0	0
Trust	0	0	0	0.00	0.00	0	0
Financial Institution / Banks	0	0	0	0.00	0.00	0	0
Sub Total (A)(1)	14	1,76,74,302	1,76,74,302	72.94	72.94	0	0
(2) Foreign							
Individuals (Non-Residents Individuals / Foreign Individuals)	0	0	0	0.00	0.00	0	0

Sub Total (A)(2)	0	0	0	0.00	0.00	0	0
Total shareholding of Promoter and Promoter Group (A)=(A1)+(A2)	14	1,76,74,302	1,76,74,302	72.94	72.94	0	0
(B) Public Shareholding							
(1) Institutions							
Mutual Funds / UTI	9	12,41,913	12,40,163	5.13	5.13	0	0
Financial Institutions / Banks	2	1,450	1,450	0.01	0.01	0	0
Central Government/ State Government(s)	0	0	0	0.00	0.00	0	0
Foreign Institutional Investors	6	19,10,050	19,10,050	7.88	7.88	0	0
Sub Total (b)(1)	17	31,53,413	31,51,663	13.01	13.01	0	0
(2) Non-Institutions							
Bodies Corporate	253	15,88,387	15,87,387	6.56	6.56	0	0
Individuals							
Individual shareholders holding nominal share capital up to Rs. 1 lakh	9,367	16,11,750	14,58,920	6.65	6.65	0	0
Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	5	1,49,614	1,49,614	0.62	0.62	0	0
Any Others (Specify)	211	53,185	53,185	0.22	0.22	0	0
Clearing members	72	15,004	15,004	0.06	0.06	0	0
Trust	0	0	0	0	0	0	0
NRIs / OCBs	138	38,081	38,081	0.16	0.16	0	0
Foreign Nationals	1	100	100	0.00	0.00	0	0
Sub Total (B)(2)	9,836	34,02,936	32,49,106	14.04	14.04	0	0
Total Public shareholding (B)=(B)(1)+(B)(2)	9,853	65,56,368	64,00,768	27.06	27.06	0	0
Total (A)+(B)	9,867	2,42,30,650	2,40,75,070	100.00	100.00	0	0
(C) Shares held by Custodians and against which Depository Receipts have been issued	0	0	0	0	0	0	0
(C)=(C1)+(C2)	0	0	0	0	0	0	0
Grand Total (A)+(B)+(C)	9,867	2,42,30,650	2,40,75,070	100.00	100.00	0	0

11. The Directors of the Applicant Company and NIBL may be deemed to be concerned and/ or interested in the Scheme of Arrangement only to the extent of their shareholding in the Applicant Company or to the extent they may be allotted shares as a result of the Scheme of Arrangement. Save as aforesaid, none of the directors of the Company has any material interest in the proposed Scheme of Arrangement.
12. (a) The extent of the shareholding of the Directors of NRB in NRB and NIBL either singly or jointly or as nominee as on September 30, 2011 is as under:

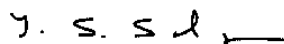
Sr No	Name of the Director	Designation	Equity shares in NRB	Equity shares in NIBL
1.	Mr. Trilochan Singh Sahney	Executive Chairman	1,05,66,406	1 (as a nominee with NRB Bearings Limited)
2.	Mr. Devesh Singh Sahney	Director	3,504,600	1 (as a nominee with NRB Bearings Limited)
3.	Ms. Harshbeena Sahney Zaveri	Managing Director	39,47,984	1 (as a nominee with NRB Bearings Limited)

- (b) The extent of the shareholding of the Directors of NIBL in NIBL and NRB either singly or jointly or as nominee as on September 30th, 2011 is as under:

Sr No	Name of the Director	Designation	Equity shares in NIBL	Equity shares in NRB
1.	Mr. Trilochan Singh Sahney	Director	1 (as a nominee with NRB Bearings Limited)	1,05,66,406
2.	Mrs. Harshbeena S. Zaveri	Director	1 (as a nominee with NRB Bearings Limited)	39,47,984
3.	Mr. Devesh Singh Sahney	Director	1 (as a nominee with NRB Bearings Limited)	3,504,600

13. The Applicant Company has obtained the approval to the Scheme in the terms of Clause 24(f) of the Listing Agreement of Bombay Stock Exchange Limited and the National Stock Exchange of India Limited vide their letters dated 7th day of December, 2011 and 1st day of December, 2011 respectively.
14. The rights and interests of the creditors of the Applicant Company will not be prejudicially affected by the Scheme as the Applicant Company, post the Scheme will be able to meet its liabilities as they arise in the ordinary course of business. Further, the rights and interests of the shareholders and creditors of the Applicant Company will not be prejudicially affected by the Scheme as no sacrifice or waiver is, at all, called from them nor are their rights sought to be modified in any manner.
15. No investigation proceedings are pending or are likely to be pending under Sections 235 to 251 of the Companies Act, 1956 in respect of the Applicant Company.
16. In the event of any of the said sanctions and approvals referred to in the Scheme not being obtained and / or the Scheme not being sanctioned by the High Court or such other competent authority and / or the order or orders not being passed as aforesaid before August 31, 2012 or such other date as may be agreed by the respective Board of Directors of NRB and NIBL, the Scheme shall become null and void, and each party shall bear and pay their respective costs, charges and expenses in connection with the Scheme as mutually agreed by the Board of Directors of NRB and NIBL.
17. Inspection of the following documents may be had by the Members of the Applicant Company at the Registered Office of NRB up to one day prior to the date of the meeting between 11:00 am and 1:00 pm on all working days (except Saturdays, Sundays and Public holidays)
- (a) Copy of the Order dated 16th December, 2011 of the Hon'ble High Court of Judicature at Bombay passed in Company Summons for Direction No. 772 of 2011 directing the convening of the meeting of the Members of the Applicant Company.
 - (b) Scheme of Arrangement.
 - (c) Memorandum and Articles of Association of the Applicant Company and NIBL.
 - (d) The Audited Financial Statements of the Applicant Company for last three financial years ended March 31, 2011, March 31, 2010 and March 31, 2009.
 - (e) The Unaudited Financial Statements of the Applicant Company and NIBL as on October 31, 2011.
 - (f) Copy of No Objection Certificate to the Scheme received from the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited vide their letters dated 7th day of December, 2011 and 1st day of December, 2011 respectively.
 - (g) Share Allotment Report of M/s M. Malpani & Co, Chartered Accountants on share exchange ratio.
 - (h) Fairness Opinion issued by M/s Keynote Corporate Services Limited, a Category I Merchant Banker.

This statement may be treated as an Explanatory Statement under Section 393 of the Companies Act, 1956. A copy of the Scheme, Explanatory Statement and Form of Proxy may be obtained from the Registered Office of the Applicant Company and / or at the office of the Advocates M/s RAJESH SHAH & CO, 16 Oriental Building, 30 Nagindas Master Road, Flora Fountain, Mumbai 400 001.



Mr. Trilochan Singh Sahney
(Executive Chairman)

Chairperson appointed for the meeting

Dated this 19th December, 2011

Registered office:

Dhannur, 15 Sir P. M. Road,
Fort, Mumbai - 400001.

**SCHEME OF ARRANGEMENT
BETWEEN
NRB BEARINGS LIMITED
AND
NRB INDUSTRIAL BEARINGS LIMITED
AND
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS**
Under section 391 to 394 read with sections 100 to 103 of the Companies Act, 1956

PREAMBLE

1. This Scheme of Arrangement (the 'Scheme') is presented under Sections 391 to 394 read with sections 100 to 103 of the Companies Act, 1956 and other applicable provisions of the Companies Act, 1956, for demerger of Industrial Bearings Undertaking (as defined hereinafter) of NRB Bearings Limited ('NRB' or the 'Demerged Company') and vesting in NRB Industrial Bearings Limited ('NIBL' or the 'Resulting Company').
2. This Scheme also provides for various other matters consequential, incidental or otherwise integrally connected therewith.

Parts of the Scheme:

The Scheme is divided into the following parts:

1. **PART A** provides the Rationale for the Scheme
2. **PART B** deals with Definition and Share Capital
3. **PART C** deals with demerger of Industrial Bearings Undertaking of NRB into NIBL;
4. **PART D** deals with the Accounting Treatment and General Terms;
5. **PART E** which deals with Other Terms and Conditions.

PART A

RATIONALE FOR THE SCHEME

1. NRB is engaged in the business of manufacturing of bearings. NRB has pioneered the production of needle roller bearings in India. NRB has the widest range of bearings produced in the country. NRB is one of the top four bearings manufacturers in India. Several renowned companies source their requirements from NRB.
2. The industrial bearings are used for several industrial applications and hence, there is a need to manage the Industrial Bearings Undertaking as an independent entity, so as to enhance its capabilities and to focus on the operations.
3. NIBL is a wholly owned subsidiary of NRB and has been incorporated to carry on the business of manufacturing and selling industrial bearings. The Scheme of Arrangement is proposed for demerger and vesting of the Industrial Bearings Undertaking of NRB into NIBL, which is expected to provide greater flexibility to both the entities in their operations. The restructuring proposed under the Scheme is expected to unlock shareholders' value and create long term value for all the other stakeholders.

PART B :

DEFINITIONS AND SHARE CAPITAL

1. DEFINITIONS

In this scheme, unless inconsistent with the subject, the following expression shall have the meanings respectively assigned against them:

- 1.1. **"Act" or "the Act"** means the Companies Act, 1956 and shall include any statutory modification, re-enactment or amendments thereof for the time being in force.
- 1.2. **"Appointed Date"** means the 1st day of April, 2012 or such other date as may be approved by the High Court of Judicature at Bombay or any other appropriate authority.
- 1.3. **"Effective Date"** means the date on which the certified or authenticated copy of the Orders of High Court of Judicature at Bombay or any other appropriate authority under Sections 391 and 394 read with sections 100 to 103 of the Act sanctioning the Scheme is filed with the Registrar of Companies, Maharashtra at Mumbai or the Appointed date whichever is later.
- 1.4. **"High Court"** means the High Court of Judicature at Bombay.
- 1.5. **"Industrial Bearings Undertaking"** means the industrial bearings business of NRB including the agency business (other than bearings business for mobile vehicles of every description including farm equipments) and includes the following:
 - 1.5.1. All identified assets whether movable or immovable, real or personal, corporeal or incorporeal, present, future or contingent, tangible or intangible, investments short term, long term or joint venture/s, investment(s) related to industrial bearings business wherever situated or held;
 - 1.5.2. 99 years lease for Flat No. 10 along with Garage No. 10 and an identified area in basement of Shangrila Building,

located at 26, M. L. Dahunakar Road, Mumbai 400 026 with a right to sub-lease the said Flat No. 10 along with Garage No. 10.

- 1.5.3. The right to use the 2nd floor and 3rd floor of the Dhannur Building occupied by NRB, bearing CTS No. 1892 and situated at Sir P. M. Road, Fort Mumbai 400 001 as its office premises for a period of 99 years on such lease rentals and on such other terms and conditions as both NRB and NIBL shall mutually agree.
- 1.5.4. All present and future liabilities (including contingent liabilities) arising out of the activities or operations of Industrial Bearings Undertaking, including loans, debts, current liabilities and provisions, duties and obligations relatable to the Industrial Bearings Undertaking;
- 1.5.5. Without prejudice to the generality of the above, the Industrial Bearings Undertaking shall include in particular:
 - a. All identified properties and assets of whatsoever nature and wherever situated, required for/pertaining to the Industrial Bearings Undertaking, including plant and machinery, equipments, appliances, stock of finished/semi-finished goods, raw materials, components, furniture and fixtures, accessories, vehicles, current assets, liquid funds, samples, plant and other extracts, intellectual property, investments in joint ventures related to the industrial bearings business and other properties and assets pertaining to the Industrial Bearings Undertaking. The immovable properties pertaining to the Industrial Bearings Undertaking are described in detail in Annexure 1 herewith.
 - b. all debts, liabilities, duties and obligations and also including, without limitation, permits, quotas, rights, entitlements, bids, tenders, letters of intent, expressions of interest, municipal and other statutory permissions, approvals, consents, licenses, registrations, subsidies, concessions, exemptions, remissions, tax deducted at source, tax deferrals, tax credits, tenancies in relation to office and factory and/or residential property for the employees, offices, related to the Industrial Bearings Undertaking, investment, cash balances, the benefit of any advance or deposit, financial assets, funds belonging to or proposed to be utilized for the Industrial Bearings Undertaking, bank balances and bank accounts relating to the day to day operations and specific to the working of Industrial Bearings Undertaking, privileges, all other rights and benefits, lease rights, licenses, powers and facilities of every kind, nature and description whatsoever, rights to use and avail of telephone, telexes, facsimile connection and installations, utilities, power lines, electricity and other services, provisions, funds, benefits of all agreements, contracts including those relating to the agency business, subsidies, grants and incentive schemes formulated by Central or State Government, if any, contracts and arrangements and all other interest in connection with or relating to the Industrial Bearings Undertaking;
 - c. any and all licenses, tenancies and property rights, if any, related to Industrial Bearings Undertaking, the trade mark "NRB Industrial" for bearings for industrial application whether registered in the name of NRB or pending application of such registration and any extensions, sub-brands and additional descriptions thereof. It is hereby clarified that the trade mark "NRB" and associated description, design, colour and logo are exclusive property of NRB and NIBL shall not be entitled to use (except as expressly provided herein), similar description, design, colour and logo for its business.
 - d. all records, files, papers, computer programs, manuals, data, libraries, catalogues, papers, drawings, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information, and other records, whether in physical form or electronic form in connection with or relating to the Industrial Bearings Undertaking;
 - e. all identified employees of NRB employed in and / or relatable to the Industrial Bearings Undertaking of NRB;
 - f. all advance monies, earnest monies and/or security deposits, if any, paid or received by NRB in connection with or relating to the Industrial Bearings Undertaking;
 - g. for the purpose of this Scheme, it is clarified that liabilities pertaining to the Industrial Bearings Undertaking include and shall be transferred in the manner as defined in section 2(19AA) of the Income Tax Act, 1961 as follows:
 - i. the liabilities, debts/obligations at the close of business on the day immediately preceding the Appointed Date which arise out of the respective activities or operations of the Industrial Bearings Undertaking;
 - ii. specific loans and borrowings raised, incurred and utilized solely for the activities or operation of the Industrial Bearings Undertaking at the close of business on the day immediately preceding the Appointed Date;
 - iii. **liabilities other than those referred to in sub-clauses (i) and (ii) above, being the amounts of general or multipurpose borrowings of NRB, allocated to the Industrial Bearings Undertaking in the same proportion in which the value of the assets transferred under this Scheme bear to the total value of the assets of NRB immediately before giving effect to this Scheme;**

Any question that may arise as to whether a specified asset or liability pertains or does not pertain to the Industrial Bearings Undertaking or whether it arises out of the activities or operations of the Industrial Bearings Undertaking shall be decided by mutual agreement between the Board of Directors of NRB and NIBL.

- 1.6. **"NRB" or "the Demerged Company"** means NRB Bearings Limited a company incorporated under the Act and having its registered office at Dhannur, 15 Sir P.M. Road, Fort, Mumbai - 400001.
- 1.7. **"NIBL" or "the Resulting Company"** means NRB Industrial Bearings Limited, a company incorporated under the Act and having its registered office 15, Dhannur, Sir P. M. Road, Mumbai – 400001.
- 1.8. **"Record Date"** means the date to be fixed by the Board of Directors of NRB in consultation with the Board of Directors of NIBL for the purpose of reckoning names of the equity shareholders of NRB, who shall be entitled to receive shares of the Resulting Company upon coming into effect of this Scheme;

1.9. **"Remaining Business of NRB"** means all the undertakings, businesses, activities and operations of NRB including but not restricted to the bearings business for mobile vehicles of every description including farm equipments other than the Industrial Bearings Undertaking;

1.10. **"Scheme" or "the Scheme" or "this Scheme"** means this Scheme of Arrangement in its present form or with any modification(s) made under clause 17 of the scheme as approved or directed by the High Court of Judicature at Bombay.

All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, the Securities Contract Regulation Act, 1956, the Depositories Act, 1996 and other applicable laws, rules, regulations, bye-laws, as the case may be or any statutory modification or re-enactment thereof from time to time.

2. DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme set out herein in its present form or with any modification(s) and amendments(s) made under Clause 17 of the Scheme, approved or imposed or directed by the High Court of Judicature at Bombay, shall be effective from the Appointed Date but shall be operative from the Effective Date.

3. SHARE CAPITAL

3.1 The share capital of NRB as at March 31, 2011 is as under:

Particulars	Amount (in Rs.)
Authorised	
10,00,00,000 equity shares of Rs.2/- each fully paid	20,00,00,000
TOTAL	20,00,00,000
Issued Subscribed and Paid Up	
9,69,22,600 equity shares of Rs.2/- each fully paid up	19,38,45,200
TOTAL	19,38,45,200

Subsequent to the above date, there is no change in the issued, subscribed and paid up capital of NRB.

3.2 The share capital of NIBL as at October 31, 2011 is as under:

Particulars	Amount (in Rs.)
Authorised	
50,000 equity shares of Rs. 10 each	5,00,000
TOTAL	5,00,000
Issued Subscribed and Paid Up	
50,000 equity shares of Rs. 10 each	5,00,000
TOTAL	5,00,000

Subsequent to the above date, there is no change in the issued, subscribed and paid up capital structure of NIBL. On the date of this Scheme being approved by the Board of Directors of NRB and NIBL, NRB has, directly or through its nominees, acquired 100% of the Issued, Subscribed and Paid Up share capital of NIBL.

PART C :

DEMERGER OF INDUSTRIAL BEARINGS UNDERTAKING OF NRB INTO NIBL

4. TRANSFER AND VESTING OF UNDERTAKING OF THE DEMERGED COMPANY

With effect from the Appointed Date and upon the Scheme becoming effective, the Industrial Bearings Undertaking of NRB shall, pursuant to the provisions contained in Sections 391 to 394 and other relevant provisions, if any, of the Act, without any further act, deed, matter or thing, stand transferred to and vested in and/or be deemed to be transferred to and vested in NIBL at book values and on a going concern basis, in accordance with section 2(19AA) of the Income Tax Act, 1961, in the following manner:

4.1 All assets along with all rights, interests and other benefits without any further act, instrument or deed pertaining to the Industrial Bearings Undertaking shall be transferred to and vested in and/or be deemed to be transferred and vested from NRB to NIBL, with effect from the Appointed Date;

4.1.1 Any and all assets relating to the Industrial Bearings Undertaking, as are movable in nature or incorporeal property or are otherwise capable of transfer by manual delivery or by endorsement and delivery or by vesting and recordable pursuant to this Scheme shall stand transferred and vested by NRB to NIBL and shall become the property and an integral part of NIBL. The vesting pursuant to this sub-clause shall be deemed to have occurred by manual delivery or endorsement, as appropriate to the property being vested and title to the property shall be deemed to have been transferred and vested accordingly. Such delivery and transfer shall be made on a date to be mutually agreed upon between the respective Boards of Directors or Committees thereof of NRB and NIBL and shall be deemed to be transferred to and vested from NRB into NIBL with effect from the Appointed Date. No stamp duty shall be payable on the transfer of such movable properties (including shares and other investments) upon its transfer and vesting in NIBL;

4.1.2 In respect of any assets pertaining to the Industrial Bearings Undertaking including actionable claims, sundry debtors,

outstanding loans, advances recoverable in cash or kind or for value to be received and deposits with the Government, semi-Government, local and other authorities and bodies and customers, NRB shall, on being so requested by NIBL, issue notices in such form as NIBL may specify stating that pursuant to this Scheme, the relevant debt, loan, advance, deposit or other asset, be paid or made good to, or be held on account of, NIBL as the person entitled thereto, to the end and intent that the right of NRB to receive, recover or realize the same, stands transferred to NIBL and that appropriate entries should be passed in their respective books to record the aforesaid changes;

4.1.3 In respect of such of the assets belonging to the Industrial Bearings Undertaking other than those referred to in clause 4.1.1 and 4.1.2 above, the same shall be transferred to and vested in and/or be deemed to be transferred to and vested in NIBL on the Appointed Date pursuant to the provisions of Section 391 to 394 of the Act.

4.2 Any and all immovable properties (including land together with the buildings and structures standing thereon) of NRB relating to the Industrial Bearings Undertaking, whether freehold or leasehold and any documents of title, rights and easements in relation thereto, shall stand transferred to and be vested in NIBL, without any act or deed done by NRB or NIBL. With effect from the Appointed Date, NIBL shall be entitled to exercise all rights and privileges and be liable to pay ground rent, municipal taxes and fulfil all obligations, in relation to or applicable to such immovable properties. The mutation of title to the immovable properties in the name of NIBL shall be made and duly recorded by the appropriate authorities pursuant to the sanction of this Scheme by the Hon'ble High Court and this Scheme becoming effective in accordance with the terms hereof without any further act or deed on part of NIBL.

4.3 With effect from the Appointed Date and upon the Scheme becoming effective, all debts, liabilities, duties and obligations of every kind, nature and description of NRB, pertaining to the Industrial Bearings Undertaking shall, pursuant to the Scheme, without any further act or deed, be transferred to or be deemed to be transferred to NIBL so as to become as from the Appointed Date the debts, liabilities, duties and obligations of NIBL and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, contingent liabilities, duties and obligations have arisen in order to give effect to the provisions of this sub-clause.

For the purpose of this Scheme, it is clarified that liabilities pertaining to the Industrial Bearings Undertaking of NRB includes:

4.3.1 The liabilities, which arise out of the activities or operations of the Industrial Bearings Undertaking of NRB.

4.3.2 Specific loans and borrowings raised, incurred and utilized solely for the activities or operation of the Industrial Bearings Undertaking of NIBL.

4.3.3 Liabilities other than those referred to in sub-clauses 4.2.1 and 4.2.2 above and not directly relatable to the remaining business of NRB, being the amounts of general or multipurpose borrowings of NRB shall be allocated to the Industrial Bearings Undertaking of NRB in the same proportion in which the value of the assets transferred under this Clause bears to the total value of the assets of NRB immediately before giving effect to this Scheme. The parties shall mutually agree upon the identification of the liabilities to be transferred to NIBL as liabilities pertaining to the Industrial Bearings Undertaking.

4.4 The transfer and vesting of the Industrial Bearings Undertaking shall be subject to the existing securities, charges and mortgages, if any, in relation to the liabilities of the Industrial Bearings Undertaking transferred to NIBL under clause above. NRB may continue to provide corporate guarantee in respect of such borrowings if the terms of lending so provide for a period of not more than 3 years from the Effective Date herein. In so far as any encumbrances over the assets comprised in the Industrial Bearings Undertaking are security for liabilities of the Remaining Undertaking retained with NRB, the same shall, on the Effective Date, without any further act, instrument or deed be modified to the extent that all such assets shall stand released and discharged from the obligations and security relating to the same and the encumbrances shall only extend to and continue to operate against the assets retained with NRB and shall cease to operate against any of the assets transferred to NIBL in terms of this Scheme. The absence of any formal amendment which may be required by a lender or third party shall not affect the operations of this sub-clause.

4.5 With effect from the Appointed Date and upon the Scheme becoming effective, any statutory licenses, permissions or approvals or consents held by NRB required to carry on operations of Industrial Bearings Undertaking shall stand vested in or transferred to NIBL without any further act or deed, and shall be appropriately mutated by the statutory authorities concerned therewith in favour of NIBL and the benefit of all statutory and regulatory permissions, environmental approvals and consents, registration or other licenses, and consents shall vest in and become available to NIBL as if they were originally obtained by NIBL. In so far as the various incentives, subsidies, rehabilitation schemes, special status and other benefits or privileges enjoyed, granted by any Government body, local authority or by any other person, or availed of by NRB relating to the Industrial Bearings Undertaking, are concerned, the same shall vest with and be available to NIBL on the same terms and conditions as applicable to NRB, as if the same had been allotted and/or granted and/or sanctioned and/or allowed to NIBL.

4.6 With effect from the Appointed Date and upon the Scheme becoming effective, all taxes, duties, cess payable/receivable by NRB relating to the Industrial Bearings Undertaking including all or any refunds/credit/claims relating thereto shall be treated as the asset/liability or refunds/credit/claims, as the case may be, of NIBL, provided however that any direct and indirect taxes that cannot specifically be earmarked as the asset/liability or refunds/credit/claims relating to the Industrial Bearings Undertaking shall continue to be borne by NRB unless otherwise mutually agreed by the Board of Directors of NRB and NIBL.

4.7 NRB and NIBL are expressly permitted to revise their respective tax returns including tax deducted at source (TDS) certificates and to claim refunds, advance tax credits, excise and service tax credits, set off, etc., on the basis of the accounts of the Industrial Bearings Undertaking of NRB as vested with NIBL upon coming into effect of this Scheme, and its right to make such revisions in the related tax returns and related certificates, as applicable, and the right to claim refunds, adjustments, credits, set-offs, advance tax credits pursuant to the sanction of this Scheme and the Scheme becoming effective is expressly reserved

- 4.8 This Scheme has been drawn up to comply with the conditions relating to "Demerger" as specified under Section 2(19AA) of the Income-tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said Section at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of the said Section of the Income-tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(19AA) of the Income-tax Act, 1961. Such modification will however not affect the other parts of the Scheme.
- 4.9 Any question that may arise as to whether a specified asset or liability pertains or does not pertain to the Industrial Bearings Undertaking of NRB or whether it arises out of the activities or operations of Industrial Bearings Undertaking of NRB shall be decided by mutual agreement between the Board of Directors of NRB and NIBL.

5 REMAINING BUSINESS OF THE DEMERGED COMPANY

It is clarified that, the Remaining Business of the Demerged Company shall continue with NRB as follows:

- 5.1 The Remaining Business of NRB and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by NRB.
- 5.2 All legal and other proceedings by or against NRB under any statute, whether pending on the Appointed Date or which may be instituted in future, whether or not in respect of any matter arising before the Effective Date and relating to the Remaining Business of NRB (including those relating to any property, right, power, liability, obligation or duty, of NRB in respect of the Remaining Business of NRB) shall be continued and enforced by or against NRB.

6. TRANSACTIONS BETWEEN APPOINTED DATE AND EFFECTIVE DATE

With effect from the Appointed Date and upto and including the Effective Date:

- 6.1 NRB in respect of the Industrial Bearings Undertaking shall carry on and be deemed to have been carrying on the business and activities and shall stand possessed of and hold all of its properties and assets for and on account of and in trust for NIBL. NRB hereby undertakes to hold the said assets with utmost prudence until the Effective Date;
- 6.2 All the profits or income accruing or arising to NRB in respect of the Industrial Bearings Undertaking or expenditure or losses arising to or incurred by NRB in respect of the Industrial Bearings Undertaking, shall for all purposes and intents be treated and be deemed to be and accrue as the profits or incomes or expenditure or losses (as the case may be) of NIBL;
- 6.3 NRB in respect of the Industrial Bearings Undertaking shall carry on the business and activities with reasonable diligence, business prudence and shall not without the prior written consent of NIBL, alienate, charge, mortgage, encumber or otherwise deal with or dispose of its Industrial Bearings Undertaking or any part thereof except in respect of activities in the ordinary course of business nor shall it undertake any new businesses within the Industrial Bearings Undertaking or a substantial expansion of its existing Industrial Bearings Undertaking;
- 6.4 Where any of the liabilities and obligations attributed to the Industrial Bearings Undertaking on or after the Appointed Date has been discharged by NRB on behalf of the Industrial Bearings Undertaking after the Appointed Date but prior to the Effective Date, such discharge shall be deemed to have been for and on behalf of NIBL.
- 6.5 All loans raised after the Appointed Date but before the Effective Date and liabilities incurred by NRB after the Appointed Date but before the Effective Date for operations of the Industrial Bearings Undertaking shall be discharged by NIBL on or after the Effective Date. Where any of the liabilities and obligations attributed to the Industrial Bearings Undertaking on the Appointed Date have been discharged by NRB after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on behalf of NIBL.
- 6.6 NRB shall not, in relation to the Industrial Bearings Undertaking vary the terms and conditions of service of the employees or conclude settlements with unions or employees, except in the ordinary course of business or consistent with past practice or pursuant to any pre-existing obligation without the prior written consent of the Board of Directors of NIBL.
- 6.7 NIBL shall be entitled, pending the sanction of the Scheme, to apply to the Central/State Government(s) and all other agencies, departments and authorities concerned as are necessary under any law for such consents, approvals and sanctions which NIBL, may require to carry on the Industrial Bearings Undertaking.

7. CONSIDERATION

- 7.1 Upon the Scheme becoming effective, in consideration of the transfer and vesting of the Industrial Bearings Undertaking of NRB in NIBL in accordance with the provisions of this Scheme and as an integral part of this Scheme, NIBL shall, without any further application or deed, issue and allot to all shareholders of NRB whose name appears in the Register of Members of NRB as on the Record Date or to his/her heirs, executors, administrators or the successors-in-title, as the case may be, fully paid-up equity shares in the following ratio:

"In respect of every 4(Four) Equity Shares of Rs. 2 each, held by the shareholders in NRB, 1 (one) Equity Share of NIBL of Rs. 2 each fully paid up."

- 7.2 The Equity Shares to be issued by NIBL pursuant to Clause 7.1 above shall be issued in dematerialized form by NIBL, unless otherwise notified in writing by the shareholders of NRB to NIBL on or before such date as may be determined by the Board of Directors of NIBL or a committee thereof. In the event that such notice has not been received by NIBL in respect of any of the members of NRB, the Equity Shares shall be issued to such members in dematerialized form provided that the members of NRB shall be required to have an account with a depository participant and shall be required to provide details thereof and such other confirmations as may be required. In the event that NIBL has received notice from any member that Equity Shares are to be issued in physical form or if any member has not provided the requisite details relating to his/her/its account with

a depository participant or other confirmations as may be required or if the details furnished by any member do not permit electronic credit of the shares of NIBL, then NIBL shall issue equity shares in physical form to such member or members.

- 7.3 In respect of fractional entitlements, if any, on issuance of equity shares by NIBL, to the equity shareholders of NRB as per Clause 7.1 above, the same shall be rounded off to the nearest integer. The Board of Directors of NIBL shall consolidate all fractional entitlements, and allot NIBL Equity Shares in lieu thereof to a Director or such other authorized representative(s) as the Board of Directors of NIBL shall appoint in this behalf, who shall hold the NIBL Equity Shares issued by NIBL, in trust on behalf of the equity shareholders entitled to fractional entitlements with the express understanding that such director(s) or other authorized representative(s) shall sell the same in the market at such time or times and at such price or prices and to such person or persons, as it/he/they may deem fit, and pay to NIBL, the net sale proceeds thereof, whereupon NIBL shall distribute such net sale proceeds (after deduction of applicable taxes), to the equity shareholders in proportion to their respective fractional entitlements. The Board of Directors of NIBL, if it deems necessary, in the interests of allottees, approve such other method in this behalf as it may, in its absolute discretion, deem fit.
- 7.4 In the event of there being any pending share transfers with respect to any application lodged for transfer by any shareholder of NRB, the Board of Directors or any committee thereof of NRB or failing which the Board of Directors or any committee thereof of NIBL shall be empowered in appropriate cases, even subsequent to the Record Date to effectuate such a transfer in NRB as if such changes in registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor or the transferee of the share(s) in NIBL and in relation to the new shares after the Scheme becomes effective.
- 7.5 The Equity Shares in NIBL to be issued to the members of NRB pursuant to Clause 7.1 above shall be subject to the Memorandum and Articles of Association of NIBL and shall rank *pari passu* in all respects, including dividend, with the existing Equity Shares of NIBL.
- 7.6 Equity Shares of NIBL issued in terms of Clause 7.1 of this Scheme will be listed and/or admitted to trading on the National Stock Exchange of India Limited and the Bombay Stock Exchange Limited where the shares of NRB are listed and/or admitted to trading in terms of the Securities and Exchange Board of India (Issue Of Capital And Disclosure Requirements) Regulations, 2009. NIBL shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with the applicable laws or regulations for complying with the formalities of the said Stock Exchange. On such formalities being fulfilled the said Stock Exchanges shall list and/or admit such Equity Shares also for the purpose of trading. The shares allotted pursuant to clause 7.1. shall remain frozen in the depositories system till listing / trading permission is given by National Stock Exchange of India Limited and Bombay Stock Exchange Limited. Further, there shall be no change in the shareholding pattern (other than any issue or cancellation of shares pursuant to this Scheme) or control in NIBL between the record date and the listing of shares pursuant to this clause which may affect the status of approval granted by the National Stock Exchange of India Limited and Bombay Stock Exchange Limited to this Scheme.
- 7.7 The Board of Directors of NIBL shall, if and to the extent required, apply for and obtain any approvals from concerned Government / Regulatory authorities for the issue and allotment of equity shares to the members of NRB pursuant to clause 7.1 of the Scheme.
- 7.8 The Equity Shares to be issued by NIBL pursuant to this Scheme in respect of any equity shares of NRB which are held in abeyance under the provisions of Section 206A of the Act or otherwise shall pending allotment or settlement of dispute by order of Court or otherwise, be held in abeyance by NIBL.
- 7.9 The issue and allotment of Equity Shares by NIBL to the shareholders of NRB as provided in this Scheme is an integral part thereof and shall be deemed to have been carried out as if the procedure laid down under Section 81(1A) and any other applicable provisions of the Act were duly complied with.
- 7.10 The approval of this Scheme by the shareholders of NRB and NIBL under Sections 391 and 394 read with sections 100 to 103 of the Act shall be deemed to be the approval under Sections 16, 31 and other applicable provisions of the Act and any other consents and approvals required in this regard.
- 7.11 For the purposes of Income-tax Act, 1961:
- (a) the cost of acquisition of the shares of NIBL in the hands of the shareholders of NRB shall be the amount which bears to the cost of acquisition of shares held by the shareholder in NRB the same proportion as the net book value of the assets transferred in the demerger to NIBL bears to the net worth of NRB immediately before the demerger hereunder;
 - (b) the period for which the shares(s) in NRB were held by the shareholders shall be included in determining the period for which the shares in NIBL have been held by the respective shareholder.
- 7.12 The authorized share capital of the Resulting Company shall be increased and /or reclassified to the extent necessary for issuing equity shares under this Scheme.
- 7.13 Cancellation of existing Share Capital of NIBL held by NRB
- 7.13.1 The entire existing issued, subscribed and paid-up share capital of NIBL is held by NRB and its nominees. Upon allotment of shares pursuant to Clause 7.1, the entire existing issued, subscribed and paid-up share capital of NIBL held by NRB whether in its own name or in the name of any nominee shall stand cancelled. Upon cancellation of shares pursuant to this clause, the share certificates, if any, and/or the shares in electronic form representing the shares held by NRB in NIBL shall be deemed to be cancelled without any further act or deed for cancellation thereof by NRB.
- 7.13.2 The cancellation of the old Equity Shares of NIBL as mentioned above, shall be effected as an integral part of this Scheme

without having to follow the process under Section 100 to 103 of the Act separately and the Order of the High Court sanctioning the Scheme shall be deemed to be also the Order under Section 102 of the Act for the purpose of confirming the reduction. The reduction would not involve either a diminution of liability in respect of unpaid share capital or payment of paid-up share capital to the shareholders and the provisions of Section 101 of the Act will not be applicable.

PART D

ACCOUNTING TREATMENT AND GENERAL CLAUSES

8. ACCOUNTING TREATMENT

8.1 IN THE BOOKS OF NRB, THE DEMERGED COMPANY

On the Scheme becoming effective and with effect from the Appointed Date, NRB shall account for the demerger of the Industrial Bearings Undertaking, in its books as under:

8.1.1 The value of all assets and liabilities pertaining to the Industrial Bearings Undertaking which cease to be the assets and liabilities of NRB, shall be reduced by NRB at their respective book values.

8.1.2 Investment of NRB being shares in NIBL will stand cancelled.

8.1.3 The difference that is the excess of the book value of assets pertaining to the Industrial Bearings Undertaking over the book value of the liabilities pertaining to the Industrial Bearings Undertaking, demerged from NRB pursuant to this Scheme after adjusting the investments of NRB in NIBL which is cancelled in terms of Clause 8.1.2 above, shall, be adjusted against the General Reserve Account of NRB and in case of there being a deficit the same shall be credited to Capital Reserve Account of NRB.

8.2 IN THE BOOKS OF NIBL, THE RESULTING COMPANY

Upon the Scheme becoming effective and with effect from the Appointed Date, NIBL shall account for the Scheme in its books as under:

8.2.1 NIBL shall record the assets and liabilities pertaining to Industrial Bearings Undertaking, at the respective book values as appearing in the books of NRB as on the Appointed Date;

8.2.2 NIBL shall credit to its share capital account, the aggregate face value of the Equity Shares issued by it pursuant to this Scheme;

8.2.3 The difference being excess of assets over liabilities recorded by NIBL, over the amount credited as share capital after adjusting the cancellation of the existing share capital of NIBL held by NRB will be credited to the Capital Reserve Account. In case of there being a shortfall, the same shall be debited to and carried forward as Goodwill.

8.2.4 On allotment of shares by NIBL in terms of Clause 7.1, the existing shareholding of NRB, the Demerged Company, in the equity share capital of NIBL shall stand cancelled as an integral part of this Scheme in accordance with the provisions of Section 100 to 103 of the Act. However, as the same does not involve either diminution of liability in respect of unpaid share capital or payment to any shareholder of any paid-up share capital, the provisions of Section 101 of the Act are not applicable. Therefore, no order under section 102 of the Act confirming the reduction shall be required.

8.2.5 In case of any difference in accounting policy between NRB in respect of the Industrial Bearings Undertaking and NIBL, the impact of the same till the Appointed Date, will be quantified and adjusted in the Capital Reserve/ Goodwill Account of NIBL to ensure that the financial statements of NIBL reflect the financial position on the basis of consistent accounting policy.

9. DECLARATION OF DIVIDEND, BONUS

9.1 For the avoidance of doubt it is hereby clarified that nothing in this Scheme shall prevent NRB from declaring and paying dividends, whether interim or final, to its equity shareholders as on the respective record date(s) for the purpose of any such dividend.

9.2 NRB shall not utilize the profits or income, if any, relating to the Industrial Bearings Undertaking for the purpose of declaring or paying any dividend to its shareholders or for any other purpose in respect of the period falling on and after the Appointed Date, without the prior written consent of the Board of Directors of NIBL.

9.3 In the event that NRB and/or NIBL restructures its equity share capital by way of share split / consolidation / issue of bonus shares / issue of Rights Shares or other changes in its capital during the pendency of the Scheme, the Share Exchange Ratio (as provided in the Clause 7.1) shall be adjusted / changed accordingly to take into account the effect of such corporate action(s).

9.4 Until the coming into effect of this Scheme, the holders of equity shares of NRB and NIBL shall, save as expressly provided otherwise in this Scheme continue to enjoy their existing respective rights under their respective Articles of Associations.

9.5 It is clarified that the aforesaid provisions in respect of declaration of dividends, whether interim or final, are enabling provisions only and shall not be deemed to confer any right on any member of NRB and/or NIBL to demand or claim any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the respective Boards of Directors of NRB and NIBL and subject, wherever necessary, to the approval of the shareholders of NRB and NIBL, respectively.

10. LEGAL PROCEEDINGS

10.1 All legal proceedings of whatsoever nature by or against NRB pending and/or arising before the Effective Date and relating to the Industrial Bearings Undertaking, shall not abate or be discontinued or be in any way prejudicially affected by reason of the Scheme or by anything contained in this Scheme but shall be continued and enforced by or against NIBL, as the case may be in the same manner and to the same extent as would or might have been continued and enforced by or against NRB.

- 10.2 After the Appointed Date, if any proceedings are taken against NRB in respect to the matter referred in the preceding clause, they shall prosecute and defend the same, as the case may be, at the cost of NIBL and NIBL shall reimburse and indemnify NRB against all liabilities and obligations incurred by the company in respect thereof.
- 10.3 On and from the Effective Date, NIBL shall be entitled to initiate legal proceedings in its name in relation to the de-merged business in the same manner and to the same extent as would or might have been initiated by NRB.
- 10.4 NIBL undertakes to have all legal or other proceedings initiated by or against NRB referred in Clause 10.1 above transferred into its name and to have the same continued, prosecuted, defended and enforced as the case may be by or against NIBL to the exclusion of NRB.

11. CONTRACTS, DEEDS AND OTHER INSTRUMENTS

- 11.1 Notwithstanding anything to the contrary contained in the contract, deed, bond, agreement or any other instrument, but subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements and other instruments, if any, of whatsoever nature and subsisting or having effect on the Effective Date and relating to the Industrial Bearings Undertaking of NRB, shall continue in full force and effect against or in favour of NIBL as the case may be, and may be enforced effectively by or against NIBL as the case may be as fully and effectually as if, instead of NRB, NIBL, as the case may be had been a party thereto from inception.
- 11.2 NIBL may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, enter into, or issue or execute deeds, writings, confirmations, novations, declarations, or other documents with, or in favour of any party to any contract or arrangement to which NRB is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. NIBL shall, be deemed to be authorised to execute any such writings on behalf of NRB and to carry out or perform all such formalities or compliances required for the purposes referred to above on the part of NRB.

12. STAFF, WORKMEN & EMPLOYEES

- 12.1 On the Scheme becoming operative, all identified staff, workmen and employees of NRB, in relation to the Industrial Bearings Undertaking in service on the Effective Date shall be deemed to have become staff, workmen and employees of NIBL without any break in their service and on the basis of continuity of service, and the terms and conditions of their employment with NIBL shall not be less favourable than those applicable to them with reference to NRB, in relation to the Industrial Bearings Undertaking respectively on the Effective Date. Any question that may arise as to whether any employee belongs to or does not belong to the Industrial Bearings Undertaking shall be decided by Board of Directors or Committees of Directors of NRB.
- 12.2 It is expressly provided that, on the Scheme becoming effective, the Provident Fund, Gratuity Fund, Superannuation Fund or any other Special Fund or Trusts created or existing for the benefit of the staff, workmen and employees of NRB, in relation to the Industrial Bearings Undertaking shall become the trusts/ funds of NIBL for all purposes whatsoever in relation to the administration or operation of such Fund or Funds or in relation to the obligation to make contributions to the said Fund or Funds in accordance with the provisions thereof as per the terms provided in the respective Trust Deeds, if any, to the end and intent that all rights, duties, powers and obligations of NRB, in relation to the Industrial Bearings Undertaking in relation to such Fund or Funds shall become those of NIBL. It is clarified that the services of the staff, workmen and employees of NRB, in relation to the Industrial Bearings Undertaking will be treated as having been continuous for the purpose of the said Fund or Funds.

13. PERMISSIONS

Any statutory licenses, permissions, approvals or consents to carry on the operations of NRB, in relation to the Industrial Bearings Undertaking, shall stand vested in or transferred to NIBL without any further act or deed and shall be appropriately mutated by the Statutory Authorities concerned in favour of NIBL and NRB respectively upon the vesting and transfer of the Undertakings pursuant to this Scheme. In so far as they relate to the Industrial Bearings Undertaking, the benefit of all statutory and regulatory permissions, licenses, environmental approvals and consents, sales tax registrations or other licenses and consents shall vest in and become available to NIBL pursuant to this Scheme. In so far as the various incentives, subsidies, special status and other benefits or privileges enjoyed, granted by any Government body, local authority or by any other person, or availed of by NRB, in relation to the Industrial Bearings Undertaking, are concerned, the same shall vest with and be available to NIBL, on the same terms and conditions. In particular and without prejudice to the generality of the foregoing, benefit of all balances relating to CENVAT or Service Tax or VAT being balances pertaining to the Industrial Bearings Undertaking, shall stand transferred to and vested in NIBL as if the transaction giving rise to the said balance or credit was a transaction carried out by NIBL. The assets and properties pertaining to the Industrial Bearings Undertaking of NRB, shall not be required to be and shall not be physically transferred from any premises or location relating to the Industrial Bearings Undertaking and consequently or otherwise, there shall be no withdrawal of or obligation to pay or refund any CENVAT, VAT, Service Tax or other tax or duty pursuant to vesting of Industrial Bearings Undertaking in NIBL in accordance with the Scheme.

14. SECURITY

It is clarified that unless otherwise determined by the Board of Directors of NIBL, in so far as the assets comprising the undertaking of NRB, in relation to the Industrial Bearings Undertaking are concerned:

- 14.1 the security or charge relating to loans, debentures or borrowings of NRB, in relation to the Industrial Bearings Undertaking,

shall without any further act or deed continue to relate to the said assets after the Appointed Date and shall not relate to or be available as security in relation to any other borrowings of NRB; and

14.2 the other assets of NRB shall not relate to or be available as security in relation to the said borrowings of NRB, in relation to the Industrial Bearings Undertaking.

15. SAVING OF CONCLUDED TRANSACTIONS

The transfer of properties and liabilities above and the continuance of proceedings by or against NIBL above shall not affect any transaction or proceedings already concluded in NRB, in relation to the Industrial Bearings Undertaking on or after the Appointed Date till the Effective Date, to the end and intent that NIBL accept and adopt all acts, deeds and things done and executed by NRB, in relation to the Industrial Bearings Undertaking in respect thereto as done and executed on behalf of itself.

16. OTHER TERMS & CONDITIONS

Upon the Scheme becoming effective and as a part of the demerger of Industrial Bearings Undertaking, NRB and NIBL agree as under:

16.1 NRB and NIBL shall cooperate with each other for the growth and development of overall businesses.

16.2 NRB and NIBL shall enter into appropriate non-compete arrangements on mutually agreed terms and conditions.

16.3 If necessary, NRB and NIBL shall enter into appropriate agreements to give effect to Clause 1.5.2 and 1.5.3. In an event that NRB vacates either of the premises mentioned therein or alienates the same for any reason whatsoever and consequently requires NIBL to vacate area occupied by it, NRB shall compensate NIBL with such monetary amount as it would realize on sale or transfer of the said respective property in proportion to the area for which right to use is granted to NIBL in terms of this Scheme. NRB and NIBL shall enter into such agreements as may be necessary to give effect to this Clause.

16.4 NRB and NIBL shall from time to time enter into inter-company arrangements for sale of goods or services, use of common facilities, if any and for utilization of excess plant capacities on such terms and conditions including pricing thereof as are mutually agreed by both parties. In particular, both the parties shall enter into advance pricing agreements to cover the following matters:

- I. The finished goods, components and services provided by either of the parties to the other shall be at a pricing of cost plus 15% margin.
- II. In an event, where with prior consent, either of the parties supply to the other's customer's, a commission of 5% ex-works value, would become payable.
- III. The needle bush, needle cage and needle thrust bearings will need to be procured by NIBL from NRB at a pricing of cost plus 15% margin on other terms to be mutually decided.

The above arrangement can be revised at any time on mutually agreed terms and conditions.

PART E

OTHER TERMS & CONDITIONS

17. MODIFICATION OR AMENDMENTS TO THE SCHEME

17.1 On behalf of NRB and NIBL, the Board of Directors ('the Board', which term shall include Committee thereof) of respective companies, may consent, on behalf of all persons concerned, to any modifications or amendments of the Scheme and without prejudice to the generality of the foregoing, any modification to the Scheme involving withdrawal of any of the parties to the Scheme at any time and for any reason whatsoever, or to any conditions or limitations that the High Court or any other authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them (i.e. the Board of Directors) and solve all difficulties that may arise for carrying out the Scheme and do all acts, deeds and things necessary for putting the Scheme into effect.

17.2 For the purpose of giving effect to this Scheme or to any modification thereof the Board of Directors of NRB and NIBL may give and are authorised to give such directions including directions for settling any question of doubt or difficulty that may arise.

18. CONDITIONALITY OF THE SCHEME

This Scheme is and shall be conditional upon and subject to:

18.1 The requisite consent, approval or permission of the Central Government or any other statutory or regulatory authority, which by law may be necessary for the implementation of this Scheme.

18.2 The Scheme being approved by the requisite majorities in number and value of such classes of persons including the respective members and/or creditors of NRB and NIBL as may be directed by the Hon'ble High Court of Judicature at Bombay or any other competent authority, as may be applicable.

18.3 The Scheme being sanctioned by the Bombay High Court or any other authority under Sections 391 to 394 read with sections 100 to 103 and other applicable provisions of the Act.

18.4 The certified copies of the Orders of High Court of Judicature at Bombay under Sections 391 and 394 read with sections 100 to 103 of the Act sanctioning the Scheme are filed with the Registrar of Companies, Maharashtra at Mumbai by NRB and NIBL.

18.5 All statutory and other approvals necessary for the Scheme to be given effect to being received.

19. EFFECT OF NON-RECEIPT OF APPROVALS

In the event of any of the sanctions and approvals referred to in Clause 18 above not being obtained and/ or the Scheme not being

sanctioned by the High Court or such other competent authority and / or the Orders sanctioning the Scheme not being passed by the High Court before 31 August 2012 or within such further period or periods as may be agreed upon between NRB and NIBL by their Boards of Directors (and which the Boards of Directors of the companies are hereby empowered and authorized to agree to and extend the Scheme from time to time without any limitation), this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/ or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law. In such a case, each party shall bear and pay its respective costs, charges and expenses for and /or in connection with the Scheme.

20. COSTS, CHARGES AND EXPENSES

All costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed) arising out of, or incurred in carrying out and implementing this Scheme and matters incidental thereto, shall be borne as mutually agreed by the Board of Directors of NRB and NIBL. The stamp duty levy pursuant to the transfer of the Industrial Bearings Undertaking to NIBL pursuant to this Scheme and other consequential matters shall only be borne by NIBL.

Annexure 1

SR. NO	NAME AND POSTAL ADDRESS OF THE PROPERTY
1.	Bangalore Property - Office No. 404A, 4th Floor, "A" Wing, Mittal Towers, 21, M.G.Road, Bangalore - 560 001
2.	The Plot No. 309, Survey No 72, Sector N3 at CIDCO, Aurangabad
3.	Plot No B-18 at Shendra Five Star Industrial Area, MIDC, Aurangabad

**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY SUMMONS FOR DIRECTION NO. 772 OF 2011**

In the matter of the Companies Act, 1956 (1 of 1956);

AND

In the matter of Sections 391 to 394 read with Sections 100 – 103 of the Companies Act, 1956;

AND

In the matter of Scheme of Arrangement

BETWEEN

NRB Bearings Limited ("NRB" or "the Demerged Company" or "the Applicant Company")

AND

NRB Industrial Bearings Limited ("NIBL" or "the Resulting Company")

AND

their respective shareholders and creditors

NRB BEARINGS LIMITED, a Company)
incorporated under the provisions of)
the Companies Act, 1956 and having its)
registered office at Dhannur, 15 Sir P. M.)
Road, Fort, Mumbai - 400001.).....Applicant Company

FORM OF PROXY

I/We, the undersigned, being the Member(s) of NRB Bearings Limited, the Applicant Company do hereby appoint Mr./Ms. _____ of _____ or failing him/her _____ of _____ as my/our proxy, to act for me/us at the meeting of the Members to be held at M C Ghia hall, 4th Floor, Bhogilal Hargovindas Building, 18/20, K Dubash Marg, Kala Goda, Mumbai 400 001 on Friday, 3rd February, 2012 at 3:00 p.m. for the purpose of considering and, if thought fit, approving, with or without modification, the proposed Scheme of Arrangement between NRB Bearings Limited and NRB Industrial Bearings Limited and their respective shareholders and creditors and at such meeting and any adjournment / adjournments thereof, to vote, for me/us and in my/ our name(s) _____ (herein, if for insert 'FOR', if against insert 'AGAINST' and in the later case strike out the words "either with or without modifications" before the word "arrangement") the said Scheme of Arrangement either with or without modifications as my / our proxy may approve.

*Strike out what is not necessary

Dated this....., 2011

Name

Address

Reg. Folio No.Client ID No.

DP ID No.No. of shares:

Signatures of Shareholder(s)

Sole / First Holder:Second Holder:Third Holder:

Signature of Proxy.....

Notes:

- (1) Proxy need not be a member.
- (2) The Proxy must be deposited at the Registered Office of the Company at Dhannur, 15 Sir P. M. Road, Fort, Mumbai – 400001 at least 48 hours before the time for holding the meeting. The proxy need not be a member of NRB Bearings Limited.
- (3) All alterations made in the form of Proxy should be initialed.
- (4) In case of multiple proxies, the proxy later in time shall be accepted.

NRB BEARINGS LIMITED

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

ATTENDANCE SLIP

COURT CONVENED MEETING OF MEMBERS ON FRIDAY, 3rd FEBRUARY, 2012

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.

I/We hereby record my/our presence at the Meeting of the Members of the Company, convened pursuant to the Order dated 16th December, 2011 of the Hon'ble High Court of Judicature of Bombay, held at M C Ghia hall, 4th floor, Bhogilal Hargovindas Building, 18/20, K Dubash Marg, Kala Goda, Mumbai 400 001 on Friday, 3rd February, 2012 at 3:00 p.m.

Name and Address of Member **(IN BLOCK LETTERS):**

Signature :.....

Reg.Folio No. : Client ID : D.P. I.D.: No. of Equity Shares :

Name of the Proxy : Signature :

NOTE: Members attending the Meeting in person or by Proxy are requested to complete the Attendance Slip and hand it over at the entrance of the meeting hall.

Affix
revenue
stamp

BOOK-POST



NRB BEARINGS LIMITED

Regd. Off. : Dhannur, 15, Sir P. M. Road, Fort, Mumbai - 400 001.