



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

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**IN THE HIGH COURT OF JUDICATURE AT BOMBAY ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY SUMMONS FOR DIRECTION NO. 499 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 Amalgamation and Arrangement
between

Trilochan Sahney Finance and Holdings Private Limited
(‘TSFHPL’ or ‘the Transferor Company’)

and

NRB Bearings Limited (‘NRB’ or ‘the Transferee 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

**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 August 20th, 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 Indian Merchant Chambers, IMC Building, IMC Marg, Churchgate, Mumbai – 400020 on Monday, 26th September, 2011 at 3:00 p.m. for the purpose of considering and, if thought fit, approving with or without modification(s), the proposed Scheme of Amalgamation and Arrangement between Trilochan Sahney Finance and Holdings Private Limited and NRB 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 Indian Merchant Chambers, IMC Building, IMC Marg, Churchgate, Mumbai – 400020 on Monday, 26th September, 2011 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 prescribed 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) of the Applicant Company or failing him Mrs. Harshbeena Sahney Zaveri, (Director) of Applicant Company or failing her Keki Manchershia Elavia, (Director) of the 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 Amalgamation and Arrangement, Form of Proxy and Attendance Slip are enclosed.

J. S. S. J.

Chairperson appointed for the meeting

Dated this 23rd August, 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. 499 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 Amalgamation and Arrangement
between

Trilochan Sahney Finance and Holdings Private Limited
(‘TSFHPL’ or ‘the Transferor Company’)

and

NRB Bearings Limited (‘NRB’ or ‘the Transferee 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 20th August, 2011 passed by the Hon’ble High Court of Judicature at Bombay in the Company Summons for Direction referred to hereinabove, a meeting of the Members of NRB Bearings Limited, the Applicant Company is being convened and held at Indian Merchant Chambers, IMC Building, IMC Marg, Churchgate, Mumbai – 400020 on Monday, 26th September, 2011 at 3:00 p.m. for the purpose of considering and if thought fit, approving with or without modification(s), the proposed Scheme of Amalgamation and Arrangement between Trilochan Sahney Finance and Holdings Private Limited (‘TSFHPL’) with NRB Bearings Limited (‘NRB’) 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 amalgamation of TSFHPL with NRB which has been approved by Board of Directors of the Applicant Company at its meeting held on 19th April, 2011, is attached to this explanatory statement.
3. In this statement, NRB BEARINGS LIMITED is hereinafter referred to as ‘NRB’ or ‘the Transferee 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 Transferee 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

Subsequent to the above balance sheet date, there has been no change in the issued, subscribed and paid up 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 assemblies 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 Trilochan Sahney Finance and Holdings Private Limited is as under:
- a. Trilochan Sahney Finance and Holdings Private Limited ('TSFHPL' or 'the Transferor Company') was incorporated on 13th day of August, 1992 in the State of Maharashtra under the Companies Act, 1956, under the name and style of "Trilochan Sahney Finance And Holdings Private Limited".
 - b. The Registered Office of TSFHPL is situated at 13, Shangri-la 4A, Carmichael road, Mumbai – 400021.
 - c. The authorised, issued, subscribed and paid-up share capital of TSFHPL as on June 30, 2011 is as under:

Particulars	Amount in Rs.
Authorised Capital	
20,000 Equity Shares of Rs 10/- each	2,00,000
1,11,000 Redeemable Non-Cumulative Preference Shares of Rs. 10/- each	11,10,000
TOTAL	13,10,000
Issued, Subscribed and Paid-up	
20,000 Equity Shares of Rs 10/- each	2,00,000
1,11,000 Redeemable Non-Cumulative Preference Shares of Rs. 10/- each	11,10,000
TOTAL	13,10,000

- d. The Main objects of TSFHPL are set out in its Memorandum of Association are as follows:
 1. To promote industrial finance by way of advance, deposit or lend money, securities, and properties to or with any company, body corporate, firm, person or association whether falling under the same management or otherwise, with or without security and on such terms as may be determined from time to time.
 2. To carry on the business of an investment company and to invest the capital and other moneys of the company in the purchase or upon the security of shares, stocks, units, debentures, debenture-stock, bonds, obligations and securities of any kind issued or guaranteed by any company, corporation or undertaking of whatever nature whether incorporated or otherwise, and wheresoever constituted or carrying on business and to buy, sell or otherwise deal in, shares, stocks, debentures, debenture-stock, bonds, notes, mortgages, obligations and other securities issued or guaranteed by any government, sovereign ruler, commissioners, trust, municipal, local or other authority or body of whatever nature in India or abroad.

6. TSFHPL presently holds 3,77,55,640 fully paid up equity shares of Rs. 2/- each in the Applicant Company.
- Both, the Applicant Company and TSFHPL are part of the NRB Group of companies. TSFHPL is a promoter company of NRB and holds 3,77,55,640 Equity Shares of NRB which constitutes 38.95% of the shareholding of NRB whereas, shares in TSFHPL are held by the Trilochan Singh Sahney Trust 1. The promoter group of NRB is desirous of streamlining and rationalizing the structure such that the equity shares of NRB are held through the Trust. As a step towards rationalization it is proposed to amalgamate TSFHPL into NRB.
7. The proposed arrangement was placed before the Board of Directors of the Applicant Company and TSFHPL on April 19, 2011, wherein the Share Allotment Report of M/s Grant Thornton, 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.
8. 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 merger of TSFHPL into it. There would also be no change in the financial position of the Applicant Company 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 by the Transferor Company or its shareholders. The Transferor Company or its shareholders will ensure that it has adequate cash or assets to cover the above expenditure and such costs, charges and other expenses post the effective date shall be borne out of these assets. No cost, charges or expenses pertaining to the scheme shall be borne by the Transferee Company.
9. The name of the transferor company is proposed to be changed to Trilochan Investments Company Private Limited subject to approval of the Registrar of Companies ('ROC') with effect from March 1, 2011. TSFHPL has passed necessary Board resolutions for the same and is in the process of getting the name approved with the ROC.
10. The salient features of the Scheme are as follows:
- The Scheme envisages the amalgamation of TSFHPL with NRB pursuant to Sections 391 to 394 read with Sections 100 – 103 and other applicable provisions of the Companies Act, 1956 on a going concern basis in the manner provided for in the Scheme.
 - Appointed Date means the October 1, 2011.
 - Upon the Scheme becoming effective, NRB shall without any further application or deed, issue and allot Equity and Redeemable Non-Cumulative Preference Shares, credited as fully paid-up, to the extent indicated below to the shareholders of TSFHPL, against 20,000 fully paid-up equity shares of the face value of Rs. 10/- each and 1,11,000 Redeemable Non-Cumulative Preference Shares of Rs. 10/- each, respectively and whose name appears in the Register of Members of TSFHPL as on the Record Date or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognized by the respective Board of Directors in the following proportion:
For Equity Shareholders:
3,77,55,640 (Three Crores Seventy Seven Lacs Fifty Five Thousand Six Hundred and Forty) fully paid up Equity Share of the face value of Rs.2 /- (Two) each in NRB to be issued and allotted to the equity shareholders of TSFHPL in proportion of their holdings in TSFHPL"
For Preference Shareholders:
"1,11,000 (One Lac and Eleven Thousand) fully paid up Redeemable Non-Cumulative Preference shares of the face value of Rs.10 /- (Ten) each in NRB to be issued and allotted to the Preference Shareholders of TSFHPL, in proportion of their holdings in TSFHPL".
3,77,55,640 fully paid up equity shares of Rs. 2/- each in NRB held by TSFHPL shall be cancelled.
 - 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 TSFHPL 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 of the Act.
 - Certified copies of the Orders of the High Court sanctioning the Scheme being filed with the Registrar of Companies, Maharashtra, at Mumbai by NRB and TSFHPL.
 - 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 Amalgamation and Arrangement; the Members are requested to read the entire text of the Scheme of Amalgamation and Arrangement annexed hereto to get fully acquainted with the provisions thereof.

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

Shareholding pattern as per Clause 35 of the Listing Agreement as on June 30, 2011
Pre - Amalgamation

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	18	33,147,705	21,530,705	34.20	34.20	0	0
Central Government / State Government(s)	0	0	0	0.00	0.00	0	0
Bodies Corporate	3	3,77,55,640	3,77,55,640	38.95	38.95	0	0
Financial Institution / Banks	0	0	0	0.00	0.00	0	0
Sub Total (A)(1)	21	70,903,345	59,286,345	73.15	73.15	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)	21	70,903,345	59,286,345	73.15	73.15	0	0
(B) Public Shareholding							
(1) Institutions							
Mutual Funds / UTI	7	4,707,511	4,700,511	4.86	4.86	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	0
Foreign Institutional Investors	6	76,40,200	76,40,200	7.88	7.88	0	0
Sub Total (b)(1)	15	12,353,511	12,353,511	12.75	12.75	0	0
(2) Non-Institutions							
Bodies Corporate	281	6,396,100	6,392,100	6.60	6.60	0	0
Individuals							
Individual shareholders holding nominal share capital up to Rs. 1 lakh	9,456	6,533,289	5,912,029	6.74	6.74	0	0
Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	3	486,542	486,542	0.50	0.50	0	0
Any Others (Specify)	228	249,813	249,813	0.26	0.26	0	0
Clearing members	81	57486	57486	0.06	0.06	0	0
Trust	1	10,000	10,000	0.01	0.01	0	0
NRIs / OCBs	145	181,927	181,927	0.19	0.19	0	0
Foreign Nationals	1	400	400	0.00	0.00	0	0
Sub Total (B)(2)	9,968	13,665,744	13,040,484	14.10	14.10	0	0
Total Public shareholding (B)=(B)(1)+(B)(2)	9,983	26,019,255	25,386,995	26.85	26.85	0	0
Total (A)+(B)	10,004	96,922,600	84,673,340	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)	10,004	96,922,600	84,673,340	100.00	100.00	0	0

Post – Amalgamation
Shareholding pattern as per Clause 35 of the Listing Agreement as on June 30, 2011

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	18	33,147,705	21,530,705	34.20	34.20	0	0
Central Government / State Government(s)	0	0	0	0.00	0.00		
Bodies Corporate	0	0	0	0	0	0	0
Trust	1	3,77,55,640	3,77,55,640	38.95	38.95	0	0
Financial Institution / Banks	0	0	0	0.00	0.00	0	0
Sub Total (A)(1)	19	70,903,345	59,286,345	73.15	73.15	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)	19	70,903,345	59,286,345	73.15	73.15	0	0
(B) Public Shareholding							
(1) Institutions							
Mutual Funds / UTI	7	4,707,511	4,700,511	4.86	4.86	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		
Foreign Institutional Investors	6	76,40,200	76,40,200	7.88	7.88	0	0
Sub Total (b)(1)	15	12,353,511	12,353,511	12.75	12.75	0	0
(2) Non-Institutions							
Bodies Corporate	281	6,396,100	6,392,100	6.60	6.60	0	0
Individual shareholders holding nominal share capital up to Rs. 1 lakh	9,456	6,533,289	5,912,029	6.74	6.74	0	0
Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	3	486,542	486,542	0.50	0.50		
Any Others (Specify)	228	249,813	249,813	0.26	0.26	0	0
Clearing members	81	57486	57486	0.06	0.06	0	0
Trust	1	10,000	10,000	0.01	0.01	0	0
NRIs / OCBs	145	181,927	181,927	0.19	0.19	0	0
Foreign Nationals	1	400	400	0.00	0.00	0	0
Sub Total (B)(2)	9,968	13,665,744	13,040,484	14.10	14.10	0	0
Total Public shareholding (B)=(B)(1)+(B)(2)	9,983	26,019,255	25,386,995	26.85	26.85		
Total (A)+(B)	10,002	96,922,600	84,673,340	100.00	100.00	0	0
(C) Shares held by Custodians and against which Depository Receipts have been issued							
(C)=(C1)+(C2)	0	0	0	0	0	0	0
Grand Total (A)+(B)+(C)	10,002	96,922,600	84,673,340	100.00	100.00	0	0

12. The pre Scheme shareholding pattern of TSFHPL based on shareholding pattern as on July 5, 2011 is as under:

NAME OF SHAREHOLDERS	NO. OF SHARES
Trilochan Singh Sahney Trust 1 (Mr. Trilochan Singh Sahney as a Trustee for the Trust)	19,999
Trilochan Singh Sahney Trust 1 (Ms. Hanwantbir kaur Sahney as a Trustee for the Trust)	1
TOTAL	20,000

13. The Directors of the Applicant Company and TSFHPL may be deemed to be concerned and / or interested in the Scheme only to the extent of their shareholding in the respective companies, or to the extent the said directors are common directors in the companies, or to the extent the said directors are the partners, directors, members of the companies, firms, association of persons, bodies corporate and / or beneficiary of trust that hold shares in any of the companies. Save as aforesaid, none of the Directors of the Companies have any material interest in the proposed Scheme.
14. (a) The extent of the shareholding of the Directors of NRB in NRB and TSFHPL either singly or jointly or as nominee as on May 31, 2011 is as under:

Sr No	Name of the Director	Designation	Equity shares in NRB	Equity shares in TSFHPL
1.	Mr. Trilochan Singh Sahney	Director	1,05,66,406	19,999 (As a Trustee of Trilochan Singh Sahney Trust 1)
2.	Mrs. Hanwantbir Kaur Sahney	Director	3,88,000	1 (As a Trustee of Trilochan Singh Sahney Trust 1)
3.	Mrs. Harshbeena S. Zaveri	Director	39,38,949	NIL
4.	Mr. Devesh Singh Sahney	Director	3,504,600	NIL
5.	Dr. P. D. Ojha	Director	NIL	NIL
6.	Dr. (Ms.) Kala S. Pant	Director	NIL	NIL
7.	Mr. Keki M. Elavia	Director	NIL	NIL
8.	Mr. Anand Desai	Director	NIL	NIL

- (b) The extent of the shareholding of the Directors of TSFHPL in TSFHPL and NRB either singly or jointly or as nominee as on May 31, 2011 is as under:

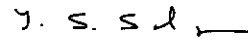
Sr No	Name of the Director	Designation	Equity shares in TSFHPL	Equity shares in NRB
1.	Mr. Trilochan Singh Sahney	Director	19,999 (As a trustee of Trilochan Singh Sahney Trust 1)	1,05,66,406
2.	Mrs. Hanwantbir Kaur Sahney	Director	1 (As a trustee of Trilochan Singh Sahney Trust 1)	3,88,000
3.	Mrs. Harshbeena S. Zaveri	Director	NIL	39,38,949
4.	Mr. Devesh Singh Sahney	Director	NIL	35,04,600

15. 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 its letter dated 11th day of July, 2011 and 22nd day of June, 2011.
16. The financial position of the Applicant Company will not be adversely affected by the Scheme. Further, 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.
17. 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.
18. 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 December 31, 2011 or such other date as may be agreed by the respective Board of Directors of NRB and TSFHPL

may determine, 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.

19. 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 20th August, 2011 of the Hon'ble High Court of Judicature at Bombay passed in Company Summons for Direction No. 499 of 2011 directing the convening of the meeting of the Members of the Applicant Company.
 - (b) Scheme of Amalgamation and Arrangement.
 - (c) Memorandum and Articles of Association of the Applicant Company and TSFHPL.
 - (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 and the Audited Financial Statements of TSFHPL 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 TSFHPL as on May 31, 2011 and June 30, 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 its letter dated 11th day of July, 2011 and 22nd day of June, 2011.
 - (g) Share Allotment Report of M/s Grant Thornton, 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.



Chairperson appointed for the meeting

Dated this 23rd August, 2011

Registered office:

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

Note: All alterations made in the form of proxy should be initialed.

SCHEME OF AMALGAMATION AND ARRANGEMENT
BETWEEN
TRILOCHAN SAHNEY FINANCE AND HOLDINGS PRIVATE LIMITED ...TSFHPL
AND
NRB BEARINGS LIMITED ...NRB
AND
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

PREAMBLE

The Scheme of Amalgamation and Arrangement is presented under Sections 391 to 394 read with Sections 100-103 and other applicable provisions of the Companies Act, 1956 for amalgamation between Trilochan Sahney Finance and Holdings Private Limited ('TSFHPL' or 'the Transferor Company') and NRB Bearings Limited ('NRB' or 'the Transferee Company') and their respective shareholders and creditors and is divided into following three parts:

Part A - Deals with the Rationale of the scheme

Part B - Deals with definitions and share capital.

Part C - Deals with amalgamation between Trilochan Sahney Finance and Holdings Private Limited ('TSFHPL' or 'the Transferor Company' and NRB Bearings Limited ('NRB' or 'the Transferee Company') and their respective shareholders and creditors.

Part D - Deals with General Clauses, Terms and Conditions.

PART A

The Promoters of NRB hold shares in NRB through their holding company viz, TSFHPL. TSFHPL does not have any activity other than investment of 3,77,55,640 Equity Shares of NRB which constitutes 38.95% of the shareholding of NRB.

The current holding structure is not efficient from a tax & regulatory perspective and accordingly, the Promoter Group of NRB is desirous of streamlining its holding in NRB. As a step towards such rationalization, it is proposed to merge TSFHPL into NRB. On the Appointed Date, TSFHPL will not have any assets or liabilities other than the said shares of NRB, cash and receivables to meet the merger expenses.

On account of the proposed restructuring, NRB or the shareholders of NRB will not be impacted at all. The total issued and paid-up capital of NRB as well as the promoters and public holding will remain the same even after the proposed restructuring.

PART B

DEFINITIONS AND SHARE CAPITAL

1 DEFINITIONS

In this Scheme, unless inconsistent with the subject or context, the following expressions shall have the following meaning:

- 1.1 **"Act" or "the Act"** means the Companies Act, 1956 and shall include any statutory modifications, re-enactment or amendments thereof for the time being in force.
- 1.2 **"Appointed Date"** means the 1st day of October, 2011 or such other date as may be fixed or approved by the High Court of Judicature at Bombay or such other competent authority.
- 1.3 **"Effective Date"** means the later of the dates on which the certified copies of the Orders sanctioning this Scheme of Amalgamation and Arrangement, passed by the High Court of Judicature at Bombay or such other competent authority, as may be applicable, are filed with the Registrar of Companies, Mumbai, Maharashtra, at Mumbai by the Transferor Company and the Transferee Company.
- 1.4 **"High Court"** means the High Court of Judicature at Bombay.
- 1.5 **"NRB" or "the Transferee Company"** means NRB Bearings Limited, a company incorporated under the Act and having its registered office at Dhannur, 15 P.M. Road, Fort, Mumbai - 400001.

- 1.6 **"Preference Shares"** means preference shares of Rs.10/- each to be issued and allotted by NRB under this Scheme, the terms of which are specified in Schedule 1.
- 1.7 **"Scheme" or "the Scheme" or "this Scheme"** means this Scheme of Amalgamation and Arrangement in its present form as submitted to the Hon'ble High Court of Judicature at Bombay or this Scheme with such modification(s), if any made, as per Clause 14 of the Scheme.
- 1.8 **"TSFHPL" or "the Transferor Company"** means Trilochan Sahney Finance And Holdings Private Limited, a company incorporated under the Act and having its registered office at 13, Shangri La, 27A Carmichael Road, Mumbai 400 026.
- 1.9 **"TICPL" or "the Transferor Company"** means Trilochan Investments Company Private Limited, a company incorporated under the Act and having its registered office at 13, Shangri La, 27A Carmichael Road, Mumbai 400 026.
- 1.10 Any references in the Scheme to **"upon the Scheme becoming effective"** or **"effectiveness of the Scheme"** shall mean the Effective Date.
- 1.11 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, other applicable laws, rules, regulations, bye laws, as the case may be, including 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) approved or imposed or directed by the High Court of Judicature at Bombay or made as per Clause 14 of the Scheme, shall be effective from the Appointed Date but shall be operative from the Effective Date.

3 SHARE CAPITAL

- 3.1 The share capital of TSFHPL as at 31st March 2010 is as under:

Particulars	Amount (in Rs.)
Authorised Capital	
30,000 Equity Shares of Rs 10/- each	3,00,000
20,000 Unclassified Shares of Rs. 10/- each	2,00,000
Total	5,00,000
Issued, Subscribed and Paid-up	
10,000 Equity Shares of Rs 10/- each	1,00,000
TOTAL	1,00,000

Subsequent to March 31, 2010, the revised issued, subscribed and paid-up capital of TSFHPL shall be as under:

Particulars	Amount (in Rs.)
Authorised Capital	
20,000 Equity Shares of Rs 10/- each	2,00,000
1,11,000 Redeemable Non-Cumulative Preference Shares of Rs. 10/- each	11,10,000
TOTAL	13,10,000
Issued, Subscribed and Paid-up	
20,000 Equity Shares of Rs 10/- each	2,00,000
1,11,000 Redeemable Non-Cumulative Preference Shares of Rs. 10/- each	11,10,000
TOTAL	13,10,000

Subsequent to above, there is no change in issued, subscribed and paid up share capital of TSFHPL.

- 3.2 The share capital of NRB as at 31st March 2010 is as under:

Particulars	Amount (in Rs.)
Authorised Capital	
5,00,00,000 Equity Shares of Rs. 2/- each	10,00,00,000
TOTAL	10,00,00,000
Issued, Subscribed and Paid-up	
4,84,61,300 Equity Shares of Rs. 2/- each	9,69,22,600
TOTAL	9,69,22,600

Subsequent to March 31, 2010, NRB declared the bonus in September, 2010 in the ratio of 1:1. Thus, the revised share capital post the bonus issue would be as follows:

Particulars	Amount (in Rs.)
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

PART C

AMALGAMATION OF TSFHPL WITH NRB

4 TRANSFER AND VESTING

- 4.1 With effect from the opening of business as on the Appointed Date and upon the scheme becoming effective, the entire business and whole of the undertakings of the Transferor Company including all their properties, investments and assets (whether movable or immovable, tangible or intangible) of whatsoever nature such as licenses, permits, quotas, approvals, lease, tenancy rights, permissions, incentives, if any, and all other rights, title, interests, contracts, consents, approvals or powers of every kind nature and descriptions whatsoever shall under the provisions of Sections 391 to 394 of the Act and pursuant to the orders of the High Court of Judicature at Bombay or any other appropriate authority sanctioning this Scheme and without further act, instrument or deed, but subject to the existing charges affecting the same as on the Effective Date be transferred and/or deemed to be transferred to and vested in the Transferee Company so as to become the properties and assets of the Transferee Company.
- 4.2 The transfer and vesting as aforesaid shall be subject to the existing charges / hypothecation / mortgages, if any, as may be subsisting and agreed to be created over or in respect of the said assets or any part thereof, provided however, any reference in any security documents or arrangements to which the Transferor Company are party wherein the assets of the Transferor Company have been or are offered or agreed to be offered as security for any financial assistance or obligations shall be construed as reference only to the assets pertaining to the Transferor Company and vested in the Transferee Company by virtue of this Scheme to the end and intent that the charges shall not extend or deemed to extend to any assets of the Transferee Company.

Provided that the Scheme shall not operate to enlarge the security for the said liabilities of the Transferor Company which shall vest in the Transferee Company by virtue of the Scheme and the Transferee Company shall not be obliged to create any further, or additional security thereof after the merger has become effective or otherwise. The transfer / vesting of the assets of the Transferor Company as aforesaid shall be subject to the existing charges / hypothecation / mortgages over or in respect of the assets or any part thereof of the Transferor Company.

- 4.3 The liabilities of the Transferor Company shall also, without any further act, instrument or deed be transferred to and vested in and assumed by and / or deemed to be transferred to and vested in and assumed by the Transferee Company pursuant to the provisions of Sections 391 to 394 of the Act, so as to become the liabilities of the Transferee Company and further that 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 liabilities have arisen, in order to give effect to the provisions of this Clause.
- 4.4 The Transferee Company may at any time after the coming into effect of the Scheme in accordance with the provisions of the Scheme, if so required, under any law or otherwise, execute Deeds of Confirmation, in favour of the secured creditors of the Transferor Company or in favour of any other party to any contract or arrangement to which the Transferor Company are party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. The Transferee Company shall under the provisions of the Scheme be deemed to be authorised to execute any such writings on behalf of the Transferor Company and to implement or carry out all such formalities or compliance referred to above on the part of the Transferor Company to be carried out or performed.

5 CONSIDERATION

- 5.1 Upon the coming into effect of this Scheme and consequent to the amalgamation between the Transferor Company and the Transferee Company and the dissolution without winding up of the Transferor Company, 3,77,55,640 equity shares held by the transferor company in NRB will be cancelled and equivalent number of equity shares in NRB will be issued by NRB to the equity shareholders of the transferor company as consideration for the merger. The Transferee Company shall without any further application, act, instrument or deed, issue and allot 3,77,55,640 fully paid-up equity shares of the face value of Rs.2 /- (Two) each in NRB to the equity shareholders of the Transferor Company, on the Effective Date.

"3,77,55,640 (Three Crores Seventy Seven Lacs Fifty Five Thousand Six Hundred and Forty) fully paid up Equity Share of the face value of Rs.2 /- (Two) each in NRB to be issued and allotted to the equity shareholders of TSFHPL in proportion of their holdings in TSFHPL"

- 5.2 Upon the coming into effect of this Scheme and consequent to the amalgamation between the Transferor Company and the Transferee Company and the dissolution without winding up of the Transferor Company, NRB will issue Redeemable Non-Cumulative Preference shares to the preference shareholders of the transferor company as consideration for the merger. The Transferee Company shall without any further application, act, instrument or deed, issue and allot fully paid-up Redeemable Non-Cumulative Preference shares of the face value of Rs.10 /- (Ten) each in NRB to the Preference shareholders of the Transferor Company, on the Effective Date in the following proportion:

"1,11,000 (One Lac and Eleven Thousand) fully paid up Redeemable Non-Cumulative Preference shares of the face value of Rs.10 /- (Ten) each in NRB to be issued and allotted to the Preference Shareholders of TSFHPL, in proportion of their holdings in TSFHPL"

- 5.3 The key terms and conditions for the Preference Shares to be issued pursuant to Clause 5.2 above are specified in **Schedule 1** hereto
- 5.4 The Preference Shares to be issued pursuant to Clauses 5.2 above shall rank for dividend in priority to the equity shares of NRB, and shall, on winding up of NRB be entitled to rank, as regards repayment of capital upto the commencement of winding up, in priority to the equity shares of NRB.
- 5.5 It is hereby clarified that if prior to the Effective Date, the preference shares are redeemed by TSFHPL, then to that extent no consideration will be payable by NRB as per Clause 5.2 above and consequently, Clauses 5.2, 5.3 and 5.4 shall have no effect.
- 5.6 Any fraction arising on issue of Equity Shares as above will be rounded off to the nearest integer.
- 5.7 The Equity Shares to be issued by the Transferee Company pursuant to Clause 5.1 above shall be issued in dematerialized form by the Transferee Company, unless otherwise requested in writing by the shareholders of the Transferor Company.
- 5.8 The Equity Shares issued and allotted pursuant to the Clause 5.1 would be deemed to be issued and allotted from the Appointed Date for all purposes.
- 5.9 Equity Shares to be issued to the members of TSFHPL as above shall be subject to the Memorandum and Articles of Association of NRB and shall rank pari passu with the existing equity shares of NRB in all respects including dividends.
- 5.10 Upon New Equity Shares being issued and allotted by NRB to the shareholders of TSFHPL, in accordance with Clause 5.1 above, the share certificates in relation to the shares held by the said shareholders in NRB, if any, shall be deemed to have been cancelled and extinguished and be of no effect on and from such issue and allotment.
- 5.11 The New Equity Shares of NRB shall be listed on Stock Exchange(s) on which the shares of NRB are listed as on the Effective Date.
- 5.12 The Transferee Company shall, if and to the extent required, apply for and obtain any approvals from concerned regulatory authorities for the issue and allotment of Equity Shares to the members of the Transferor Company under the Scheme.
- 5.13 Approval of this Scheme by the shareholders of TSFHPL and NRB shall be deemed to be the due compliance of the provisions of Section 81(1A) and the other relevant and applicable provisions of the Act for the issue and allotment of New Equity Shares issued by NRB to the shareholders of TSFHPL, as provided in this Scheme. The Transferee Company shall take necessary steps to increase or alter or re-classify, if necessary, its Authorized Share Capital suitably to enable it to issue and allot the Equity Shares required to be issued and allotted by it under this Scheme.

6 ACCOUNTING TREATMENT IN THE BOOKS OF THE TRANSFeree COMPANY

- 6.1 With effect from the opening of business as on the Appointed Date, all the assets and liabilities appearing in the books of accounts of TSFHPL shall be recorded in the books of NRB at their respective book values.
- 6.2 The equity share capital of NRB, to the extent held by TSFHPL, shall stand cancelled and accordingly, the share capital of NRB shall stand reduced to the extent of face value of shares held by TSFHPL in NRB as on the Effective Date.
- 6.3 NRB shall credit to the equity share capital account in its books of account, the aggregate face value of the equivalent Equity shares and Preference Shares issued and allotted under clause 5 of the Scheme to the equity and preference shareholders of TSFHPL.
- 6.4 Reduction of share capital of NRB as provided in Clause 6.2 above shall be effected as a part of the Scheme, upon which the share capital of NRB shall be deemed to be reduced and the orders of the Courts sanctioning the Scheme shall be deemed to be an order under Sections 100 to 102 of the Act confirming such reduction of share capital of NRB.

7 CHANGE OF NAME OF TSFHPL TO TICPL

Trilochan Investments Company Private Limited ('TICPL'), Devinder Investments Company Private Limited ('DICPL'), Hanwantbir Investments Company Private Limited ('HICPL') has filed a Scheme of Amalgamation, hereinafter referred as 'initial scheme' before the High Court of Judicature at Bombay for amalgamation of the said Companies into TSFHPL. On and from sanction of the initial scheme and from the effective date of the initial scheme, the name of TSFHPL would be changed to TICPL. TSFHPL shall in this regards make necessary filing with the Registrar of Companies.

8 CONDUCT OF BUSINESS TILL EFFECTIVE DATE

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

- 8.1 The Transferor Company shall be deemed to have been carrying on and shall carry on their business and activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of all their properties and assets pertaining to the business and undertaking of the Transferor Company for and on account of and in trust for the Transferee Company. The Transferor Company hereby undertakes to hold its said assets with utmost prudence until the Effective Date.
- 8.2 The Transferor Company shall carry on its business and activities with reasonable diligence, business prudence and shall not, except in the ordinary course of business or without prior written consent of the Transferee Company alienate charge, mortgage, encumber or otherwise deal with or dispose of the Transferor Company or part thereof.
- 8.3 Where any of the liabilities and obligations of TSFHPL as on the Appointed Date transferred to NRB, have been discharged by TSFHPL after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of NRB.
- 8.4 All the profits or income accruing or arising to the Transferor Company or expenditure or losses arising or incurred or suffered by the Transferor Company pertaining to the business and undertaking of the Transferor Company shall for all purposes be treated and be deemed to be and accrue as the income or profits or losses or expenditure as the case may be of the Transferee Company.
- 8.5 The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to the Central/ State Government, and all other agencies, departments and authorities concerned as are necessary under any law or rules, for such consents, approvals and sanctions, which the Transferee Company may require pursuant to this Scheme.
- 8.6 Notwithstanding the Scheme becoming operative from the Appointed Date, TSFHPL and NRB shall continue to be responsible for all tax liabilities, duties or obligations in respect of any or all transactions done by them from the Appointed Date until the Effective Date under the tax statutes as applicable and TSFHPL and NRB shall continue to be treated as separate entities.

9 CONTRACTS, DEEDS, ETC.

- 9.1 Subject to the other provisions of this Scheme, all contracts, deeds, bonds, insurance, Letters of Intent, undertakings, arrangements, policies, agreements and other instruments, if any, of whatsoever nature pertaining to the Transferor Company to which the Transferor Company is party and subsisting or having effect on the Effective Date, shall be in full force and effect against or in favour of the Transferee Company, as the case may be, and may be enforced by or against the Transferee Company as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party thereto.

9.2 The Transferee Company shall enter into and / or issue and / or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations, to which the Transferor Company will, if necessary, also be party in order to give formal effect to the provisions of this Scheme, if so required or becomes necessary. The Transferee Company shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of the Transferor Company and to implement or carry out all formalities required on the part of the Transferor Company to give effect to the provisions of this Scheme.

10 SAVING OF CONCLUDED TRANSACTIONS

The transfer of properties and liabilities under Clause 4 above and the continuance of proceedings by or against the Transferor Company under Clause 10 above shall not affect any transaction or proceedings already concluded by the Transferor Company on and after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by the Transferor Company in respect thereto as done and executed on behalf of the Transferee Company.

11 DISSOLUTION OF THE TRANSFEROR COMPANY

On the Scheme becoming effective, the Transferor Company shall stand dissolved without being wound-up.

PART D

GENERAL

12 APPLICATION TO HIGH COURT

The Transferor Company and the Transferee Company shall with all reasonable dispatch make all necessary applications under Sections 391 to 394 of the Act and other applicable provisions of the Act to the High Court for seeking approval of the Scheme and for the dissolution of TSFHPL without being wound up.

13 MODIFICATION OR AMENDMENTS TO THE SCHEME

The Transferor Company and the Transferee Company by their respective Boards of Directors (‘the Board, which term shall include Committee thereof), may assent to / make and / or consent to any modifications / amendments to the Scheme or to any conditions or limitations that the Courts and / or any other Authority under law may deem fit to direct or impose, or which may otherwise be considered necessary, desirable or appropriate as a result of subsequent events or otherwise by them (i.e. the Board). The Transferor Company and the Transferee Company by their respective Board are authorised to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whatsoever for carrying the Scheme into effect, whether by reason of any directive or Orders of any other authorities or otherwise howsoever, arising out of or under or by virtue of the Scheme and / or any matter concerned or connected therewith.

14 CONDITIONALITY OF THE SCHEME

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

14.1 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 the Transferor Company and the Transferee Company as may be directed by the High Court.

14.2 The sanction of the High Court of Judicature at Bombay or any other authority under Sections 391 to 394 of the Act in favour of the Transferor Company and the Transferee Company under the said provisions and to the necessary Orders under Section 394 of the said Act being obtained and the same being filed with the Registrar of Companies.

15 EFFECT OF NON-RECEIPT OF APPROVALS

In the event of any of the said sanctions and approvals referred to in the preceding Clause not being obtained and / or the Scheme not being sanctioned by the Bombay High Court or such other competent authority and / or the Order not being passed as aforesaid before December 31, 2011 or within such further period or periods as may be agreed upon between the Transferor Company and the Transferee Company by their Boards of Directors (and which the Boards of Directors of the Company are hereby empowered and authorised 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.

16 COSTS, CHARGES & EXPENSES

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 by the Transferor Company and / or its shareholders. No cost, charges or expenses pertaining to the scheme shall be borne by the Transferee Company.

SCHEDULE – 1

KEY TERMS AND CONDITIONS FOR ISSUE OF PREFERENCE SHARES

Issuer	NRB Bearings Limited
Instrument	Redeemable Non Cumulative Preference Shares
Face value	Rs. 10/- per Preference Share
Coupon Rate	0.1% per annum non cumulative
Redemption	To be redeemed at par at the end of 20 years from the date of allotment
Call Option	NRB will have an option to redeem the Preference Shares at any time after the end of 3 (Three) months from the date of allotment. If NRB exercises its call option, it will pay the amount of the face value of the Preference Shares and also dividend declared, if any, up to the date on which it exercises the call option. In case NRB exercises the call option, its liability to the preference shareholders shall stand extinguished from the date of dispatch of the cheques / pay order for the redemption amount, along with dividend, if any.

**IN THE HIGH COURT OF JUDICATURE AT BOMBAY ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY SUMMONS FOR DIRECTION NO. 499 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 Amalgamation and Arrangement
between
Trilochan Sahney Finance and Holdings Private Limited
(‘TSFHPL’ or ‘the Transferor Company’)
And
NRB Bearings Limited (‘NRB’ or ‘the Transferee 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/herof as my/our proxy, to act for me/us at the meeting of the Members to be held at Indian Merchant Chambers, IMC Building, IMC Marg, Churchgate, Mumbai – 400020 on Monday, 26th September, 2011 at 3.00 p.m. for the purpose of considering and, if thought fit, approving, with or without modification, the proposed Scheme of Amalgamation and Arrangement between Trilochan Sahney Finance and Holdings Private Limited and NRB 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 latter case strike out the words “either with or without modifications” before the word “arrangement”) the said Scheme of Amalgamation and 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.....

Signature

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 MONDAY, 26TH SEPTEMBER, 2011

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 August 20, 2011 of the Hon'ble High Court of Judicature of Bombay, held at Indian Merchant Chambers, IMC Building, IMC Marg, Churchgate, Mumbai - 400020 on Monday, 26th September, 2011 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.

BLANK

NRB BEARINGS LIMITED

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

NOTICE OF THE EXTRA ORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting of the Members of NRB Bearings Limited will be held at Indian Merchant Chambers, IMC Building, IMC Marg, Churchgate, Mumbai – 400020 on Monday, 26th September, 2011 at 5.00 p.m. on or immediately after the conclusion of the Court Convened Meeting of the Members, whichever is later, to be held on the directions of the Hon'ble Bombay High Court for approving the Scheme of Amalgamation and Arrangement under Sections 391 to 394 read with Sections 100 – 103 of the Companies Act, 1956 between Trilochan Sahney Finance and Holdings Private Limited and NRB Bearings Limited and their respective shareholders and Creditors for the purpose of transacting the following Special Resolution:

SPECIAL BUSINESS:

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

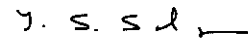
"RESOLVED THAT, pursuant to the provisions of Sections 100 to 103 and other applicable provisions, if any, of the Companies Act, 1956, Article 6 of the Articles of Association of the Company and subject to the sanction of Scheme of Amalgamation and Arrangement between Trilochan Sahney Finance and Holdings Private Limited and NRB Bearings Limited and their respective shareholders and Creditors by the Hon'ble High Court of Judicature at Bombay under Sections 391 to 394 read with Sections 100 to 103 of the Companies Act, 1956, the issued, subscribed and paid up equity share capital of Rs. 19,38,45,200 (Rupees Nineteen Crore Thirty Eight Lacs Forty Five Thousand Two Hundred Only) divided into 9,69,22,600 Equity Shares of Rs 2/- each, shall stand cancelled and reduced by Rs. 7,55,11,280 (Rupees Seven Crore Fifty Five Lacs Eleven Thousand Two Hundred and Eighty) divided into 3,77,55,640 fully paid up equity shares of Rs. 2/- each."

RESOLVED FURTHER that for the purpose of giving effect to the above Resolution and for removal of any difficulties or doubts, the Board of Directors of the Company (hereinafter referred to as 'the Board', which term shall be deemed to include any Committee or person, which the Board may constitute/ nominate to exercise its powers conferred under this Resolution) be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient, usual or proper."

Note:

- (a) The relative Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of the business set out above is annexed hereto.
- (b) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY AT ITS REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE MEETING.

By order of the Board of Directors



Director

Mumbai, 23rd August, 2011

Registered office:

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

EXPLANATORY STATEMENT

The following Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 ('the Act'), for the accompanying notice is as under:

1. The Board of Directors of NRB Bearings Limited ('NRB' or 'the Company') in their meeting held on 19th day of April, 2011 have approved the Scheme of Amalgamation and Arrangement between Trilochan Sahney Finance and Holdings Private Limited ('TSFHPL' or 'the Transferor Company') and NRB Bearings Limited ('NRB' or 'the transferee Company') and their respective shareholders and creditors ('the Scheme').
2. The proposed Scheme provides for the merger of TSFHPL with the Company.
3. TSFHPL holds 3,77,55,640 fully paid-up equity shares in the NRB. Pursuant to the merger of TSFHPL into the Company, these equity shares would get cancelled and equivalent number of fresh equity shares would be allotted.
4. Since the merger would result in reduction of equity share capital of the Company, the approval of the equity shareholders by a Special Resolution would be required in terms of Section 100 of the Companies Act, 1956.
5. The proposed restructuring will not cause any prejudice to the creditors of the Company since it does not involve any financial outlay/outgo on the part of the Company. For the sake of clarity, it is specified that the reduction of capital does not involve either the diminution of any liability in respect of unpaid capital or the payment to any shareholder of any paid-up capital. Further, the proposed restructuring would not in any way adversely affect the ordinary operations of the Company or the ability of the Company to honor its commitments or to pay its debts in the ordinary course of business.
6. The above restructuring will have no impact on the shareholding pattern and the capital structure of the Company. The pre and post restructuring capital structure and shareholding pattern of the Company is as under:

**Shareholding pattern as per Clause 35
of the Listing Agreement as on June 30, 2011**

Pre - Amalgamation

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	18	33,147,705	21,530,705	34.20	34.20	0	0
Central Government / State Government(s)	0	0	0	0.00	0.00	0	0
Bodies Corporate	3	3,77,55,640	3,77,55,640	38.95	38.95	0	0
Financial Institution / Banks	0	0	0	0.00	0.00	0	0
Sub Total (A)(1)	21	70,903,345	59,286,345	73.15	73.15	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)	21	70,903,345	59,286,345	73.15	73.15	0	0
(B) Public Shareholding							
(1) Institutions							
Mutual Funds / UTI	7	4,707,511	4,700,511	4.86	4.86	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	0
Foreign Institutional Investors	6	76,40,200	76,40,200	7.88	7.88	0	0
Sub Total (b)(1)	15	12,353,511	12,353,511	12.75	12.75	0	0
(2) Non-Institutions							
Bodies Corporate	281	6,396,100	6,392,100	6.60	6.60	0	0
Individuals							
Individual shareholders holding nominal share capital up to Rs. 1 lakh	9,456	6,533,289	5,912,029	6.74	6.74	0	0
Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	3	486,542	486,542	0.50	0.50	0	0
Any Others (Specify)	228	249,813	249,813	0.26	0.26	0	0
Clearing members	81	57486	57486	0.06	0.06	0	0
Trust	1	10,000	10,000	0.01	0.01	0	0
NRIs / OCBs	145	181,927	181,927	0.19	0.19	0	0
Foreign Nationals	1	400	400	0.00	0.00	0	0
Sub Total (B)(2)	9,968	13,665,744	13,040,484	14.10	14.10	0	0
Total Public shareholding (B)=(B)(1)+(B)(2)	9,983	26,019,255	25,386,995	26.85	26.85		
Total (A)+(B)	10,004	96,922,600	84,673,340	100.00	100.00	0	0

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
(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)	10,004	96,922,600	84,673,340	100.00	100.00	0	0

Post – Amalgamation
Shareholding pattern as per Clause 35
of the Listing Agreement as on June 30, 2011

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	18	33,147,705	21,530,705	34.20	34.20	0	0
Central Government / State Government(s)	0	0	0	0.00	0.00	0	0
Bodies Corporate	0	0	0	0	0	0	0
Trust	1	3,77,55,640	3,77,55,640	38.95	38.95	0	0
Financial Institution / Banks	0	0	0	0.00	0.00	0	0
Sub Total (A)(1)	19	70,903,345	59,286,345	73.15	73.15	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)	19	70,903,345	59,286,345	73.15	73.15	0	0
(B) Public Shareholding							
(1) Institutions							
Mutual Funds / UTI	7	4,707,511	4,700,511	4.86	4.86	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	0
Foreign Institutional Investors	6	76,40,200	76,40,200	7.88	7.88	0	0
Sub Total (b)(1)	15	12,353,511	12,353,511	12.75	12.75	0	0
(2) Non-Institutions							
Bodies Corporate	281	6,396,100	6,392,100	6.60	6.60	0	0
Individuals							
Individual shareholders holding nominal share capital up to Rs. 1 lakh	9,456	6,533,289	5,912,029	6.74	6.74	0	0
Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	3	486,542	486,542	0.50	0.50	0	0

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
Any Others (Specify)	228	249,813	249,813	0.26	0.26	0	0
Clearing members	81	57486	57486	0.06	0.06	0	0
Trust	1	10,000	10,000	0.01	0.01	0	0
NRIs / OCBs	145	181,927	181,927	0.19	0.19	0	0
Foreign Nationals	1	400	400	0.00	0.00	0	0
Sub Total (B)(2)	9,968	13,665,744	13,040,484	14.10	14.10	0	0
Total Public shareholding (B)=(B)(1)+(B)(2)	9,983	26,019,255	25,386,995	26.85	26.85	0	0
Total (A)+(B)	10,002	96,922,600	84,673,340	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)	10,002	96,922,600	84,673,340	100.00	100.00	0	0

7. The Directors recommend the resolution for acceptance by the Shareholders.
8. None of the Directors of the Company are interested in the proposed Resolutions.

By order of the Board of Directors

J. S. S. J.

Director

Mumbai, 23rd August, 2011

Registered office:

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

NRB BEARINGS LIMITED

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

FORM OF PROXY

I/We, the undersigned Equity Shareholder/s of NRB Bearings Limited hereby appoint Mr./Ms. of or failing him/her, Mr./Ms. of as my/our proxy, to act for me/us at the meeting of the Equity Shareholders of the Company to be held at Indian Merchant Chambers, IMC Building, IMC Marg, Churchgate, Mumbai - 400020 on Monday, 26th September, 2011 at 5:00 p.m. or immediately after the conclusion of the Court Convened Meeting of the Members, whichever is later, for the purpose of considering, and, it thought fit, approving with or without modification, the resolutions as set forth in the Notice and at such meeting and at any adjournment or adjournments thereof, to vote for me/us and in my/our name (here if for, insert "for" if against, insert "against" and in the latter case, strike out the words either 'with or without modification' before the word resolutions), the said resolutions as my/ our proxy may approve.

Dated this....., 2011

Name

Address

Folio No. DP ID No.

Client ID No. Signature

**Affix
revenue
stamp**

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.
- 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

Name of the Equity Shareholder/ proxy holder:

I/We hereby record my/our presence at the EXTRAORDINARY GENERAL MEETING of the Equity Shareholders of the Company to be held at Indian Merchant Chambers, IMC Building, IMC Marg, Churchgate, Mumbai - 400020 on Monday, 26th September, 2011 at 5:00 p.m. or immediately after the conclusion of the Court Convened Meeting of the Members, whichever is later

Dated this 26th September, 2011

Signature of the Attending Member / Proxy :

NOTE:

1. Equity Shareholder/ proxy holder(s) are requested to bring the Attendance slip with them when they come to the meeting and hand it over at the gate after affixing their signature on it.

BOOK-POST



NRB BEARINGS LIMITED

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