

**SYNOPSIS OF THE SCHEME OF ARRANGEMENT BETWEEN NRB BEARINGS LTD (NRB) AND NRB INDUSTRIAL BEARINGS LTD (NIBL) AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS**

1. NIBL is a wholly owned subsidiary of NRB and has been incorporated to carry on 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 their operations. The re-structuring proposed under the Scheme is expected to unlock shareholders' value and create long time value for all the other stakeholders.
2. Pursuant to the Scheme, there would be no change in the equity shareholding of NRB. The promoters and public would continue to hold the same percentage of equity shares in NRB, pre and post the demerger of the Industrial Bearings Undertaking of NRB into NIBL. All costs, charges, taxes, including duties, levies and all other expenses, if any of the implementation of the scheme would be borne as mutually agreed by the Boards of NRB and NIBL. The stamp duty levy pursuant to the transfer of the Industrial Bearings Undertaking to NIBL pursuant to the scheme and other consequential matters shall only be borne by NIBL.
3. The Scheme has become effective on 1<sup>st</sup> October,2012 with the same Appointed date. In consideration of the transfer and vesting of the Industrial Bearings Undertaking of NRB in NIBL, as an integral part of the 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 shares of NIBL of Rs.2/- each fully paid up."

Illustration: A shareholder holding 100 equity shares in NRB would be entitled to 25 equity shares in NIBL.

The entire existing issued, subscribed and paid-up share capital of Rs.5 lacs of NIBL held by NRB shall stand cancelled upon allotment of shares pursuant to the scheme. There is no public shareholding. This has been provided under clause 7.13.1 of the scheme.

4. The Scheme has been approved by the requisite majorities in number and value of such classes of persons including the members of NRB and NIBL as directed by the High Court. The Scheme has been sanctioned by the High Court of Judicature at Bombay under sections 391 to 394 read with sections 100 to 103 and other applicable provisions of the Act on 24<sup>th</sup> August,2012. Certified true copies of the orders of the High Court Bombay sanctioning the Scheme have been filed with the Registrar of Companies, Maharashtra at Mumbai by NRB and NIBL on 25<sup>th</sup> September,2012.
5. In respect of fractional entitlements if any, on issuance of equity shares by NIBL to the equity shareholders of NRB, the same shall be rounded 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 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 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.

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For NRB BEARINGS LIMITED**

*Shriyan*  
**SECRETARY**