

MEMORANDUM
AND
ARTICLES OF ASSOCIATION
OF
NRB BEARINGS LIMITED

No. 13251.

**CERTIFICATE OF CHANGE OF NAME
UNDER THE COMPANIES ACT, 1956.**

In the matter of NRB BEARINGS LIMITED.
(Section 43A deemed public company).

I do hereby certify that pursuant to the provisions of section
23 of Companies Act, 1956 and the Special Resolution passed
by the Company u/s. 31 & 44 of the Act held
at its ~~XXXXX~~ Extra-Ordinary General Meeting 7
on the 10th December 1994

the name of
NRB Bearings Limited
(Section 43A deemed public company)
has this day been changed to " NRB BEARINGS LIMITED
(full fledged public limited Co.)

And that the said company has been duly incorporated as
a company under the provisions of the said Act.

Dated this TENTH day of FEBRUARY, 1995
One thousand nine hundred and ninety ~~XXXX~~ Five.



S.P. Kamble
(S.P. KAMBLE).
Addl. Registrar of Companies
Maharashtra, Bombay

No. 11-13251

FRESH CERTIFICATE OF INCORPORATION
CONSEQUENT ON CHANGE OF NAME

IN THE OFFICE OF THE REGISTRAR OF COMPANIES, MAHARASHTRA,
BOMBAY.

In the matter of * NEEDLE ROLLER BEARING COMPANY LTD.

I hereby approve and signify in writing under
Section 21 of the Companies Act, 1956 (Act I of 1956)
read with the Government of India, Department of Company
Affairs, Notification No.C.S.R.507B dated the 24th June
1935 the change of name of the company from

NEEDLE ROLLER BEARING COMPANY LIMITED.

to NRB BEARINGS LIMITED.

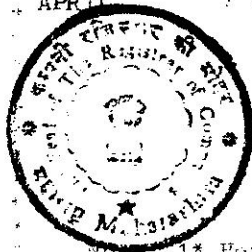
and I hereby certify that NEEDLE ROLLER BEARING COMPANY
LIMITED.

which was originally incorporated on THIRTIETH day
of JUNE 1965 under the ** COMPANIES Act,
1956 and under the name NEEDLE ROLLER BEARING COMPANY LTD.

having duly passed the necessary resolution in terms
of section 21/22(1)(a)22(1)(b) of the Companies Act, 1956
the name of the said company is this day changed to
NRB BEARINGS LIMITED. ..

and this certificate is issued pursuant to section 23(1)

GIVEN UNDER MY HAND AT BOMBAY THIS SEVENTEENTH DAY OF
APRIL 1990 (One thousand nine hundred ninety)



(R. AGHORAMURTHY)

REGISTRAR OF COMPANIES,
MAHARASHTRA, BOMBAY.

* Here give the name of the company as
existing prior to change.

2** Here give the name of the Act(s) under
which company was originally registered
and incorporated.



Form I. R.

CERTIFICATE OF INCORPORATION

No. 13251 of 1965-66.

I hereby certify that NEEDLE ROLLER BEARING COMPANY
REXARK LIMITED*

ASSISTANT REGISTRAR OF COMPANIES, BOMBAY

is this day incorporated under the Companies Act, 1956 (No. 1 of 1956)
and that the Company is Limited.

Given under my hand at BOMBAY

this THIRTIETH day of JUNE

One thousand nine hundred and SIXTY FIVE (9th Jyaishta,
1987)



K. K. DUTT
(C. K. DUTT)

Registrar of Companies,
MAHARASHTRA.

J. S. C. P.
MGIPFC-5756-MAHARASHTRA-517-7-9-63-5,000

MEMORANDUM OF ASSOCIATION

OF

NRB BEARINGS LIMITED

- I. The name of the Company is "NRB BEARINGS LIMITED"
- II. The Registered Office of the Company will be situated in the State of Maharashtra.
- III. The objects for which the Company is established are:-
 - (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, spare 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, bras 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.
- (7) To enter into contracts, agreements and arrangements with any other company for the carrying out by such other company on behalf of the Company of any of the objects for which the Company is formed.
- (8) To enter into any arrangements or contracts with the government of India or with any State Government or with any Indian or foreign government, authorities, supreme, municipal, local or otherwise or with any person, that may seem conducive to the Company's objects or any of them, and to apply for and obtain and to purchase or otherwise acquire from any such Government, State Government, authority or persons, any rights, powers, privileges, licences, decrees, sanctions, grants and concessions whatsoever (whether statutory or otherwise) which the Company may think it desirable to obtain and acquire and to carry out, exercise and comply with any such arrangement, rights, powers, privileges, licences, decrees, sanctions, grants and concessions.
- (9) To carry on business as importers, exporters, buyers, and sellers of and merchants, and dealers in and manufacture of merchandise, goods, materials and machinery of all kinds, spare parts, accessories and equipments.
- (10) To repair, alter, remodel, clean, renovate, convert, manipulate and prepare for resale and resell any goods from time to time belonging to the Company.
- (11) to buy, sell, manufacture, repair, alter, improve, exchange, let on hire, import, export, sell on hire-purchase system and deal in all works, plant, machinery, tools, utensils, appliances, apparatus, products, materials, substances, articles and things necessary or useful for carrying on any of the business of the Company or capable of being used in any business which the Company is competent to carry on or are required by any customers of or persons engaged in any such business or which may seem capable of being profitably dealt with in connection therewith and to manufacture, experiment with, render marketable and deal in all products or residual and by-products or residual and by-products incidental to or obtained in any of the business carried on by the Company.
- (12) To act as agents and brokers for sellers, buyers, exporters, importers, manufacturers, merchants, tradesmen, insurers and others and generally to undertake and carry out agency work of all or any kind whatsoever and transact all manner of agency and commission business.
- (13) To act as stockists, commission agents, manufacturers' representatives or agents, selling and purchasing agents, indenting agents, distributors, brokers, trustees, attorneys and subject to the provisions of the Companies Act, 1956, secretaries and treasurers or managing agents for any other person, firm or body corporate.

- (14) To acquire patents or any interest in the patents either in India or in any other part of the world as are necessary or required for the business of the Company.
- (15) To register these patents and such other patents as the company require.
- (16) To manufacture and produce and trade and deal in all machinery, plant, articles, appliances and things capable of being manufactured, produced or traded in by virtue of or in connection with the patents.
- (17) to carry on any other trade or business, which may seem to the Company capable of being carried on in connection with any of the Company's objects, or calculated directly or indirectly to enhance the value of or render profitable any of the Company's property or rights which may be subsidiary or auxilliary to any of the Company's objects.
- (18) to employ experts to investigate and examine the condition, prospects, value, character and circumstances of any business concerns and undertakings and generally of any assets, property or rights.
- (19) to register apply for, purchase or otherwise acquire, sell, let, grant or turn to account any patents, brevets d'invention, concessions, licences, inventions, trade-marks, copyrights, rights or privileges, subject to royalty or otherwise and whether exclusive or non-exclusive or limited, or any part or interest in such patents, brevets d'invention, concessions, licences, inventions, trademarks, copyrights, rights and privileges, whether in India or in any other part of the world and to manufacture and produce or trade and deal in all machinery, plant, articles, appliances and things capable of being manufactured, produced or traded in by virtue of or in connection with such patents, brevets, d'invention, concessions, licences, inventions, trade-marks, copyrights, rights or privileges as aforesaid.
- (20) To promote or join in the promotion of any company or companies for the purpose of acquiring all or any of the property, rights and liabilities of this Company, or for any other purpose which may seem directly or indirectly calculated to benefit this Company and to underwrite shares and securities therein.
- (21) To control or acquire the whole or any part of the business property and liabilities of any undertaking, company, association, firm or individual, which may seem capable of being carried on in connection with the objects of the Company or calculated directly or indirectly to enhance the value of or render profitable, any of the Company's property or rights or benefit the Company in any way (except life insurance business within the meaning of the Insurance Act as amended from time).
- (22) to enter into partnership or into any arrangement for sharing profits or loses for any union of interest, co-operation, collaboration, joint venture, reciprocal concession, amalgamation or otherwise, with any person, firm or company carrying on, or engaged in, or about to carry on, or engage in or being authorised to carry on, or engage in any business or transaction which the Company is authorised to carry on or engage in, or in any business or

transaction capable of being conducted so as directly or indirectly to benefit this Company.

- (23) To purchase, taken on lease or in exchange, hire or otherwise acquire any immoveable or moveable property and any rights or privileges which the Company may think necessary or convenient for the purposes of its business and in particular any land, buildings, easements, machinery, plant and stock-intrade; and either to retain any property so acquired for the purposes of the company's business or to turn the same to account as may seem expedient.
- (24) To obtain on lease, licence, buy, acquire, or let, sell, land and buildings or to build and construct, maintain and alter buildings for offices or residence of the employees, directors and visitors of the Company or for any other purpose as may seem fit.
- (25) To invest and deal with the moneys of the Company in such manner as may from time to time be determined.
- (26) to underwrite, acquire, take up and hold shares, stocks, debentures, debenture-stock, bonds, obligations and securities issued or guaranteed by any company constituted or carrying on business in India or in any foreign country; and debentures, debenture-stock, bonds, obligations, and securities issued by any Government, sovereign Ruler, Commissioners, public body or authority, supreme, municipal, local or otherwise, whether at home or abroad.
- (27) To acquire any such shares, stocks, debentures, debenture-stock, bonds, obligations or securities by original subscription, tender, purchase, exchange or otherwise, and to subscribe for the same, either conditionally or otherwise and to guarantee the subscription thereof and to exercise and enforce all rights and powers conferred by or incident to the ownership thereof.
- (28) To purchase or otherwise acquire, sell, exchange, lease, mortgage, charge, convert, turn to account, manage, develop, dispose off or otherwise deal with all or any part of the property and rights of the Company for the time being.
- (29) To advance and lend money, either with or without security and generally to such persons and upon such terms and conditions as the Board of Directors of the Company may think fit and also to persons undertaking to build on or improve any property in which the Company is interested and to tenants, builders and contractors.
- (30) To advance, deposit or lend money, securities and property to or with; such persons or companies and on such terms with or without security as may seem expedient and in particular to customers and others having dealings with the Company and to guarantee the performance of contracts by the obligations of any persons or companies and to give all kinds of indemnities.
- (31) To draw, make, accept, endorse, warrant, discount, buy, sell and deal in bills, notes, coupons of debentures, cheques and other negotiable or transferable securities or instruments but not to carry on the business of banking within the meaning of the Banking Companies Act, 1949.

- (32) To receive moneys, securities and valuables of all kinds on deposit, at interest or otherwise or for custody and generally to carry on the business of a sage deposit company.
- (33) To issue debentures, debenture-stocks, bonds, obligations and securities of all kinds, and to grame, constitute and secure the same, as may seem expedient to the Board of directors of the Company with full power to make the same transferable by delivery or by instrument of transfer or otherwise, and either perpetual or terminable and either redeemable or otherwise on the undertaking of the Company or upon specific property and rights, present and future, of the Company (including its uncalled capital) or otherwise howsoever.
- (34) To borrow or raise money or to receive money or deposits at interest or otherwise in such manner as the Board of directors of the Company may think fit and in particular by the issue of debentures or debenture-stock, perpetual, or otherwise, including debentures or debenture-stock, convertible into shares of this Company or perpetual annuities and as security for any such money so borrowed, raised or received, to mortgage, pledge or charge the whole or any part of the property, assets and revenue of the Company, present and future, by special assignment or otherwise, and to transfer or convey the same absolutely or in trust and to give the lenders power of sale and other powers as may seem expedient to the Board of Directors of the Company and to purchase, redeem or pay of any such securities.
- (35) To open accounts or account with any person, firm or company or with any bank or banks or shroffs and to pay into and to withdraw money from such account or accounts and otherwise operate thereon.
- (36) To insure the whole or any part of the properties, undertakings, contracts, guarantee or obligations of the Company of every nature and kind in any manner whatsoever. Either fully or partially to protect and indemnify the Company from liability or loss in any respect either fully or partially and also to insure and to protect and to indemnify any part or portion thereof either on mutual principle or otherwise.
- (37) To create any depreciation fund or reserve, reserve fund, sinking fund, insurance fund and/or any other special funds or reserves, whether for depreciation or for repairing, improving, extending or maintaining any of the property or of the Company or for utilising it for any other purposes of or conducive to the interest of the Company and to utilise all such funds or reserves for such purposes as the Board of Directors of the Company think fit.
- (38) To pay, satisfy or compromise any claims made against the company, which it may seem expedient to the Board of Directors of the Company to pay, satisfy or compromise notwithstanding that the same may not be valid in law.
- (39) to refer or agree or refer any claims, demands, disputes, or any other question, by or against the Company or in which the Company is interested or concerned and whether between the Company and a member or members or his or their representatives, or between the Company and third parties, to arbitration in India or at any place outside India and to observe and perform and to do all acts, deeds, matters and things to carry out and enforce the awards.

- (40) to guarantee the fidelity of persons filling or about to fill situations of trust or confidence, and the due performance and discharge by such persons of all or any of the duties and obligations imposed on them by contract or otherwise.
- (41) To guarantee the payment of money unsecured or secured by or payable under or in respect of debenture bonds, debenture-stock, contracts, mortgages, charges, obligations and securities of any company or of any authority, supreme, municipal, local or otherwise, or of any person wheresoever whether corporate or incorporate.
- (42) To furnish and provide deposits and guarantee funds required in relation to pay tender or application for any contract, concession, decree, enactment, property or privileges or in relation to the carrying out of any contract, concession, decree or enactment.
- (43) to establish, provide, maintain and conduct or otherwise subsidise research laboratories and experimental workshops for scientific and technical research and experiments; to undertake and carry on scientific and technical researches, experiments and tests of kinds; to promote studies and researches, both scientific and technical, investigations and inventions by providing, subsidising and endowing or assisting laboratories, workshops, libraries, lectures, meetings and conferences and by providing or contributing to the remunerations of scientific or technical professors or teachers and by providing or contributing to the award of scholarships, prizes, grants to students or otherwise and generally to encourage, promote and reward studies, researches, investigations, experiments, tests and inventions of any kind that may be considered likely to assist any business which the Company is authorised to carry on.
- (44) To adopt such means of making known the business of the Company as may seem expedient, and in particular by entertaining, advertising in the press, by circulars, by purchase and exhibition of works of art or interest, by publication of books and periodicals, and by granting prizes, rewards and donations.
- (45) To give donations or gifts to person or persons and to subscribe or continue or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national, public, political or other institutions or objects which shall have any moral or other claims to support or aid by the Company either by reason of locality of operation or of public and general utility or otherwise. Provided however in case of any such donation, subscription, contribution made or given, and in particular to any political party or to any one for any political purpose, the said donation, subscription or contribution shall be subject to and in accordance with the provisions of any law for the time being in force and applicable thereto.
- (46) To remunerate or make donations (by cash or other assets or by the allotment of fully or partly paid shares, or by a call or option on shares, debentures, debenture-stock or securities of this or any other company or in any other manner, whether out of the Company's capital or profits, or otherwise) to any person or persons for services rendered, to be rendered in introducing any property or business to the Company, or in placing or assisting to place or guaranteeing the subscription of any shares, debentures, debenture-stock or other securities of the Company, or for any other securities of the Company, or for any other reason which the Company may think proper.

- (47) to pay all the costs, charges and expenses of an incidental to the promotion, formation, registration and establishment of the Company and the issue and subscription of its capital including any underwriting or other expenses attending the issue of any circulars or notices and the printing, stamping, circulating of proxies and all forms to be filled up by the members of the Company.
- (48) to remunerate, any person, firm or company for services rendered or to be rendered in placing or assisting to place or guaranteeing the placing of shares in the Company's capital or of any debentures, debenture-stock, or otherwise securities of the Company or in or about the formation, promotion, establishment or registration of the Company or the conduct and management, expansion and otherwise of its business.
- (49) to remunerate the servants of the Company and others for services rendered and also out of and in proportion to the profits of the Company or otherwise as may be thought fit.
- (50) to provide for the welfare of Directors of Ex-Directors or employees or ex-employees of the Company or the wives, widows and families of the dependents or connections of such persons in any manner including by building or contribution to the building of houses, swellings, quarters or chawls or by grants of money, pensions, gratuities, allowances, bonuses or any other payments or by creating and from time to time subscribing or contributing to provident and other associations, institutions, funds or trusts and providing or subscribing towards places of instruction and recreation, hospitals and dispensaries, medical and other attendances and assistance as the Board of directors of the Company shall think fit.
- (51) To sell, lease, grant licenses, easements and other rights over and in any other manner deal with or dispose off the whole or any part of the undertaking or of any of the undertakings of the company or any business, property, rights or assets of the Company or any shares or interest therein in such manner and for such considerations as may seem fit and in particular for shares, debentures or securities of any other Company.
- (52) to amalgamate with any other company whose objects are or include objects similar to those of this Company, whether by sale or purchase (for fully or partly paid-up shares or otherwise) of the undertaking subject to the liabilities of this or any such other company as aforesaid, with or without winding up or by sale or purchase (for fully or partly paid-up shares or otherwise) of all or controlling interest in the shares or stock of this or any such other company as aforesaid or in any other manner.
- (53) to establish and maintain and to discontinue offices and agencies or branches in any part of the world for the purposes of efficient and profitable working of the Company's business.
- (54) to carry on at such place or places anywhere in the world as the Board of Directors of the Company may from time to time determine all or any the business of the Company.

- (55) To procure the Company to be registered or recognised in any foreign country or place.
- (56) to obtain any order of Government or Judiciary for enabling the Company to obtain all powers and authorities necessary or expedient to carry out or extend any of the objects of the Company or for any other purpose which may seem expedient and to oppose any proceedings or application which may seem calculated directly or indirectly to prejudice the Company's interest.
- (57) to do all or any of the above things and all such other things in any part of the world as the directors think fit and as principals, agents, contractors, trustees or otherwise, and by or through trustees, agents or otherwise and either alone or in conjunction with other and to do all such other things as are incidental or conducive to the attainment of the above objects or any of them.

And it is hereby declare that the word "Company" in this clause shall be deemed to include any partnership or other body of persons whether incorporate or not, and whether domiciled in India or elsewhere and the intention is that the object act forth in any sub-clause of this clause shall receive the widest construction and that the objects set forth in each sub-clause of this clause shall be independent and shall be in nowise limited or restricted by a reference to or inference from the terms of any other sub-clause or by the name of the Company. None of such sub-clauses or the objects therein specified or the powers thereby conferred shall be deemed subsidiary or auxiliary merely to the objects mentioned in the first sub-clause of this clause, but the Company shall have full power to exercise all or any of the powers conferred by any part of this clause in any part of the world and notwithstanding that the business, undertaking, property or acts, proposed to be transacted, acquired, dealt with or performed do not fall within the objects of the first sub-clause of this clause.

IV. The liability of the members is limited.

- V. *The Authorised Share Capital of the Company is Rs.40,00,00,000 (Rupees Forty Crores only) divided into 20,00,00,000 (Twenty Crores only) Equity Shares of Rs.2/- (Rupees Two only) each with the rights, privileges and conditions attaching thereto as are provided in the Articles of Association of the company with power to increase or reduce or repay the capital or any portion thereof at any time and from time to time in accordance with the Articles of the Company and the legislative provisions for the time being in that behalf. The shares in the Capital of the Company for the time being whether original or increased may be divided, consolidated and sub-divided into several classes by any issue of any class, of any value, with such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company and with the right to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time be provided by the Articles of Association of the Company.

*Altered by passing Ordinary resolution at the Annual General Meeting held on 11th September 2025.

We, the several persons whose names, addresses and descriptions are hereunto subscribed, are desirous of being formed into a Company in accordance with and in pursuance of this Memorandum of Association and we respectively agree to take the number of shares in the capital of the Company set opposite to our respective names.

Name of Subscriber	Address and Description or Occupation of Subscriber	Number of Shares taken by each subscriber	Signature of Subscriber	Signature of Witness with Address, Description and Occupation
HANWANT BIR KAUR SAHNEY wife of TRILOCHAN SINGH SAHNEY	71, Chitrakoot, Altamount Road, Bombay-26 Busines	FOUR EQUITY		
TRILOCHAN SINGH SAHNEY Son of SANT SINGH SAHNEY	Akashdeep, French Bridge, Bombay-7 Busines	FOUR EQUITY		Sd/- R M Chokshi Son of Manilal Chokshi Chartered Accountants 7, India House, Opp.GPO Bombay-1
SUSHIL KANTA CHAKRAVARTY Son of DHARANI KANTA CHAKRAVARTY	Vital Niwas, 100 Walkeshwar Road, Bombay-6 Business	ONE EQUITY		
MOHAN SHARMA Son of CHHAGALAL SHARMA	Vimlanand K Hall, Saraswat Colony, Santacruz Bombay-54 Business			

Dated this 1st day of June 1965

These Articles of Association were adopted as the Articles of Association of the Company by special resolution passed by the Company on April 26, 2019 through postal ballot.

THE COMPANIES ACT, 2013

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

NRB BEARINGS LIMITED

1. (i) In these regulations:
 - (a) **“Act”** means the Companies Act, 2013, as amended from time to time;
 - (b) **“Articles”** shall mean these articles of association of the Company;
 - (c) **“Company”** shall mean NRB Bearings Limited;
 - (d) **“Memorandum”** shall mean the memorandum of association of the Company, as amended from time to time;
 - (e) **“Seal”** means the common seal of the company; and
 - (f) **“TSS Trust 1”** means the Trilochan Singh Sahney Trust 1, a trust governed by the Indian Trusts Act, 1882 and having its office at 13, Shangri-la, 27A, Carmichael Road, Mumbai – 400 026, and shall also be deemed to mean and include any (i) assignees (by way of any instrument of assignment or sale of shares), designees and/or successors-in-interest of TSS Trust 1, and/or (ii) any corporate persons directly or indirectly controlled by TSS Trust 1 or in which TSS Trust 1 directly or indirectly controls 26% of the voting rights; it being clarified that the rights (or waiver thereof) of TSS Trust 1 under these Articles shall be exercised by the person authorized by TSS Trust 1 to exercise voting rights on its shares in the Company.
2. The regulations contained in Table F of Schedule I of the Act shall apply to the Company so far as they are not inconsistent with or repugnant to any of the regulations contained in these Articles. It is hereby clarified that the provisions of Articles 70(i) and 79 of Table F shall not be applicable to the Company.
3. Unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these Articles become binding on the Company.

Shares

4. The authorised share capital of the Company is as per Clause V of the Memorandum, with power to increase the capital, to divide the shares in the capital for time being into several classes and to attach thereto respectively any preferential, deferred, qualified or special rights, privileges or conditions, but so that where shares are issued with any preferential or special rights attached thereto, such rights shall not (except where the terms of issue otherwise provide) be alterable than pursuant to the provisions contained in these Articles.
5. Subject to the provisions of the Act and these Articles, the shares in the capital of the Company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit.
6. Subject to the provisions of the Act and the rules made thereunder and these Articles, the Company may (a) make a preferential offer of shares and/or (b) issue equity shares with differential rights as to dividend, voting or otherwise.
7. The Company shall have the right to convert any of its unissued equity shares into preference shares and *vice versa*, with such rights, privileges and conditions attaching thereto as may then be decided upon.

Share Certificates

8. (i) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the Memorandum or after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall be provided:
 - (a) one certificate for all his shares without payment of any charges; or
 - (b) several certificates, each for one or more of his shares, without payment of any charges.
- (ii) Every certificate shall specify the shares to which it relates and the amount paid-up thereon and shall be signed by two directors or by a director and the company secretary, wherever the company has appointed a company secretary:

Provided that in case the Company has a Seal it shall be affixed in the presence of the persons required to sign the certificate.
- (iii) In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.

9. (i) If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deems adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued without payment of any charges.
- (ii) The provisions of Articles 8 and 9 of these Articles shall *mutatis mutandis* apply to debentures of the Company.
10. Except as required by law, no person shall be recognized by the Company as holding any share upon any trust, and the Company shall not be bound by, or be compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

Variation of Rights

11. (i) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of Section 48 of the Act, and whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.
- (ii) To every such separate meeting, the provisions of these regulations relating to general meetings shall *mutatis mutandis* apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.
12. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.
13. Subject to the provisions of Section 55 of the Act, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are to be redeemed or converted on such terms and in such manner as the Company before the issue of the shares may, by special resolution, determine.

Transfer of shares

14. (i) The instrument of transfer of any share in the Company shall be executed by or on

behalf of both the transferor and transferee.

- (ii) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.
15. The Board may, subject to the right of appeal conferred by Section 58 of the Act, decline to register:
- (i) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or
 - (ii) any transfer of shares on which the company has a lien.
16. The Board may decline to recognize any instrument of transfer unless:
- (i) the instrument of transfer is in the form as prescribed in rules made under subsection (1) of Section 56 of the Act;
 - (ii) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
 - (iii) the instrument of transfer is in respect of only one class of shares.
17. On giving not less than 7 (seven) days' previous notice in accordance with Section 91 of the Act and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:

Provided that such registration shall not be suspended for more than 30 (thirty) days at any one time or for more than 45 (forty five) days in the aggregate in any year.

Transmission of shares

18. (i) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognized by the Company as having any title to his interest in the shares.
- (ii) Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons
19. (i) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either:
- (a) to be registered himself as holder of the share; or

- (b) to make such transfer of the share as the deceased or insolvent member could have made.
- (ii) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.
- 20.
 - (i) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.
 - (ii) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.
 - (iii) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.
- 21. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.

Forfeiture of Shares

- 22. If a member fails to pay any call, or instalment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.
- 23. The notice aforesaid shall:
 - (i) name a further day (not being earlier than the expiry of 14 (fourteen) days from the date of service of the notice) on or before which the payment required by the notice is to be made; and
 - (ii) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.
- 24. If the requirements of any such notice as aforesaid are not complied with, any share in

respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.

25.
 - (i) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.
 - (ii) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.
26.
 - (i) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the Company all monies which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares.
 - (ii) The liability of such person shall cease if and when the Company shall have received payment in full of all such monies in respect of the shares.
27.
 - (i) A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;
 - (ii) The Company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;
 - (iii) The transferee shall thereupon be registered as the holder of the share; and
 - (iv) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.
28. The provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

Alteration of Capital

29. The Company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.
30. Subject to the provisions of Section 61 of the Act, the Company may, by ordinary resolution:
 - (i) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;

- (ii) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
 - (iii) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;
 - (iv) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.
31. The Company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law:
- (i) its share capital;
 - (ii) any capital redemption reserve account; or
 - (iii) any share premium account.

Capitalization of profits

32. (i) The Company in general meeting may, upon the recommendation of the Board, resolve:
- (a) that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution;
 - (b) that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions;
- (ii) the sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), either in or towards:
- (a) paying up any amounts for the time being unpaid on any shares held by such members respectively;
 - (b) paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;
 - (c) partly in the way specified in sub-clause (a) and partly in that specified in sub-clause (b);
 - (d) A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares.

- (e) The Board shall give effect to the resolution passed by the company in pursuance of this regulation.
- 33. (i) Whenever such a resolution as aforesaid shall have been passed, the Board shall:
 - (a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and
 - (b) generally do all acts and things required to give effect thereto.
- (ii) The Board shall have power:
 - (a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and
 - (b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;
- (iii) Any agreement made under such authority shall be effective and binding on such members.

Buy-back of shares

- 34. Notwithstanding anything contained in these articles but subject to the provisions of Sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the Company may purchase its own shares or other specified securities.

General Meetings

- 35. All general meetings other than annual general meeting shall be called extraordinary general meeting.
- 36. (i) The Board may, whenever it thinks fit, call an extraordinary general meeting.
- (ii) If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the Company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.

Proceedings at general meetings

37. (i) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.
- (ii) Save as otherwise provided herein, the quorum for the general meetings shall be as provided in Section 103 of the Act.
38. The chairperson, if any, of the Board shall preside as chairperson at every general meeting of the company.
39. If there is no such chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their numbers to be Chairperson of the meeting.
40. If at any meeting no director is willing to act as chairperson or if no director is present within 15 (fifteen) minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be chairperson of the meeting.

Adjournment of meeting

41. (i) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.
- (ii) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- (iii) When a meeting is adjourned for 30 (thirty) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.
- (iv) Save as aforesaid, and as provided in Section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

Voting Rights

42. Subject to any rights or restrictions for the time being attached to any class or classes of shares:
- (i) on a show of hands, every member present in person shall have one vote; and
- (ii) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.
43. A member may exercise his vote at a meeting by electronic means in accordance with Section 108 of the Act and shall vote only once.

44. (i) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.
- (ii) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.
45. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.
46. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.
47. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid.
48. (i) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.
- (ii) Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

Proxy

49. The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the company not less than 48 (forty eight) hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 (twenty four) hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.
50. An instrument appointing a proxy shall be in the form as prescribed in the rules made under Section 105 of the Act.
51. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

Board of Directors

52. (i) The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.
- (ii) In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them:
- (a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the Company; or
- (b) in connection with the business of the Company.
53. So long as TSS Trust 1 together with Mrs. Hanwantbir Kaur Sahney, Mrs. Harshbeena S. Zaveri and Mr. Devesh S. Sahney hold not less than 25% of the issued capital of the Company, TSS Trust 1 shall be entitled to appoint one person who shall be the ex-officio director appointed by it and also to fill in any vacancy which may occur as a result of any such person ceasing to be a director for any reason whatsoever. Such appointment and removal shall be effected by a writing addressed to the Board of the Company and the same shall take effect forthwith upon being delivered to the Company. Any director so appointed shall not be required to hold any qualification shares and shall not be liable to retire by rotation. The right of appointment of director as provided by this Article shall not be determined by any change in the name or style of TSS Trust 1. Provided in the event of any director of the choice of TSS Trust 1 vacating office for any reason including death or resignation such vacancy shall be filled up with a director of choice of TSS Trust 1.0
54. The chairman of the Board shall be a Director of a choice of TSS Trust 1.
55. If at any meeting of the Board, the chairman is not present within 15 (fifteen) minutes after the time appointed for holding the same, the vice-chairman of the Board shall be chairman of such meeting. Should the chairman and vice-chairman be not present, the directors shall choose one of their numbers to be the chairman of such meeting.
56. Subject to the provisions of the Act and of these Articles, the Board shall have power to appoint from time to time any one of their number as managing director of the Company and who shall be of the choice of TSS Trust 1 for a term not exceeding 5 (five) years at a time and upon such terms and conditions as the Board think fit. The Board may, by a resolution, vest in such managing director such of the powers hereby vested in the Board and such powers may be made exercisable for such period or periods upon such conditions and subject to such restrictions as it may determine. The remuneration of a managing director may be by way of monthly payment, participation in profits or by any other mode not expressly prohibited by the Act. The managing director shall not be required to hold any qualification shares.
57. Subject to the provisions of the Act and of these Articles, the Board shall have power to appoint any person as a whole time director of the Company for a term not exceeding 5

(five) years at a time and upon such terms and conditions as the Board think fit. The Board may, by a resolution, vest in such whole time director such of the powers hereby vested in the Board and such powers may be made exercisable for such period or periods upon such conditions and subject to such restrictions as it may determine. The remuneration of the whole time director may be by way of monthly payment, participation in profits or by any other mode not expressly prohibited by the Act. The whole time director shall not be required to hold any qualification shares.

58. The Board may pay all expenses incurred in getting up and registering the Company.
59. The Company may exercise the powers conferred on it by Section 88 of the Act with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that Section) make and vary such regulations as it may think fit respecting the keeping of any such register.
60. All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.
61. Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.
62. (i) Subject to the provisions of Section 149 of the Act, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles.

(ii) Such person shall hold office only up to the date of the next annual general meeting of the Company but shall be eligible for appointment by the company as a director at that meeting subject to the provisions of the Act.

Proceedings of the Board

63. (i) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.

(ii) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.
64. (i) The quorum for a meeting of the Board including an adjourned meeting shall be one third of its total strength, excluding directors, if any, whose places may be vacant at the time and any fraction contained in that one third being rounded off as one, or 2 (two) directors, whichever is higher. Provided however that no quorum for a meeting of the Board shall be constituted unless a director appointed by TSS Trust 1 or his/her alternate is present at such meeting, except where for a particular meeting the said requirement for a quorum is waived in writing by the director appointed by TSS Trust 1 or his/her alternate. Provided further that where at any

time the number of interested directors exceeds or is equal to two thirds of the total strength, the number of the remaining directors, that is to say, the number of Directors who are not interested, present at the meeting being not less than 2 (two), shall be the quorum during such time.

65. (i) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes, provided that such majority shall include the affirmative votes of the director nominated by TSS Trust 1 or his/her alternate.
- (ii) In case of an equality of votes, the chairman shall have a casting vote, provided that the chairman is a nominee of TSS Trust 1 or the ex-officio director appointed / nominated by TSS Trust 1.
66. The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the company, but for no other purpose.
67. (i) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit, provided that such committee shall always include the director appointed by TSS Trust 1 or his/her alternate unless such right is waived by TSS Trust 1 in writing or unless under applicable law, the director appointed by TSS Trust 1 is disqualified from being appointed on such committee. All acts done by such committee of the Board in conformity with such regulations and in fulfilment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board.
- (ii) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.
68. (i) A committee may elect a Chairperson of its meetings.
- (ii) If no such chairperson is elected, or if at any meeting the chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the members present may choose one of their members to be chairperson of the meeting.
69. (i) A committee may meet and adjourn as it thinks fit.
- (ii) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the chairperson shall have a casting vote, provided that such majority shall include the director appointed by TSS Trust 1 or his/her alternate.

70. All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.
71. Save as otherwise expressly provided in the Act, a resolution in writing, signed and approved by a majority of the members of the Board (or any applicable committee), provided that such majority shall include the affirmative vote of the directors nominated by TSS Trust 1 or his/her alternates, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.

Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer

72. Subject to the provisions of the Act:
- (i) A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;
 - (ii) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.
73. A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.

The Seal

74. (i) The Board shall provide for the safe custody of the Seal.
- (ii) The seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or a Committee of the Board authorized by it in that behalf, and except in the presence of at least one director or the secretary or such other person as the Board may appoint for the purpose and such director or the secretary or such other person aforesaid shall sign every instrument to which the seal of the Company is so affixed in his / her presence.

Dividends and Reserve

75. The company in general meeting may declare dividends, but no dividend shall exceed the

amount recommended by the Board.

76. Subject to the provisions of Section 123 of the Act, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the Company.
77. (i) The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalising dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, think fit.
- (ii) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.
78. (i) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the company, dividends may be declared and paid according to the amounts of the shares.
- (ii) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.
- (iii) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.
79. The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.
80. (i) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.
- (ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
81. Any one of two or more joint holders of a share may give effective receipts for any

dividends, bonuses or other monies payable in respect of such share.

82. Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.
83. No dividend shall bear interest against the Company.

Accounts

84. (i) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of members not being directors.
- (ii) No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board or by the Company in general meeting.

Winding up

85. Subject to the provisions of the Act, Insolvency and Bankruptcy Code, 2016 and rules/regulations made thereunder:
- (i) If the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.
- (ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.
- (iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

Indemnity

86. Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.

General Authority

87. Wherever in the Act it has been provided that any Company shall have any right, privilege or authority or that any Company cannot carry out any transaction unless it is so authorised by its articles of association, then and in that case this Article hereby authorises and empowers the Company to have such right, privilege or authority and to carry out such transaction as have been permitted by the Act, without there being any other specific Article in that behalf herein provided.

Secrecy

88. (i) Every director, manager, auditor, treasurer, trustee, member of a Committee, officer, servant, agent, accountant or other person employed in the business of the Company shall, if so required by the directors, before entering upon his duties, sign a declaration pledging himself to observe strict secrecy respecting all transactions and affairs of the Company with any customer, supplier, lender, borrower, financial institutions, adviser, consultant or government authority and the state of the company's accounts and the industrial processes, technical knowhow and research owned by available to, and utilised by the company, and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do by the directors or by law or by the persons to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions in these presents contained.
- (ii) No member shall be entitled to visit or inspect any works of the Company without the permission of the directors or to require discovery of or any information respecting any details of the Company's trading, or any matter which is or may be in the nature of a trade secret, mystery of trade, secret process or any other matter which may relate to the conduct of the business of the Company and which in the opinion of the directors, it would be inexpedient in the interest of the Company to disclose.

We, the several persons whose names, addresses and descriptions are hereunto subscribed, are desirous of being formed into a Company in accordance with and in pursuance of this Memorandum of Association and we respectively agree to take the number of shares in the capital of the Company set opposite to our respective names.

Name of Subscriber	Address and Description or Occupation of Subscriber	Number of Shares taken by each subscriber	Signature of Subscriber	Signature of Witness with Address, Description and Occupation
HANWANT BIR KAUR SAHNEY wife of TRILOCHAN SINGH SAHNEY	71, Chitrakoot, Altamount Road, Bombay-26 Busines	FOUR EQUITY		
TRILOCHAN SINGH SAHNEY Son of SANT SINGH SAHNEY	Akashdeep, French Bridge, Bombay-7 Busines	FOUR EQUITY		Sd/- R M Chokshi Son of Manilal Chokshi Chartered Accountants 7, India House, Opp.GPO Bombay-1
SUSHIL KANTA CHAKRAVARTY Son of DHARANI KANTA CHAKRAVARTY	Vital Niwas, 100 Walkeshwar Road, Bombay-6 Business	ONE EQUITY		
MOHAN SHARMA Son of CHHAGALAL SHARMA	Vimlanand K Hall, Saraswat Colony, Santacruz Bombay-54 Business			

Dated this 1st day of June 1965

HIGH COURT, BOMBAY

0060870

IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY SCHEME PETITION NO 187 OF 2012
CONNECTED WITH
COMPANY SUMMONS FOR DIRECTION NO 772 OF 2011
NRB BEARINGS LIMITED

.....Petitioner / Demerged Company
AND

COMPANY SCHEME PETITION NO 188 OF 2012
CONNECTED WITH
COMPANY SUMMONS FOR DIRECTION NO 773 OF 2011
NRB INDUSTRIAL BEARINGS LIMITED

.....Petitioner / Resulting Company

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

AND

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

AND

In the matter of Scheme of
Arrangement

Between

NRB Bearings Limited ("the
Demerged Company")

And

NRB Industrial Bearings Limited
("the Resulting Company")

And

their respective shareholders and
creditors.

~~Mr. Rajesh Shah~~ **Mr. Rajesh Shah & Co.,** Advocates for the Petitioners.

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HIGH COURT₂, BOMBAY

0060869

Mr. N. R. Prajapati i/b Dr. T. C. Kaushik, for Regional Director in both Petitions.

CORAM: S. J. Kathawalla, J.

DATE: 24th August, 2012

P.C.:-

1. Heard learned counsel for the parties.
2. The sanction of the Court is sought under Sections 391 to 394 read with Sections 100 to 103 of the Companies Act, 1956, to the Scheme of Arrangement between NRB Bearings Limited, the Demerged Company and NRB Industrial Bearings Limited, the Resulting Company and their respective shareholders and creditors.
3. Learned counsel appearing on behalf of the Petitioners has stated that they have complied with all requirements as per directions of this Court and they have filed necessary affidavits of compliance with this Court. Moreover, Petitioner Companies undertakes to comply with all statutory requirements, if any, as required under the Companies Act, 1956 and the Rules made there under. The said undertaking is accepted.

4. The Regional Director has filed an affidavit stating that save and except as stated in paragraph 6 of the said affidavit, it appears that Scheme is not prejudicial to the interest of shareholders and public.

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HIGH COURT₃, BOMBAY

0060868

5. The Counsel appearing for the Regional Director has drawn my attention to paragraph 6 of the affidavit of the Regional Director in which it is stated that:

6. That the Deponent further submits that, the Clause 7.2 of the scheme provides that the authorized share capital of the Resulting Company shall be increased and/or reclassified to the extent necessary for issuing equity shares. In this connection the Transferee Company may be directed to comply with provisions of section 94/97 read with Schedule X of the Companies Act 1956, in respect of filing of necessary forms with the Registrar of Companies after payment of necessary filing fee and stamp duty as applicable on the said forms.

6. In so far as observations made in paragraph 6 of the affidavit of the Regional Director is concerned, the Petitioner Companies through their Counsel undertakes to comply with provisions of section 94/97 read with Schedule 'X' of the Companies Act 1956, in respect of filing of necessary forms with the Registrar of Companies after payment of necessary filing fee and stamp duty as applicable on the said forms. The said undertaking is accepted.

From the material on record, the Scheme appears to be fair and reasonable and is not violative of any provisions of law and is not contrary to public policy. None of the parties concerned has come forward to oppose the Scheme.

Since all the requisite statutory compliances have been fulfilled, Company Scheme Petition Nos. 187 of 2012 and 188 of 2012 are made absolute in terms of prayer clauses (a) to (d).

The Petitioner Companies to lodge a copy of this order and the Scheme, duly authenticated by the Company Registrar, High Court (D.S.) Bombay with the concerned Superintendent of

Company Scheme : Authenticated copy is not a Certified Copy"

HIGH COURT, BOMBAY

0060867

Stamps for the purpose of adjudication of stamp duty payable, if any, on the same within 60 days from the date of this Order.

10. Petitioners are directed to file a copy of this order alongwith a copy of the Scheme of Arrangement with the concerned Registrar of Companies, electronically, along with E-Form 21 in addition to physical copy within 30 days from the date of issuance of the order by the Registry.
11. Both the Petitioner Companies to pay costs of Rs.10,000/- each to the Regional Director, Western Region, Mumbai. Costs to be paid within four weeks from the date of the order.
12. Filing and issuance of the drawn up order is dispensed with.
13. All concerned authorities to act on a copy of this order along with Scheme duly authenticated by the Company Registrar, High Court (O. S.), Bombay.

(S. J. Kathawalla, J.)

TRUE-COPY
W. E. K. M. RANE
COMPANY REGISTRAR
HIGH COURT (O.S.)
BOMBAY

TRUE COPY

88ms/27/18/12
Section Officer
High Court, Appellate Side
Bombay

Important Clause : Authenticated copy is not a Certified Copy"

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

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 'Receiving Company').

This Scheme also provides for various other matters consequential, incidental or otherwise integrally connected therewith.

Contents of Scheme

The Scheme is divided into the following parts:

Part I provides the Rationale for the Scheme

Part II provides the Definition and Share Capital

Part III provides the demerger of Industrial Bearings Undertaking of NRB into NIBL;

Part IV provides the Accounting Treatment and General Terms;

Part V provides 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 its 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

DEFINITION 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" 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 October, 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 Dhanraj 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 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 (Rs.)
<u>Authorised</u>	
10,00,00,000 equity shares of Rs.2/- each fully paid	20,00,00,000
Total	20,00,00,000
<u>Issued Subscribed and Paid Up</u>	
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 (Rs.)
<u>Authorised</u>	
50,000 equity shares of Rs. 10 each	5,00,000

<i>Total</i>	5,00,000
<u>Issued Subscribed and Paid Up</u>	
50,000 equity shares of Rs. 10 each	5,00,000
<i>Total</i>	<i>5,00,000</i>

Subsequent to the above date, there is no change in the issued, subscribed and paid up capital structure of NRB. 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 fulfill 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 the 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 Share 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 at 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 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 NIBL 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, and 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, and 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 NBRIBL.

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

TRUE-COPY

14/09/2012
Mrs. K. M. RANE
COMPANY REGISTRAR
HIGH COURT (O.S.)
BOMBAY

Certified to be TRUE COPY
For RAJESH SHAH & CO
Rajesh Shah
Advocate for the Petitioner/Applicant

IN THE HIGH COURT OF JUDICATURE
AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY SCHEME PETITION NO 187 OF
2012

CONNECTED WITH
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 to 103 of the Companies
Act, 1956;

AND

In the matter of Scheme of Arrangement
between
NRB Bearings Limited ("the Demerged
Company" or "the Petitioner Company")

and
NRB Industrial Bearings Limited ("the
Resulting Company" and
their respective shareholders and creditors

NRB BEARINGS LIMITED
..... Petitioner Company

**MINUTES OF THE ORDER dated 24th
August, 2012 alongwith Scheme of
Arrangement**

M/S RAJESH SHAH & Co.
Advocates for the Petitioner
16, Oriental Building
30, Nagindas Master Road
Flora Fountain
Mumbai -400001

Applied on..... 24/08/2012
Engrossed on..... 1st 09/2012
Section Writer.....
Folios.....
Examined by.....
Compared with.....
Ready on..... 14/09/2012
Delivered on..... 17/09/2012

