

NRB INDUSTRIAL BEARINGS LIMITED

CIN No. L29253MH2011PLC213963

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

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

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

POSTAL BALLOT NOTICE

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

Dear Member(s),

Notice is hereby given pursuant to Section 110 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) (the “Act”) read with the Companies (Management and Administration) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force) (the “Rules”) read with the General Circular No. 14/ 2020 dated 08th April, 2020 and the General Circular No. 17/ 2020 dated 13th April, 2020 and General Circular No. 22/2020 dated 15th June, 2020, under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by COVID - 19 issued by the Ministry of Corporate Affairs, Government of India (the “MCA Circulars”), to transact the special business as set out hereunder by passing Ordinary Resolution through postal ballot (only through the remote e-voting process).

The proposed Ordinary Resolution and Explanatory Statement setting out material facts as required in terms of Section 102 of the Act read with the Rules and the MCA Circulars are appended below seeking consent of the Members of NRB Industrial Bearings Limited (the “Company”) through remote e-voting.

In compliance with Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to the provisions of Sections 108 and 110 of the Act read with the Rules and the MCA Circulars, the Company has extended only the remote e-voting facility for its Members, to enable them to cast their votes electronically. The instructions for remote e-voting are appended to this Postal Ballot Notice.

The Board of Directors of the Company have appointed Mr. Sanjog Naravankar, SVN & Associates (Membership No. 37746 and Certificate of Practice No. 14125), Practicing Company Secretary as the Scrutinizer for conducting the postal ballot in a fair and transparent manner.

You are requested to carefully read the instructions in this Postal Ballot Notice and record your assent (FOR) or dissent (AGAINST) through the remote e-voting process not later than 5.00 p.m. on 17th September, 2020.

After completion of scrutiny of the votes, the Scrutinizer will submit his Report to Mr. Devesh Singh Sahney (DIN: 00003956), Chairman & Managing Director of the Company. The results of the voting conducted through Postal ballot (through the remote e-voting process) will be announced by the Chairman/Company Secretary and will be communicated to the stock exchanges on or before 19th September, 2020. The said results along with the Scrutinizer’s Report will also be displayed on the website of the Company www.nrbindustrialbearings.com and on the website of CDSL viz. www.evotingindia.com.

The Resolution shall be deemed to have been passed on the last date specified by the Company for e-voting, if approved by the Members with the requisite majority.

SPECIAL BUSINESS**Item No. 1: Approval for Related Party Transaction**

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

“RESOLVED THAT pursuant to the provisions of Sections 177 and 188 of the Companies Act, 2013 read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013 (**“Act”**), including any statutory modification(s) or re-enactment(s) or substitution(s) thereof for the time being in force, and the Company’s policy on Related Party transaction(s) and the provisions of the Memorandum and Articles of Association of the Company and the applicable rules, guidelines and circulars issued by the concerned statutory or regulatory authorities, consent of the Shareholders be and is hereby accorded to the Board of Directors of the Company to grant sub-lease rights and enter into a contract/arrangements/ transactions with Mr. Devesh Singh Sahney (DIN : 00003956), the Chairman & Managing Director of the Company, a related party within the meaning of Section 2(76) of the Act, for sub-lease of a property of the Company situated at Flat No. 10 along with Garage No. 10 and an identified area in basement of Shangri-La Building, located at 26, M. L. Dahunakar Road, Mumbai - 400 026, India as lump sum consideration for repayment of the outstanding loans of up to Rs. 13,78,00,000/- (Rupees Thirteen crores and Seventy Eight lakh only) obtained by the Company from Mr. Sahney on such terms and conditions as mutually agreed between the Board of Directors of the Company and Mr. Devesh Singh Sahney and as briefly mentioned in the explanatory statement to this resolution.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things in connection with or incidental thereto, as necessary, proper or desirable including resolve and settle any question, difficulty or doubt that may arise in this regard to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this Resolution.

RESOLVED FURTHER THAT the Board be and is hereby also authorized to delegate all or any of the powers herein conferred by this Resolution on it, to any Committee of Directors or any person(s), as it may in its absolute discretion deem fit in order to give effect to this Resolution.

RESOLVED FURTHER THAT all the members of the Board of Directors of the Company and Mrs. Gulestan Kolah, Chief Financial Officer of the Company are hereby jointly and severally authorised to execute the Sub-Lease Deed for and on behalf of the Company as its authorized signatory and also to admit such execution before the office of the concerned Sub-Registrar of Assurances for registration of the Sub-Lease Deed and also to complete all formalities in the office of the concerned Sub-Registrar of Assurances for effective registration of the Sub-Lease Deed under the provisions of the Registration Act, 1908.”

By order of the Board of Directors
For **NRB Industrial Bearings Limited**

Place: Mumbai

Date : 07th August, 2020

Ratika Gandhi
Company Secretary

Notes:

1. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 setting out material facts relating to the items of the proposed special business is annexed hereto.
2. The documents relating to above business shall be made available for inspection on request on all working days during the normal business hours, except Saturdays and Sundays, at the Registered Office of the Company till announcement of result.
3. The Notice will be sent to all the Shareholders, whose names appear on the Register of Members/list of Beneficial Owners on 13th August, 2020 (**“Cut-off Date”**) as received from National Securities Depository Limited (NSDL)/ Central Depository Services (India) Limited (CDSL). Members who have acquired the shares after 13th August, 2020 should consider this notice for information purpose only. The Postal Ballot Notice is also available on the Company’s website www.nrbindustrialbearings.com.
4. Eligible Members who have not submitted their e-mail IDs to Universal Capital Securities Private Limited (Registrar and Share Transfer Agent or RTA), are required to provide their email IDs to the Company or to RTA. On pursuant to which, the Member shall receive on the e-mail ID provided by the Member this Postal Ballot Notice and the procedure for remote e-voting.

5. This Postal Ballot Notice is being sent, by e-mail, only to those Eligible Members who have registered their e-mail ID with the Company/Depository participants or submitted their e-mail ID to Universal Capital Securities Private Limited, Registrar and Share Transfer Agent of the Company.
6. On account of the threat posed by COVID-19 and in terms of the MCA Circulars, the Company will send this postal ballot notice in electronic form only. The hard copy of this Postal Ballot Notice along with postal ballot forms and pre-paid business envelope will not be sent to the members for the postal ballot in accordance with the requirements specified under the MCA Circulars. Accordingly, the communication of the assent or dissent of the members would take place through the remote e-voting system only.
7. The Company will issue necessary advertisements in the newspaper/ e-newspaper having all India circulation and the newspaper circulating in the District where registered office of the Company is situated for the information of Members whose e-mail addresses are not available in the records of Registrar and Share Transfer Agent (RTA) and Depositories.
8. The voting period will commence on 19th August, 2020 from (9:00 a.m. IST) and will end on 17th September, 2020 till (5.00 p.m. IST) for the Members exercising their vote through remote e-voting. The remote e-voting module shall be disabled by Central Depository Services (India) Limited ('CDSL') for voting thereafter.
9. The Members whose names will appear in the Register of Members/ Record of Depositories as on 13th August, 2020 will only be considered for voting. Voting rights shall be reckoned on the paid-up value of the shares mentioned against the name of the Member in the Register of the Members on 13th August, 2020.
10. The results of the remote e-voting will be declared on or before 19th September, 2020 at the Registered office of the Company in case normalcy is attained. In case of lockdown, the remote e-voting results and report of the Scrutinizer will be furnished to the National Stock Exchange of India Limited and BSE Limited and will also be uploaded on the Company's website www.nrbindustrialbearings.com.

Instructions for Voting through electronic means

The Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating e-voting in a secure manner. The procedure and instructions for the voting through electronic means are as follows:

- (i) The shareholders should log on to the e-voting website www.evotingindia.com.
 - (ii) Click on "Shareholders" module.
 - (iii) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- OR
- Alternatively, if you are registered for CDSL's EASI/EASIEST e-services, you can log-in at <https://www.cdslindia.com> from Login - Myeasi using your login credentials. Once you successfully log-in to CDSL's EASI/EASIEST e-services, click on e-Voting option and proceed directly to cast your vote electronically.
- (iv) Next enter the Image Verification as displayed and Click on Login.
 - (v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.

(vi) If you are a first time user follow the steps given below:

For Shareholders holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iii).

- (vii) After entering these details appropriately, click on “SUBMIT” tab.
- (viii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolution contained in this Notice.
- (x) Click on the EVSN for the relevant <NRB Industrial Bearings Limited> on which you choose to vote.
- (xi) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xiv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xvi) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvii) Shareholders can also cast their vote using CDSL’s mobile app “**m-Voting**”. The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.
- (xviii) **Note for Non – Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email ID: investorcare@nibl.in (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or contact Mr. Nitin Kunder (022- 23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futorex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43

ANNEXURE TO NOTICE

Explanatory Statement under Section 102 of the Companies Act, 2013:

The Company holds long term leasehold rights for 99 (Ninety Nine) years in a residential premises situated at Flat No.10, along with Garage No. 10 and an identified area in basement of Shangri-la Building, located at 26, M. L. Dahunakar Road, Mumbai - 400 026 ("**Property**"). The said leasehold rights were acquired by the Company from NRB Bearings Limited ("**NRB**") pursuant to the Scheme of Demerger of the Industrial Bearing Business from NRB in 24th August, 2012.

Further, as per the terms of the leasehold rights, the Company is entitled to sub-lease the Property to any person without any restriction or limitation.

Presently, the Company has permitted Mr. Devesh Singh Sahney (DIN: 00003956), the Chairman & Managing Director of the Company to use the Property for accommodation for himself and his family in the form of perquisites as part of his remuneration package. The terms and conditions of the appointment of Mr. Sahney (together with the managerial remuneration) has been duly approved by the members of the Company vide the resolution passed through postal ballot on 20th December, 2018 in which his remuneration was approved till 30th September, 2021.

During the last few years, the Company has obtained unsecured interest free loans from Mr. Devesh Singh Sahney to meet its financial requirements towards operational expenditure, working capital and other purposes from time to time. The total outstanding loan as on 31st July, 2020 stands at Rs. 27.81 crores in the books of accounts of the Company.

To improve the financial situation of the Company and to reduce the Company's debts, the Company is desirous to sub-lease the Property to Mr. Sahney for the period of 91 (Ninety one) years for a lump sum consideration of Rs.13,78,00,000/- (Rupees Thirteen crores and Seventy Eight lakh only), which will be adjusted against the unsecured loan amount repayable to Mr Sahney. By undertaking this transaction, the Company will permanently reduce the debt on its books payable to Mr Sahney.

Considering that the proposed transaction is with a related party, the Board of Directors appointed Knight Frank (India) Private Limited and U. M. Pathak & Co. (collectively "Valuers") to evaluate and determine the one time lease rent on arm's length basis (that would be chargeable to a un-related party). After undertaking the arm's length pricing analysis based on prevailing market prices and conditions, the Valuers have submitted their report to the Board of Directors recommending the lease rent of up to Rs. 13,78,00,000/- (Rupees Thirteen crores and Seventy Eight lakh only). Accordingly, the proposed transaction is on arm's length basis. The Company has obtained Tax opinion on the proposed transaction from Ernst & Young LLP.

As Mr. Sahney is the Chairman and Managing Director of the Company and also one of the promoters of the Company, he is related party within the meaning of section 2(76) of the Companies Act, 2013 ("**Companies Act**"). Section 188 of the Companies Act read with Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014 prescribe certain procedure for approval of a related party transaction. Further, in terms of Regulation 15(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**"), the provisions of Regulation 23 of Listing Regulations do not apply to the Company. In brief, these provisions and other applicable provisions suggest that in certain conditions, approval of Audit Committee, Board approval and Shareholders approval by way of ordinary resolution is required for related party transactions. The proposed transaction with Mr. Sahney is on arm's length basis, but is not in the ordinary course of business for the Company.

In accordance with Section 188 of the Companies Act and the applicable Rules framed, the value of the proposed transaction exceeds the 10% of the annual turnover of the Company as per the last audited financial statements and, hence, the Board of Directors will require prior approval of shareholders through ordinary resolution for entering into the proposed transaction.

In the opinion of the Board, the proposed transaction will be beneficial to the Company as it would reduce the overall debt and shore up the net worth of the Company.

The other related information as envisaged under Companies (Meetings of Board and its Powers) Rules, 2014 are furnished hereunder:

1)	Name of Related Party	Mr. Devesh Singh Sahney, Chairman and Managing Director
2)	Name of the Director or Key Managerial Personnel who is related, if any and nature of relationship	Mr. Devesh Singh Sahney, himself is the Chairman and Managing Director of the Company. Further, Mrs. Aarti Sahney, a Non-Executive Director is wife of Mr. Sahney
3)	Nature, material terms, monetary value and particulars of the contract or arrangement	Nature of the Contract: Under the sub-lease agreement, Company proposed to sub-lease the Property to Mr. Sahney for repayment of loan up to Rs. 13,78,00,000/- (Rupees Thirteen crores and Seventy Eight lakh only) The tenure of sub-lease is [91] years commencing from 01st October, 2020.
4)	Any other information relevant or important for the members to take a decision on the proposed resolution	The proposed transaction is on 'arm's length' basis and is advantageous for the Company and shall be in compliance with Section 188 and other applicable provisions of the Companies Act and the Listing Regulations.

The Audit Committee and the Board of Directors have approved the related party transaction in their meeting held on 07th August, 2020 after evaluating the financial position of the Company and arm's length consideration attributed to the transaction.

Mr. Devesh Singh Sahney and Mrs. Aarti Sahney, being related to each other, and their respective relatives, may be deemed to be concerned or interested in the said resolution.

As per second proviso to section 188 (1) of the Companies Act, the shareholder(s), who is/ are related party (ies) of the Company shall not be entitled to vote on this ordinary resolution.

Except the above, none of the other Directors, Key Managerial Personnel of the Company or their respective relatives are in any way concerned or interested, financially or otherwise in the said resolution.

The Board of Directors recommends the resolution at Item No. 1 as an Ordinary Resolution for the approval by the Members of the Company.

By order of the Board of Directors
For NRB Industrial Bearings Limited

Place: Mumbai
Date : 07th August, 2020

Ratika Gandhi
Company Secretary