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**PRIVATE & CONFIDENTIAL – FOR PRIVATE CIRCULATION ONLY**

Information Memorandum is neither a prospectus nor a statement in lieu of prospectus. This Information Memorandum is prepared in conformity with the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended from time to time, and Sections 42 & 71 of the Companies Act, 2013 and the Companies (Prospectus and Allotment of Securities) Rules, 2014 and Companies (Share Capital and Debenture) Rules, 2014, as amended from time to time.

**NRB BEARINGS LIMITED**

Our Company was originally incorporated as "Needle Roller Bearing Company Private Limited" under the Companies Act, 1956 on 30<sup>th</sup> June 1965. The name of our Company was changed to "Needle Roller Bearing Company Limited" in or about 27<sup>th</sup> January, 1966. Upon becoming a deemed public company under section 43A of the Companies Act, 1956 limited, the name of our company was further changed to "NRB Bearings Limited" on 17<sup>th</sup> April, 1990. Our Company converted into a full-fledged public limited company on or about 1995. Subsequent to such conversion, the name of our Company was changed to "NRB Bearings Limited" (full-fledged public limited co.) and a fresh certificate of incorporation was granted on 10<sup>th</sup> February 1995 by the Registrar of Companies, Maharashtra, Mumbai.

**Registered Office & Corporate Office:** Dhannur, 15 Sir P. M. Road, Fort, Mumbai 400 001

**CIN:** L29130MH1965PLC013251

**Registration No.:** 013251

**Website:** [www.nrbbearings.com](http://www.nrbbearings.com)

**PRIVATE PLACEMENT OFFER LETTER/ INFORMATION MEMORANDUM**

INFORMATION MEMORANDUM FOR ISSUE OF 300 LISTED RATED, UNSECURED, TAXABLE, REDEEMABLE, NON-CONVERTIBLE DEBENTURES OF THE FACE VALUE OF RS. 10,00,000 EACH ("THE DEBENTURES") FOR CASH, AGGREGATING TO RS. 30,00,00,000 (RUPEES THIRTY CRORES ONLY) ON A PRIVATE PLACEMENT BASIS BY NRB BEARINGS LIMITED ("THE COMPANY").

**GENERAL RISKS**

Prospective investors are advised to read the risk factors carefully before taking an investment decision in this Issue.

Investment in debt and debt related securities involve a degree of risk and investors should not invest any funds in the debt instruments, unless they can afford to take the risks attached to such investments. For taking an investment decision, the investors must consult their own legal, financial, regulatory, tax and financial advisors, and rely on their own examination of the Company and the Issue including the risks involved with an investment in debt instruments and the suitability of investing in debt instruments in light of their particular circumstances. The Debentures have not been recommended or approved by Securities and Exchange Board of India ("SEBI") nor does SEBI guarantee the accuracy or adequacy of this Information Memorandum.

**CREDIT RATING**

The Debentures have a rating of AA(-) by CRISIL Limited ("CRISIL") pursuant to its letter dated 29<sup>th</sup> August, 2018.

The rating is not a recommendation to buy, sell or hold securities and investors should take their own decision. The rating may be subject to suspension, revision or withdrawal at any time by the assigning rating agency. The rating agency has a right to revise, suspend or withdraw the rating at any time on the basis of factors such as new information or unavailability of information or other circumstances which the Credit Rating Agency believes may have an impact on its rating. For further details including in respect of the rationale for the credit rating, please refer to section titled "Credit Rating" mentioned in this Information Memorandum.

**LISTING**

The Debentures are proposed to be listed on the wholesale debt market segment of BSE Limited ("BSE" or the "Stock Exchange").

**REGISTRAR TO ISSUE**

**Universal Capital Securities Private Limited**

**Address:** 21 Shakil Niwas, Opposite Satya Sai Baba Mandir, Mahakali Caves Road,

Dated: 11<sup>th</sup> September, 2018

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Andheri East, Mumbai, Maharashtra 400093

Tel: 022-28366620 / 28207203-05

Fax: 022-28369704 / 28207207

Email: [info@unisec.in](mailto:info@unisec.in)

Website: [www.unisec.in](http://www.unisec.in)

#### DEBENTURE TRUSTEE TO THE ISSUE

**IDBI Trusteeship Services Limited**

Contact Person: Swapnali Hirlekar

Address: Asian Building, Ground Floor, 17, R Kamani Marg, Ballard Estate, Mumbai - 400 001

Tel: +91 22 40807000

Fax: +91 22 66311776

Email: [swapnali@idbitrustee.com](mailto:swapnali@idbitrustee.com)

Website: [www.idbitrustee.co.in](http://www.idbitrustee.co.in)

#### ISSUE SCHEDULE

Issue Opens On:	September 12, 2018	Issue Closes On:	September 12, 2018
Pay In Date:	September 12, 2018	Allotment Date:	September 12, 2018

#### COMPLIANCE OFFICER OF THE COMPANY

Name: Ms. Shruti Joshi

Address: Dhannur, 15 Sir P. M. Road, Fort, Mumbai 400 001

Designation: Company Secretary

Phone: 022-22664570/4160

Fax: 022-22660412

Email: [shruti.joshi@nrb.co.in](mailto:shruti.joshi@nrb.co.in)

#### ARRANGER TO THE ISSUE



**Tata Capital Financial Services Limited**

Contact Person: Mr. Sandeep Suhasaria

Address: 11th/12th Floor, Peninsula Business Park, Tower A, Ganpatrao Kadam Marg, Mumbai - 400 013

Board Line: 91 22 6606 9000

Fax: 91 22 66562699

Email: [sandeep.suhasaria@tatacapital.com](mailto:sandeep.suhasaria@tatacapital.com)

Website: [www.tatacapital.com](http://www.tatacapital.com)

#### AUDITORS OF THE ISSUER

Walker Chandio & Co LLP

Address: 16th Floor, Tower II, Indiabulls Finance Centre, S B Marg,

Elphinstone (W), Mumbai 400013

Tel: +91 22 6626 2600

Fax: +91 22 6626 2601

#### Rating Agency Details

**CRISIL Limited**

CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai- 400 076, India

(D) +91 22 40405989 | (B) +91 22 3342 3000 |

Email: [Mohan.rao@crisil.com](mailto:Mohan.rao@crisil.com)

Website: [www.crisil.com](http://www.crisil.com)

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## SECTION 1: DEFINITIONS/ABBREVIATIONS

In the Information Memorandum, the expressions listed below shall have the following meanings:

Term	Meaning
Act	The Companies Act, 1956 of India and/or the Companies Act, 2013 of India, as the case may be, in force at the relevant time
Articles	Articles of Association of the Company, as amended from time to time
Board or Board of Directors	Board of directors of the Issuer
BSE	BSE Limited
Business Day	Any day (other than a Sunday and excluding non-working Saturdays) on which banks are open for general business in Mumbai
CDSL	Central Depository Services (India) Limited
CRISIL	CRISIL Limited
Debenture(s)	Rated, Listed, unsecured, taxable, redeemable, non-convertible debentures of Rs. 10,00,000 each of the Issuer offered on a private placement basis under the terms of this Information Memorandum
Debenture Trustee	IDBI Trusteeship Services Limited
Debenture Trust Deed	The debenture trust deed to be executed <i>inter alia</i> between the Issuer and the Debenture Trustee in relation to the Debentures
Debenture holder(s)	All Persons who are, for the time being and from time to time, the holders of the Debentures and whose names appear in the Register of Beneficial Owners and includes the Investors
Deemed Date of Allotment	September 12, 2018
Depository	NSDL and/or CDSL
Director	Director of the Company
FY	Financial Year
Information Memorandum/ Private Placement Offer Letter	The information memorandum required to be issued by the Company with respect to the Debentures, in compliance with the requirements of SEBI (Issue and Listing of Debt Securities) Regulations, 2008 and dated on or about the Closing Date
The Issue/ The Offer/ Private Placement	The issue of the Debentures in accordance with the terms of the Debenture Trust Deed and this Information Memorandum
Indebtedness	Any term loan, working capital loan, commercial paper or borrowing raised by the Issuer by issue of non-convertible debentures to its lenders /investors
Issuer/ Company	NRB Bearings Limited, a company incorporated under the provisions of the Companies Act, 1956 of India with corporate identification number L29130MH1965PLC013251 and having its registered office at Dhannur, 15 Sir P. M. Road, Fort, Mumbai 400 001, and includes its successors, transferees and permitted assignees from time to time
I.T. Act	The (Indian) Income Tax Act, 1961 as amended from time to time
Listing Agreement	The agreement entered into between the Company and BSE for the purpose of listing the Debentures on the Wholesale Debt Market Segment of BSE
NSDL	National Security Depository Limited
Majority Debenture holders	such number of Debenture Holder(s) holding 75% of the aggregate Face Value of the then outstanding Debentures
Maturity Date	The date that is immediately prior to the fourth anniversary of the Deemed Date of Allotment, i.e September 12, 2023
PAN	Permanent Account Number allotted under the Income Tax Act, 1961
Person(s)	Any individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium or partnership (whether or not having separate legal personality) or two or more of the foregoing
ROC	Registrar of Companies, Mumbai, Maharashtra
RBI	Reserve Bank of India
Redemption Date	The date of redemption of the Debentures (which date could fall on the Maturity Date, or

	prior, pursuant to the conditions of the Debenture Trust Deed)
Register of Beneficial Owners	Register of beneficial owners of the Debentures maintained in the records of the Depository
Register of Debenture-holders	The register of holders of the Debentures as specified under Section 88 of the Act and the record maintained by the respective depositories under the Depositories Act, 1996
Registrar	Universal Capital Securities Private Limited
RTGS	Real Time Gross Settlement
Rs. / INR	Indian Rupees
SEBI	Securities and Exchange Board of India
SEBI Regulations	The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended from time to time
WDM	Wholesale Debt Market

Any capitalized terms used in the Information Memorandum and not defined in this section shall have the respective meanings assigned to them under the remaining section hereunder.

In this Information Memorandum, unless the context otherwise requires or unless otherwise expressly provided:

- i. words denoting singular shall include plural and vice-versa;
- ii. words denoting one gender shall include the other gender;
- iii. all references in these presents to any provision of any statute shall be deemed also to refer to the statute, modification or re-enactment thereof or any statutory rule, order or regulation made thereunder or under such re-enactment;
- iv. the headings are inserted for convenience only and shall be ignored in construing and interpreting this Information Memorandum.

## SECTION 2: NOTICE TO INVESTORS AND DISCLAIMERS

This Private Placement Offer Letter/Information Memorandum ("Information Memorandum") is neither a prospectus nor a statement in lieu of a prospectus and do not constitute an offer to the public generally to subscribe for the Debentures. The offering of the Debentures to be listed on the WDM segment of the BSE is being made strictly on a private placement basis. This Information Memorandum is for the exclusive use of the Persons to whom it is delivered and it should not be circulated or distributed to third parties. Any application by a Person to whom the Information Memorandum has not been sent by or on behalf of the Issuer shall be rejected without assigning any reason. All investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this Issue. It is the responsibility of the eligible investors to have obtained all consents, approvals or authorizations required by them to participate in the Issue. The contents of this Information Memorandum are confidential and are intended to be used only by those investors to whom it is distributed. It is not intended for distribution to any other Person and should not be reproduced, copied, transferred in whole or in part by the recipient.

Each investor contemplating purchasing any Debentures should make its own independent investigation of the financial condition and affairs of the Issuer, and its own appraisal of the creditworthiness of the Issuer. Eligible investors should consult their own financial, legal, tax and other professional advisors as to the risks and investment considerations arising from an investment in the Debentures and should possess the appropriate resources to analyze such investment and the suitability of such investment to such investor's particular circumstances. By subscribing to the Issue, eligible investors shall be deemed to have acknowledged that the Issuer does not owe them a duty of care in this respect. Accordingly, none of the Issuer's officers or employees shall be held responsible for any direct or consequential losses suffered or incurred by any recipient of this Information Memorandum as a result of or arising from anything expressly or implicitly contained in or referred to in this Information Memorandum or any information received by the recipient in connection with this Issue.

This Information Memorandum is not intended to be circulated to more than 200 (two hundred) Persons. Multiple copies hereof given to the same entity shall be deemed to be given to the same Person and shall be treated as such.

This Information Memorandum is issued by the Issuer to provide general information about the Issuer to potential investors to whom it is addressed and who are willing and eligible to subscribe to the Debentures. The views contained

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in this Information Memorandum do not necessarily reflect the views of its directors, officers, and employees. This Information Memorandum does not purport to contain all the information that any eligible investor may require. Further, this Information Memorandum has been prepared for informational purposes relating to this transaction only and upon the express understanding that it will be used only for the purposes set forth herein.

The Issuer does not undertake to update the Information Memorandum to reflect subsequent events after the date of the Information Memorandum and thus it should not be relied upon with respect to such subsequent events without first confirming its accuracy with the Issuer.

The Issuer accepts no responsibility for statements made other than in this Information Memorandum (and any relevant pricing or other supplements) or any other material expressly stated to be issued by or at the instance of the Issuer in connection with the issue of the Debentures and that anyone placing reliance on any other source of information would be doing so at their own risk. Neither this Information Memorandum nor any other information supplied in connection with the Debentures is intended to provide the basis of any credit or other evaluation and any recipient of this Information Memorandum should not consider such receipt a recommendation to purchase any Debentures.

It is the responsibility of potential investors to also ensure that they will sell these Debentures in strict accordance with the terms and conditions of this Information Memorandum and other applicable laws, so that the sale does not constitute an offer to the public within the meaning of the Companies Act, 2013. None of the intermediaries or their agents or advisors associated with this issue undertake to review the financial condition or affairs of the Company or the factors affecting the Debentures during the life of the arrangements contemplated by this Information Memorandum or have any responsibility to advise any investor or potential investor in the Debentures of any information available with or subsequently coming to the attention of the intermediaries, agents or advisors.

Each Person receiving this Information Memorandum acknowledges that:

- a. such Person has been afforded an opportunity to request and to review and has received all additional information considered by it to be necessary to verify the accuracy of or to supplement the information herein;
- b. such Person has not relied on any intermediary that may be associated with issuance of Debentures in connection with its investigation of the accuracy of such information or its investment decision; and
- c. such Person understands the nature of the Debentures and the risks involved in investing in them.

Neither the delivery of this Information Memorandum nor any sale of Debentures made hereunder shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the Issuer since the date hereof.

The financial statements and derived ratios there from contained in the Information Memorandum are prepared/computed as per the permissible accounting practices. While due care has been taken to reflect the true economic reality regarding the financials of the Company as far as possible, the investors may want to make their own adjustments to the same before arriving at an investment decision.

This Information Memorandum does not constitute, nor may it be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any Person to whom it is unlawful to make such an offer or solicitation. No action is being taken to permit an offering of the Debentures or the distribution of this Information Memorandum in any jurisdiction where such action is required. The distribution of this Information Memorandum and the offering and sale of the Debentures may be restricted by law in certain jurisdictions. Persons into whose possession this Information Memorandum comes are required to inform themselves about and to observe any such restrictions.

The Company reserves the right to withdraw the offer prior to the earliest closing date in the event of any unforeseen development adversely affecting the economic and regulatory environment or otherwise.

#### **DISCLAIMER OF SEBI**

This Information Memorandum has not been filed with SEBI. The Debentures have not been recommended or

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approved by SEBI nor does SEBI guarantee the accuracy or adequacy of this document. It is to be distinctly understood that this document should not, in any way, be deemed or construed that the same has been cleared or vetted by SEBI. SEBI does not take any responsibility either for the financial soundness of any scheme or the project for which the Issue is proposed to be made, or for the correctness of the statements made or opinions expressed in this document. The issue of Debentures being made on private placement basis, filing of this document is not required with SEBI, however SEBI reserves the right to take up at any point of time, with the Company, any irregularities or lapses in this document. Pursuant to Rule 14 (4) of the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Company shall maintain a complete record of private placement offers in Form PAS-5. A copy of such records along with Form PAS-4 shall be filed with the ROC, along with fee as provided in the Companies (Registration Offices and Fees) Rules, 2014 within a period of (30) thirty days of circulation of the Private Placement Offer Letter. However SEBI reserves the right to take up at any point of time, with Issuer, any irregularities or lapses in Private Placement Offer Letter.

#### **DISCLAIMER OF BSE**

Application is being submitted to BSE to list the Debentures being privately placed through this Information Memorandum and to seek a permission to deal in such Debentures. The Company shall comply with the requirements of the debt listing agreement to the extent applicable to it on a continuous basis. A copy of this Information Memorandum is submitted to the BSE for hosting the same on its web site.

It is to be distinctly understood that submission of this Information Memorandum to the BSE should not in any way be deemed or construed to mean that this Information Memorandum has been reviewed, cleared or approved by the BSE; nor does the BSE in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Information Memorandum, nor does the BSE warrant that the Issuer's Debentures will be listed or will continue to be listed on the BSE; nor does the BSE take any responsibility for the soundness of the financial and other conditions of the Issuer, its promoters, its management or any scheme or project of the Issuer.

Every Person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against BSE whatsoever by reason of any loss which may be suffered by such Person consequent to or in connection with such subscription/ acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

#### **DISCLAIMER IN RESPECT OF JURISDICTION**

The Private Placement of Debentures is made in India to companies, corporate bodies, trusts registered under the Indian Trusts Act, 1882, societies registered under the Societies Registration Act, 1860 or any other applicable laws, provided that such trust/society is authorised under constitution/ rules/ byelaws to hold debentures in a Company, Indian mutual funds registered with SEBI provided that such mutual funds are authorised under their constitution/ scheme to hold debentures in a Company, Indian financial institutions, insurance companies, commercial banks including regional rural banks and cooperative banks, provident, pension, gratuity, superannuation funds as defined under Indian laws. The Information Memorandum does not, however, constitute an offer to sell or an invitation to subscribe to securities offered hereby in any other jurisdiction to any Person to whom it is unlawful to make an offer or invitation in such jurisdiction. The distribution of this Information Memorandum and the offering and sale of the Debentures may be restricted by law in certain jurisdictions. Any Person into whose possession this Information Memorandum comes is required to inform him about and to observe any such restrictions. Any disputes arising out of this issue will be subject to the exclusive jurisdiction of the courts and tribunals at Mumbai. All information considered adequate and relevant about the Issuer has been made available in Information Memorandum for the use and perusal of the potential investors and no selective or additional information would be available for a section of investors in any manner whatsoever.

#### **DISCLAIMER OF DEBENTURE TRUSTEE**

The Debenture Trustee is not a guarantor and will not be responsible for any non-payment of interest and redemption and/or any loss or claim.

#### **DISCLAIMER IN RESPECT OF THE CREDIT RATING**

The rating of the credit rating agency should not be treated as a recommendation to buy, sell or hold the rated debt



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instruments. The credit rating agency's ratings are subject to a process of surveillance which may lead to a revision in ratings. Please visit credit rating agency's website [www.crisil.com](http://www.crisil.com) or contact credit rating agency's office for the latest information on credit rating agency's ratings. All information contained herein has been obtained by the credit rating agency from sources believed by it to be accurate and reliable. Although reasonable care has been taken to ensure that the information herein is true, such information is provided 'AS IS' without any warranty of any kind, and the credit rating agency in particular, makes no representation or warranty, express or implied, as to the accuracy, timeline or completeness of any such information. All information contained herein must be construed solely as statements of opinion and credit rating agency shall not be liable for any losses incurred by users from any use of this publication or its contents.

### SECTION 3: RISK FACTORS

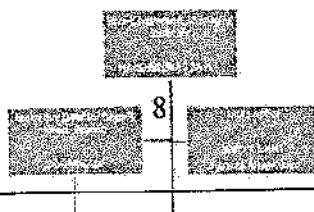
An investment in this type of securities involves a certain degree of risk. The investor should carefully consider all the information contained in this Information Memorandum, including the risks and uncertainties described below, before making an investment decision. The risk factors set forth below do not purport to be complete or comprehensive in terms of all the risks that may arise in connection with our business or any decision to purchase, own or dispose of the Debentures. The following risk factors are determined on the basis of their materiality. In determining the materiality of risk factors, we have considered risks which may not be material individually but may be material when considered collectively, which may have a qualitative impact though not quantitative, which may not be material at present but may have a material impact in the future. Additional risks, which are currently unknown, if materializes, may in the future have a material adverse effect on our business, financial condition and results of operations. The market prices of the Debentures could decline due to such risks and you may lose all or part of your investment.

Following are certain issues for the investors to consider before taking an investment decision in the offer.

- (i) A deterioration of the general economic conditions in the country and across the globe that impacts the mobility industry production negatively could have an adverse impact on our business. The risk is reduced with the diversification of the business with customers in India, Europe, North America, Latin America etc.
- (ii) With the Company exporting to global customers, global currency movements can impact our business. The risk is mitigated with the fact that the Company has raw material imports. In addition, the Company follows a steady foreign currency hedging policy.
- (iii) The Company has a number of counterparties including vendors and customers. There are potential risks arising from our association with these entities. With almost 85% of the Company's revenue coming from large, reputed global mobility players, the risk of customer counterparty risk is mitigated. The Company has sufficient controls in place to minimise the risks associated with vendors.
- (iv) There are risks associated with manpower employed by and machines utilized by the Company. The Company has insurance covers in place for the equipment and the management shares cordial relationship with the employees with constantly engaging employees across levels to keep motivation at a high levels.
- (v) In the aftermarket there are spurious/counterfeit products. To ensure that users can differentiate between the original and spurious products, the Company has undertaken efforts to educate users and increase awareness about the need to use safe sources like the authorized distribution channel. In addition the Company is also working actively with competent agencies and BRBMA to deter those engaging in counterfeit business.
- (vi) Change in Indian Government's and international policies relating to *inter-alia* taxation, trade, labor laws, manufacturing operations etc. may impact our business and the Company.

### SECTION 4: GENERAL INFORMATION ABOUT THE ISSUER

#### A. CORPORATE STRUCTURE





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## B. DETAILS OF DIRECTORS AND MANAGEMENT

### 1. Mr. Trilochan Singh Sahney

Designation	Non- Executive Chairman
Director Since	30 <sup>th</sup> June 1995
DIN	00003873
Age	90
Address	13, Shangri-la, 27A, Carmichael Road, Mumbai 400026
Occupation	Promoter
List of other Directorships	NRB Industrial Bearings Ltd. NRB IBC Bearings Ltd. Needle Roller Bearings Pvt Ltd.
Membership in Committees in other companies	None
No. of shares held in the Issuer	1,000

### 2. Ms. Harshbeena Sahney Zaveri

Designation	Vice Chairman & Managing Director
Director Since	6 <sup>th</sup> April 1994
DIN	00003948
Age	57
Address	162 Mont Blanc, August Kranti Marg, Mumbai 400036
Occupation	Business Executive
List of other Directorships	SNL Bearings Ltd. NRB Industrial Bearings Ltd. Karam Chand Thapar & Bros (Coal Sales) Ltd. First Engineering Technologies Pvt Ltd. Sant Sahney Pvt Ltd.
Membership in Committees in other companies	SNL Bearing Ltd – Member of Audit Committee. and Stakeholders Relationship Committee
No. of shares held in the Issuer	85,15,959

### 3. Mr. Devesh Singh Sahney

Designation	Director (Non-executive Non-independent)
Director Since	25 <sup>th</sup> May 2001
DIN	00003956

Dated: 11<sup>th</sup> September, 2018

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Age	49
Address	13, Shangri-la, 27A, Carmichael Road, Mumbai 400026
Occupation	Business Executive
List of other Directorships	NRB Industrial Bearings Ltd. NRB IBC Bearings Ltd. Sant Sahney Pvt. Ltd.
Membership in Committees in other companies	NRB Industrial Bearings Ltd-Member of Audit Committee.
No.of shares held in the Issuer	3634583

**4. Mr. Rustom Desai**

Designation	Director (Independent)
Director Since	23rd January, 2017
DIN	02248175
Age	48
Address	- C-62, Second Floor, Anand Niketan, New Delhi 110 021
Occupation	Business Executive
List of other Directorships	Nil
Membership in Committees in other companies	Nil
No.of shares held in the Issuer	None

**5. Ms. Aslesha Ashok Gowariker**

Designation	Director (Independent)
Director Since	05 <sup>th</sup> September 2014
DIN	03634905
Age	51
Address	100 Kum Kum Villa, 16 <sup>th</sup> road, Bandra (W), Mumbai - 400050
Occupation	Advocate
List of other Directorships	None
Membership in Committees in other companies	None
No.of shares held in the Issuer	None

**6. Mr. Satish Chelaram Rangani**

Designation	Executive Director
Director Since	31 <sup>st</sup> October 2012
Secretary Since	12 <sup>th</sup> April 1993
DIN	00209069
Age	69
Address	Flat No. 12, Bandra Noor Mahal CHS, 78 Turner Road, Bandra (W), Mumbai - 400050
Occupation	Business Executive
List of other Directorships	SNL Bearings Ltd
Membership in Committees in other companies	SNL Bearings Ltd - Member Stakeholders Relationship Committee
No.of shares held in the Issuer	4000

**Mr. Tashwinder Harjap Singh**

Designation	Director (Independent)
Director Since	29 <sup>th</sup> May 2013

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DIN	06572282
Age	48
Address	1500, Shanudeep, 10A, Altamount Road, Mumbai - 400026
Occupation	Business Executive
List of other Directorships	None
Membership in Committees in other companies	KKR Capital Markets India Pvt. Ltd. KKR India Financial Services Pvt. Ltd. Resonance Eduventures Ltd
No. of shares held in the Issuer	None

## **7. Mr. Ashank Desai**

Designation	Director (Independent)
Director Since	30th March 2016
DIN	00017767
Age	64
Address	Flat 2501, Odyssey - 1, Hiranandani Garden, Powai, Mumbai 400076
Occupation	Business Executive
List of other Directorships	Mastek Limited
Membership in Committees in other companies	
No. of shares held in the Issuer	None

The names of the Issuer and/or its Directors do not figure in any list of willful defaulters circulated by RBI or the caution/defaulters list of the Export Credit Guarantee Corporation (ECGC).

### **Brief Particulars of the Management of the Company:**

The day-to-day management of the Company is overseen by Ms. Harshbeena Sahney Zaveri, Vice Chairman & Managing Director and Mr. Satish Rangani, Executive Director. Our operations are overseen by a professional management team. Our senior management team has the requisite experience and the qualification for their respective responsibilities. In addition to the Managing Director and Executive Director as set forth above, the following are the key managerial personnel:

### **Key Managerial Personnel of our Company:**

#### **Ms. Tanushree Bagrodia, Chief Financial Officer**

Ms. Tanushree Bagrodia is the Chief Financial Officer of our Company. She has been associated with our Company for a period of five years and 1 month.

#### **Ms. Shruti Joshi Company Secretary & Compliance Officer:**

Ms. Shruti Joshi, is the Company Secretary and Compliance Officer of our Company. She has been associated with our Company for a period of 2 months.

### **Senior management personnel of our Company:**

Mr. Manoj Solanki, is the Chief Operating Officer of our Company. He has been associated with our Company for a period of 1 year.

Mr. Arvinder Kohli, is the Senior Vice President- Research & Development of our Company. He has been associated with our Company for a period of 22 years and 5 months.

Mr. Sanjeev Parida, is the Senior Vice President- Human Resources, Organization Development, and Business Systems & Processes of our Company. He has been associated with our Company for a period of 3 years and 1 months.

Dated: 11<sup>th</sup> September, 2018

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**C. DETAILS OF CHANGE IN DIRECTORS OF THE COMPANY SINCE LAST THREE YEARS**

Name and Designation	DIN	Date of Appointment / Resignation	Director of the Issuer since (in case of resignation)	Reason/Remarks
Mr. Uday Khanna	00079129	25/08/2016	17/04/2014	Due to time constraints
Mr. Ashank Desai	00017767	30/03/2016	Present	
Mr. Rustom Desai	02448175	23/01/2017	Present	

**D. DISCLOSURES WITH REGARD TO INTEREST OF DIRECTORS, LITIGATION ETC.**

1. Financial or other material interest of the Directors, promoters or key managerial personnel in the offer and the effect of such interest in so far as it is different from the interests of other persons:

**None of the Directors and/ or neither Promoters of the Issuer nor any Key Managerial Personnel of the Issuer has any interest in the offer.**

2. Details of any litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against any promoter of the Company during the last three years immediately preceding the year of the circulation of this Information Memorandum and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action:

**There is no instance of litigation initiated and/ or pending against the promoters of the Issuer initiated by any Ministry and/ or Department of the Government and/ or Statutory Authority.**

3. Remuneration of directors (during current year and last three FY):

Name of Director	Remuneration paid in Rs.			
	2015-2016	2016-2017	2017-18	As on 31-3-2018 (in Lacs)
Ms. Harshbeena Sahney Zaveri	2,83,38,608	2,86,70,193	3,80,05,022	380.05
Mr. Trilochan Singh Sahney	1,54,96,772	1,75,42,891	62,40,000	62.40
Mr. Satish Chelaram Rangani	77,95,735	80,72,559	80,42,017	80.42
Mr. Devesh Singh Sahney	1,73,700	5,30,000	6,16,667	6.17
Mr. Uday Chander Khanna	2,73,700	3,18,333	--	-
Ms. Aslesha Ashok Gowariker	2,93,700	4,80,000	10,30,000	10.30
Mr. Tashwinder Harjap Singh	2,23,700	8,10,000	10,70,000	10.70

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<sup>1</sup> Name of the related parties <i>Private &amp; Confidential – For Private Circulation only</i>	Nature of Transactions	Volume of Transactions Rs. lacs	Receivables as at 31.03.18 Rs. lacs	Payable as at 31.03.18 Rs. lacs
--	------------------------	------------------------------------	---	---------------------------------------

Mr. Ashank Desai	-	7,90,000	9,70,000	9.70
Mr. Rustom Desai	-	-	7,63,333	7.63

4. Related party transactions entered during the last three FY immediately preceding the year of circulation of this Information Memorandum including with regard to loans made or, guarantees given or securities provided:

**Related Party Transactions entered in the Financial Year 2017-18**

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SNL Bearings Limited	Sale of raw materials	47.93	-	-
	Interest income on Inter Corporate deposit	181.92 (17.23) (146.75)	-	-
	Purchase of raw materials	2,222.27 (2,000.10)	-	401.57 (425.09)
	Purchase of property plant and equipment	43.15 (0.98)	-	-
	Reimbursement of expense by the Company	6.72 (-)	-	-
	Dividend on cumulative redeemable preference shares	- (0.59)	-	-
	Dividend received on equity share	- (80.60)	-	-
	Proceeds from redemption of cumulative redeemable preference shares	- (25.00)	-	-
NRB Bearings (Thailand) Limited	Sale of finished goods	642.97 (633.45)	858.76 (3,947.15)	-
	Purchase of raw materials	2,565.61 (2,089.22)	-	-
	Purchase of property plant and equipment	83.06 (-)	-	-
	Inter Corporate deposit given	1,536.00 (-)	-	-
	Inter Corporate deposit repayment received (Including interest received and foreign exchange adjustment)	899.24 (534.24)	-	-

Dated: 11<sup>th</sup> September, 2018

Name of the related parties <i>Private &amp; Confidential – For Private Circulation only</i>	Nature of Transactions	Volume of Transactions Rs. lacs	Receivables as at 31.03.18 Rs. lacs	Payable as at 31.03.18 Rs. lacs
	Reimbursement of expenses to the Company	27.02 (-)	-	-
	Additional guarantee given (adjusted for foreign exchange fluctuation)	1,127.44 (-)	-	-
	Guarantee receivable	- (-)	2,277.44 (1,150.00)	
	Advances receivable	- (-)	131.98 (101.17)	
	Inter Corporate deposit receivable	- (-)	2,597.32 (1,778.64)	
NRB Industrial Bearings Limited	Sale of raw materials	117.30 (151.37)	-	-
	Purchase of raw materials	5.31 (6.97)	48.35 (40.65)	
	Inter Corporate deposit repayment received	- (255.77)	-	
	Guarantee revoked	277.73 (2,213.22)	-	
	Guarantee given by NRB Bearings Limited	- (-)	139.27 (417.00)	
NRB Bearings Europe GmbH	Sales promotion expenses	166.55 (159.93)	-	68.45 (65.34)
	Reimbursement of expenses to the Company	5.93 (-)	-	-
Trilochan Singh Sahney Trust 1 (shares held by a trustee in his individual name)	Dividend paid	487.61 (500.36)	-	487.61 (-)

**Related Party Transactions entered in the Financial Year 2016 -17**

Name of the related parties	Nature of Transactions	Volume of Transactions Rs. lakhs	Receivable as at 31.03.17 Rs. lakhs	Payable as at 31.03.17 Rs. lakhs
SNL Bearings Limited	Sale of raw materials	17.23  (29.29)		425.09
	Purchase of raw materials / fixed assets	2001.08  (1,832.08)	- (-)	(395.02)
	Proceeds from redemption of			



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	cumulative redeemable preference shares	25.00		
		(25.00)		
NRB Bearings (Thailand) Limited	Sale of raw materials / fixed assets	633.45	3947.15	-
		(690.99)	(4,372.97)	(-)
	Purchase of raw materials	2089.22		
		(1,673.15)		
	Trade receivable and Advances converted into Inter Corporate deposit	-		
		(1,806.39)		
	Inter Corporate deposit repayment received	388.49		
		(64.40)		
	Interest received on Inter Corporate deposit	141.18		
		(182.39)		
	Guarantee given by NRB Bearings Ltd.	-	1,150.00	-
		(-)	(1,150.00)	(-)

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NRB Industrial Bearings Limited	Sale of raw materials	151.37		
		(98.23)		
	Purchase of raw materials	6.97	40.65	-
		-	(258.66)	(-)
	Inter Corporate deposit repayment received	250.00		
		(972.00)		
	Interest received on Inter Corporate deposit	5.77		
		(73.56)		
	Guarantee given by NRB Bearings Ltd.	-	417.00	-
		(-)	(2,630.22)	(-)
NRB Bearings Europe GmbH	Sales promotion expenses	159.93	-	65.34
		(270.22)	(-)	(87.07)
New Indo Trading Company	Service Charges Paid	5.00	-	-
		(5.00)	(-)	(1.23)

**Related Party Transactions entered in the Financial Year 2015 -16**

Name of the related parties	Nature of Transactions	Volume of Transactions Rs. Lacs	Receivable as at 31.03.16 Rs. Lacs	Payable as at 31.03.16 Rs. Lacs
SNL Bearings Limited	Sale of raw materials	29.29		
		(38.84)		
	Purchase of raw materials / fixed assets	1832.08	-	395.02
		(1562.74)	(-)	(292.71)
	Proceeds from redemption of cumulative			

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	redeemable preference shares	25.00		
		(150.00)		
NRB Bearings (Thailand) Limited	Sale of raw materials / fixed assets	690.99	4372.97	-
		(855.12)	(4048.63)	(-)
	Purchase of raw materials	1673.15		
		(858.06)		
	Trade receivable and Advances converted into Inter Corporate deposit	1,806.39		
		(-)		
	Inter Corporate deposit repayment received	64.40		
		(-)		
	Interest received on Inter Corporate deposit	182.39		
		(23.90)		
	Stand by letter of credit given by NRB Bearings Ltd,	-	-	-
		(-)	(271.94)	(-)
	Guarantee given by NRB Bearings Ltd.	-	1,150.00	-
		(-)	(1177.04)	(-)

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NRB Industrial Bearings Limited	Sale of raw materials	98.23 (137.91)	258.66 (1240.18)	- (-)
	Purchase of raw materials	- (6.77)		
	Inter Corporate deposit given	- (605.00)		
	Inter Corporate deposit repayment received	972.00 (-)		
	Interest received on Inter Corporate deposit	73.56 (118.31)		
	Bad debts written off	- (138.14)		
	Guarantee given by NRB Bearings Ltd.	- (-)	2630.22 (5169.45)	- (-)
NRB Bearings Europe GmbH	Sales promotion expenses	270.22 (109.67)	- (-)	87.07 (42.91)
New Indo Trading Company	Service Charges Paid	5.00 (5.00)	- (-)	1.23 (1.23)

5. Summary of reservations or qualifications or adverse remarks of auditors in the last five financial years immediately preceding the year of circulation of this Information Memorandum and of their impact on the financial statements and financial position of the Company and the corrective steps taken and proposed to be taken by the Company for each of the said reservations or qualifications or adverse remark:

There have been no reservations or qualifications or adverse remarks of auditors in the last five financial years immediately preceding the year of circulation of this Information Memorandum.

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6. Details of any inquiry, inspections or investigations initiated or conducted under the Act or any previous company law in the last three years immediately preceding the year of circulation of this Information Memorandum in the case of Company and all of its subsidiaries:

There has been no inquiry, inspections or investigations initiated or conducted under the Act or any previous company law in the last three years immediately preceding the year of circulation of this Information Memorandum in the case of Company and all of its subsidiaries.

7. Prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last three years immediately preceding the year of this Information Memorandum and if so, section-wise details thereof for the Company and all of its subsidiaries:

There have been no prosecutions filed, fines imposed, compounding of offences in the last three years immediately preceding the year of this Information Memorandum.

8. Details of acts of material frauds committed against the Company in the last three years, if any, and if so, the action taken by the Company:

There has been no act of material fraud committed against the Issuer Company in the last three years.

9. Details of default, if any, including therein the amount involved, duration of default and present status, in repayment of-

- i) Statutory dues;
- ii) Debentures and interest thereon;
- iii) Deposits and interest thereon;
- iv) Loan from any bank or financial institution and interest thereon.

There have been no defaults on statutory dues, interest payments or loan repayments of any type.

10. Any default in Annual Filing of the Company under the Companies Act, 2013 or the rules made thereunder;

There has been no default in Annual filing by the Company under the Companies Act, 2013 or any rules made thereunder.

11. The details of significant and material orders passed by the Regulators, Courts and Tribunals impacting the going concern status of the Company and its future operations.

There have been no significant and material orders passed by any of the Regulators, Courts and Tribunals impacting the going concern status of the Company and its future operations,

12. The change in control, if any, in the Company that would occur consequent to the private placement.

There would be no change in control of the Company consequent to this private placement.

#### **E. SUMMARY OF BUSINESS /ACTIVITIES**

The Company is in the business of manufacturing roller bearings (needle, cylindrical, ball and taper) to meet the requirements of the mobility industry which has Indian Original Equipment Manufacturers (OEMs) accounting for 65% -70 % of the demand, Indian Aftermarket (10% -15%) and Exports (20% - 25%). OEMs comprise domestic and global vehicle manufacturers in the following broad segments:

- 2/3 wheelers comprising motor cycles, scooters, mopeds, auto rickshaws (passenger & goods) and industrial 4 stroke engines
- passenger cars from small car hatchbacks to luxury models and utility vehicles

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- commercial vehicles from LCVs, MCV/HCV to buses
- farm equipment
- off highway vehicles including forklift trucks and construction equipment
- railway locomotives
- defence vehicles

The operations of the Company are divided into two categories –

- (i) Needle Bearing Division and Automotive components (products include needle rollers, needle bushes and cages and needle roller bearings) that has manufacturing facilities at:
  - Thane
  - Aurangabad
  - Waluj
  - Hyderabad
- (ii) General Bearing Division (products include special ball bearings, cylindrical roller bearings, and special taper roller bearings) that has manufacturing facilities at:
  - Jalna
  - Pantnagar

The Company has the following subsidiaries:

1. SNL Bearings Ltd. with manufacturing facilities in Ranchi, Jharkand. NRB owns ~74% stake. This company was taken over by the Company in June 2000 from the Shriram Group who divested their holdings in 2 (two) bearing companies owned by them namely Shriram Needle Bearings Industries Ltd. and Shriram Bearings Ltd. The Company bought a stake in the first company and renamed the same as SNL Bearings Ltd. This company also manufactures needle bearing products and is listed on the BSE. The consolidated balance sheet included in the annual report includes the results of SNL Bearings Ltd.
2. NRB Bearings (Thailand) Ltd. with manufacturing facilities in Rayong, Thailand. The Company owns 100% stake in the company. This is the venture of the Company to cater to the bearings market in the "ASEAN" market. The plant commenced commercial production in 2009.
3. NRB Bearings Europe GmbH was set up in June 2014 to be able to provide marketing and engineering services to European customers. The Company owns a 100% stake in this entity.

#### **F. IMPORTANT EVENTS IN THE HISTORY OF THE COMPANY SINCE INCORPORATION**

- |       |  |
|-------|--|
| 1965: | Set up as a joint venture between Sahney family and Nadella, France                  |
| 1966: | Began production of needle rollers at Thane  |
| 1982: | Added CRB to its product line and a new General bearing division at Jalna.           |
| 1995: | Public Issue of equity shares  |
| 1998: | Did not re-sign Technology agreement with Nadella, France                            |
| 2000: | Acquired SNL Bearings Limited. Company manufactures needle rollers, bushes and cages |
| 2000: | Set up a Research and Development Centre at Thane with investment of Rs. 40 million  |
| 2005: | Indian promoters (Sahney family) acquire Timken's 26% equity stake                   |
| 2007: | Set up NRB Bearings (Thailand) Ltd.  |

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- 2008: Commissioned plant at Pantnagar to cater to Tata Motors, Bajaj auto, Mahindra and Mahindra located at Uttarakhand
- 2012: Demerger of industrial bearings business of the Company and vesting in NRB Industrial Bearings Limited vide a court order dated 24<sup>th</sup> August 2012
- 2014: Set up NRB Bearings Europe GmbH

## G. INDUSTRY OVERVIEW

### 1. INDUSTRY, MARKET AND CUSTOMERS

NRB Bearings Ltd, the fourth largest (11% market share by sales) organised bearings player in India, manufactures customised bearings for the mobility segment (automobiles, off-highway vehicles such as construction equipment, tractors, etc.). Needle and cylindrical roller bearings constituted majority of its revenues in FY18. The Company holds a dominant position in the domestic needle roller bearings market with ~70% share (by sales).

The Company's Engineering and Design R&D Centre, set up in 2000, employs over 60 professionals (from reputed institutes such as Indian Institute of Technology, Birla Institute of Technology and Science etc). As bearings are used in critical automobile applications (such as gearbox/transmission system and steering systems), the Company has laid down stringent control over processes such as heat treatment, grinding, etc. to ensure quality of bearings. As NRB's bearings are largely used for critical applications, the quality standards are important.

The demand for the bearing industry in India is derived from demand in two user segments - Mobility and Industrial. The mobility industry is the largest user segment and is the business segment that NRB Bearings caters to. Not only is the Indian automobile industry expected to mirror the growth of the country's GDP, the Indian auto component industry is estimated to be at a significant advantage with a market expected to increase and expected growth of exports

During 2017-18 all vehicle segments registered robust growth in double digits, except passenger car segment which showed growth albeit at a lower rate.

Tabled below are growth estimates for 2018-19 projected by the Company, after assessing demand forecasts with all major OEMs:

User Industry	2017-18	2016-17	% growth
2-Wheelers	1,99,33,739	2,31,47,057	16.12
3-Wheelers	7,83,721	10,21,911	30.39
Passenger Cars	40,10,373	38,01,670	5.49
HCV/MCV	3,43,951	3,42,761	0.35
LCV	5,50,600	4,67,492	17.78
Total	29073892	25329383	14.78

Source: SIAM and, production data and Company estimates

### 2. OPPORTUNITIES

The Indian automotive industry registered a growth of 14.78%, producing 29.08 million vehicles in FY 2017-18. All segments of the industry except the Passenger Vehicle segment registered robust growth in double digits. The automotive industry including the auto component and the bearings industry will benefit from



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increase in consumption along with added rural demand, increased infrastructure spending by the government, the "Make in India initiative" and strengthening of the private sector investment cycle.

- AMP 2026 (Automotive Mission Plan II), a collective vision of the government and the automotive industry, envisions that by 2026 the Indian Auto Industry will be among the top 3 in the world in terms of engineering, manufacturing and export of vehicles as well as auto components targeting a growth upto 4 times its current output, growing in value to over 12% of India's GDP and generating an additional 65 million jobs.
- Recent reports published by the World Bank and the IMF reaffirm that India shall sustain its mantle as the world's fastest growing major economy in 2018. Going ahead positive indicators such as moderate level of inflation, expected growth of the industrial sector, anticipation of greater stability post the GST regime, recovery in investment levels and continuing structural reforms affirms the Indian economy's growth push at an accelerated pace. The auto industry is set to witness major changes in the form of electric vehicles, hybrid vehicles, shared mobility, Bharat Stage-VI emission and safety norms and therefore the Company continues to invest in building its R&D capabilities and developing product lines at the cutting edge of light weight product solutions and disruptive manufacturing technologies. The Company is concentrating on creating a roadmap and the fundamental infrastructure for accelerating NRB's goal to become a technology leader in the upcoming electric/hybrid autonomous mobility space. The Company shall continue focus on dual clutch automated manual and other environmentally -driven friction solutions for enhanced field efficiency.
- The Company continues to remain watchful of developments across business segments and has the ability to stay in step with evolving consumer priorities and changing industrial trends - like adopting Industry 4.0 as a strategic imperative or using more flexible new technologies and processes like 3 D printing and sustainable materials. The Company has expanded its reach and presence into new markets by strengthening its global foot print and enhancing customer relationships.

### 3. COMPETITIVE ADVANTAGE

The Company is the major player in the industry manufacturing all types of bearings. It is the only company which is fully Indian and does not have foreign shareholdings or foreign management control with an Engineering center that has a 17 year track record. The R&D facility focuses on new product development and is associated with European Auto OEMs for development of products for their latest generation vehicles. The R&D facility has been recognized by the Central Government for tax benefits.

Ratio/Year Ended	NRB	SKF India	SCHAEFFLER
	31.03.2018	31.03.2018	31.03.2018
Operating Profit to Net Sales %	18.42%	17.79%	18.80%
Return on Net Worth = PAT/Net worth	21.0%	16.1%	15.0%
Return on Capital Employed = EBIT/PF + BF * 100	22.8%	26.68%	21.4%
Earnings per share (Rs.) = PAT/No. of shares	8.45	57.3	143.2

For SKF and FAG face value Rs.10/- per share and for NRB face value Rs.2/- per share

### 4. KEY OPERATIONAL AND FINANCIAL PARAMETERS FOR THE LAST 3 YEARS ON STANDALONE BASIS

NRB Bearings Limited	Merged	Standalone		
Parameters	Upto latest half year	F.Y 2017-18	F.Y 2016-17	F.Y 2015-16

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	(31.03.2018)			
For Non-Financial Entities	NA			
	NA		32,352.56	28,836.70
Net Worth		39,034.79		
	NA	20,364.65	26,385.54	30,176.82
Total Debt				
of which- Non Current Maturity of long term borrowing	NA	6,886.00	10,729.46	6,048.46
	NA	9,228.03	14,589.94	16,478.32
Short term Borrowing				
Current Maturity of long term borrowing	NA	4,250.62	1,066.15	7,650.04
	NA	22,287.31	21,144.27	22,351.94
Net Fixed Assets				
	NA	29,026.89	29,308.64	29,432.71
Non-Current Assets				
Cash & Cash Equivalents	NA	2,675.30	2,120.04	3,077.90
Current Investment	NA	-	-	25.00
	NA	50,081.83	42,723.61	41,901.81
Current Assets				
	NA	32,853.26	28,681.07	36,123.54
Current Liabilities				
	NA	84,836.09	77,431.69	65,919.68
Net Revenue				10,743.47
EBITDA	NA			7,829.70
EBIT	NA			
	NA	1,426.86	1,637.59	1,448.17
Interest				
	NA	8,191.34	4,932.90	4,598.30
PAT				1,356.91
Dividend Amounts	NA			

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Key Ratios	Mar-18	Mar-17	Mar-16
Debt to Equity(x)	0.52	0.82	1.05
Current Ratio(x)	1.52	1.49	1.23
Debt Service Coverage Ratio(x)	2.67	6.63	1.11
ROCE(%)	22.78	13.99	13.27
RONW(%)	20.98	15.24	15.94
PBIDTM(%)	19.65	15.98	16.11
PATM(%)	9.99%	7.06%	6.90%
CPM(%)	10.41	11.38	11.03

## SECTION 5: FINANCIAL POSITION

### A. CAPITAL STRUCTURE

DETAILS OF SHARE CAPITAL AS ON 30<sup>th</sup> June 2018 (Last quarter end):

	Particulars of Share Capital	Aggregate value (Rs.)
1.	Authorised Share Capital	
	10,00,00,000 equity shares of Rs. 2/- each	20,00,00,000
2.	Issued, subscribed and paid-up share capital before the Issue	
	9,69,22,600 equity shares of Rs. 2/- each	19,38,45,200

There are no outstanding warrants, options or rights to convert debentures, loans or other instruments into the equity shares of the Company. No fresh allotment of securities was made by the Company during the FY 2017-2018.

The equity shares of the Company are listed on the BSE and the National Stock Exchange.

### B. CHANGES IN THE CAPITAL STRUCTURE OF THE COMPANY AS ON THE LAST QUARTER END, FOR THE LAST FIVE YEARS

There has been no change in the capital structure of the Company for the last five year.

### C. SHAREHOLDING PATTERN OF THE COMPANY AS ON 30<sup>th</sup> June, 2018 (LAST QUARTER END):-

Sl.No	Particulars	Total No. of Equity Shares	No of shares in demat form	Total Shareholding as % of total No. of equity shares.
1	Shareholding of Promoter and Promoter Group	50975412	50975412	52.59
2	Public Shareholding	45947188	45500428	47.41

### PRE-ISSUE and POST-ISSUE SHAREHOLDING PATTERN OF THE COMPANY IN THE FOLLOWING FORMAT:

Sr. No	Category	Pre-Issue				Post - Issue			
A.	Promoter's holding	No. of shares	% of share	No. of shares	% of shares	No. of shares held	% of share	No. of shares	% of shares

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		held	holding	held in	held in		holding	held in	held in
				demat	demat			demat	demat
1.	Indian								
	Individual	15747007	16.25	15747007	16.25	15747007	16.25	15747007	16.25
	Bodies Corporate	--	--	--	--	--	--	--	--
	Others – Trust	33809300	34.88	33809300	34.88	33809300	34.88	33809300	34.88
	Sub-Total	49556307	51.13	49556307	51.13	49556307	51.13	49556307	51.13
2.	Foreign Promoters	1419105	1.46	1419105	1.46	1419105	1.46	1419105	1.46
	Sub-Total (A)	50975412	52.59	50975412	52.59	50975412	52.59	50975412	52.59
B	Non-Promoters' Holding								
1.	Institutional Investors	31399523	32.40	31393023	32.40	31399523	32.40	31393023	32.40
2.	Non-Institutional Investors	459637	0.47	459637	0.47	459637	0.47	459637	0.47
3.	Private Corporate Bodies	5832894	6.02	5828894	6.02	5832894	6.02	5828894	6.02
4.	Directors and Relatives	10279	0.01	10279	0.01	10279	0.01	10279	0.01
5.	Indian Public	7507565	7.75	7071305	7.30	7507565	7.75	7071305	7.30
6.	Others (including NRIs)	737290	0.76	737290	0.76	737290	0.76	737290	0.76
	Sub-Total (B)	45947188	47.41	45500428	46.95	45947188	47.41	45500428	46.95
	GRAND TOTAL	96922600	100	96475840	99.54	96922600	100	96475840	99.54

**D. LIST OF TOP 10 SHAREHOLDERS OF EQUITY SHARES AND NUMBER OF EQUITY SHARES HELD BY THEM (AS 30<sup>th</sup> June 2018 IS AS BELOW:**

Sr.No	Name of shareholder	Address	Number of Shares Held	% Shareholding
1	Trilochan Singh Sahney Trust 1 (held by a trustee in his individual name)	13 Shangri-La, 27A Carmichael Road, Mumbai 400 026	33809300	34.88
2	Nalanda India Equity Ltd	C/o. Kotak Mahindra Bank Ltd., Kotak Infiniti, Building No.21, 6 <sup>th</sup> floor, Zone IV, Custody Servs, Infinity Park, Mumbai 400097	9682667	9.99
3	Harshbeena Sahney Zaveri	162 Mont Blanc, August Kranti Marg, Mumbai 400036	8515959	8.79
4	ICICI Prudential Life Insurance Company	Deutsche Bank AG, DB House, Hazarimal Somani Marg, Post Box No.1142, Fort, Mumbai 400001	3808112	3.98
5	Devesh S Sahney	13 Shangri-La, 27A Carmichael Road, Mumbai 400 026	3634583	3.75

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6	SBI Magnum Taxgain Scheme	SBI SG Global Securities Services P Ltd., Jeevan Seva Annexe Building, A Wing, Ground Floor, S.V. Road, Mumbai 400054	2980487	3.08
7	HDFC Small Cap Fund	CITIBANK N.A. CUSTODY SERVICES FIFC- 11TH FLR, G BLOCK PLOT C-54 AND C-55, BKC 400098	2885000	2.98
8	Hanwantbir Kaur Sahney	13 Shangri-La, 27A Carmichael Road, Mumbai 400 026	2867000	2.95
9	Sundaram Mutual Fund A/c Sundaram Smile Fund	Standard Chartered Bank, CRESCENDO Securities Services, 3 <sup>rd</sup> floor, C-38/39, G- Block, BKC, Bandra (East), Mumbai 400051	2533486	2.61
10	Reliance Capital Trustee CO. Ltd. – A/c Reliance Small Cap Fund	DEUTSCHE BANK AG, DB HOUSE HAZARIMAL SOMANI MARG, P.O.BOX NO. 1142, FORT MUMBAI 400001	2335472	2.41

**E. EQUITY SHARE CAPITAL HISTORY OF THE ISSUER FOR LAST FIVE YEARS AS ON 30<sup>th</sup> June, 2018**

Date of Allotment	No. of equity shares allotted	Face Value per equity share (Rs)	Issue Price per equity share (Rs)	Form of Consideration (Cash, other than cash)	Nature of allotment	Cumulative number of equity shares	Cumulative equity share capital (Rs)	Cumulative securities premium* (Rs)
14/02/1979	30000	10	10	Bonus Issue	Bonus	70000	700000	0
04/11/1993	526266	10	10	Bonus Issue	Bonus	842026	84202600	0
03/05/1995	1272000	10	10	Public Issue	Public	9692260	96922600	0
04/04/2007	4846130 0	2	2	Sub Division 1:5	Sub Division	48461300	96922600	
08/09/2010	4846130 0	2	2	Bonus Issue	Bonus	96922600	193845200	0
01/10/2012	Demerger	Entitlement of one share in NIBL for every 4 shares held in NRB as on record date of 26/10/12						

**F. DETAILS OF ANY ACQUISITION OR AMALGAMATION IN THE LAST ONE YEAR**

There have been no acquisitions or amalgamations in the last one year.

**G. DETAILS OF ANY REORGANIZATION OR RECONSTRUCTION IN THE LAST ONE YEAR**

There has been no reorganization or reconstruction of the Issuer in the last one year.

**H. PROFITS OF THE COMPANY FOR THE LAST 3 FINANCIAL YEARS**

(Figures in Rs.)

Financial Year	Profit Before Tax	Profit After Tax
2017-18	12,030.96	8,191.34
2016-17	6,757.66	4,932.90
2015-16	6381.53	4598.30

**I. DIVIDEND DECLARED BY THE COMPANY FOR THE LAST 3 (THREE) YEARS**

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Particulars	31/03/2016	31/03/2017	31/03/2018
Dividend	1,066.15	1,453.84	
Dividend %	55	75	

**J. INTEREST COVERAGE RATIO OF THE COMPANY FOR THE LAST 3 YEARS**

Interest Coverage Ratio (PBITA/Interest)	FY 2015-16	FY 2016-17	FY 2017-18
	7.42	6.82	11.29

**K. DETAILS OF BORROWINGS OF THE COMPANY AS ON 30.06.2018**

**Details of Secured Loan Facilities**

Sr. No	Lender's name	Type of facility	Principal Amt Outstanding	Repayment date/Schedule	Security
1	BNP	PCRE	700	10/7/2018	Pari passu charge on inventories & trade receivables.
2	BNP	PCRE	1000	24/08/18	Pari passu charge on inventories & trade receivables.
3	BNP	PCFC	1020	07-09-2018	Pari passu charge on inventories & trade receivables.
4	BNP	PCFC	997	06/11/2018	Pari passu charge on inventories & trade receivables
5	CITI	SBLC	2000		Pari passu charge on inventories & trade receivables
6	KOTAK	PCRE	1000	30/7/2018	Pari passu charge on inventories & trade receivables.
7	KOTAK	PCRE	1000	05/09/2018	Pari passu charge on inventories & trade receivables.
8	DBS	ECB	2441	02/02/2022	Hypothecation of/Charge on specified plant & machinery of the Company
10	CITI	FCNRB	1864	13/12/2021	Hypothecation of/Charge on specified plant & machinery of the Company
11	CITI	FCNRB	466	14/12/2021	Hypothecation of/Charge on specified plant & machinery of the Company

**Sanctioned Credit Limit of Banks**

Sr.No	Name of Bank	Amount (Rs in lac)	Bank Facility
1	Citibank	6700	Cash credit

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2	Kotak Mahindra Bank Ltd	5000	Cash credit
3	BNP Paribas Bank	8000	Cash credit
4	DBS Bank Ltd	4000	Cash credit
5	HDFC Bank Ltd	8000	Cash credit
	<b>Total</b>	<b>31700</b>	

1. Interchangeable with working capital demand loan (WC DL) /LC/standby letter of credit/Guarantee/EPC.
2. Interchangeable with cash credit, WC DL/foreign currency non-repatriable (FCNR)/EPC/BC.
3. Interchangeable with buyer's credit (BC), export packing credit (EPC), bill discounting (BD), letter of credit (LC), bank guarantee (BG)
4. Interchangeable with WC DL, commercial paper (CP), EPC, LC/BC, and capex BC.
6. Interchangeable with Short-Term Loan (STL)/CP, BC/EPC/FCNR, CC/WC DL.
5. Only Short-term loan

#### Details of Unsecured Loan Facilities

Sr. No	Lender's name	Type of facility	Amount Sanctioned	Principal Amt. Outstanding	Repayment date/Schedule
1	Interest Free Sales tax loan	SICOM		950	Installments to be completed in May 2025
2	Invesco Mutual Fund	CP		2000	20/08/2018
3	ICICI Mutual Fund	NCD		3000	03/08/2018
6	DSP Blackrock	NCD		2000	12/06/2020

**Details of non-convertible debentures:** The Company has issued Non-Convertible Debentures of Rs. 20,00,00,000 (Rupees Twenty Crores only).

**List of Top 10 debenture holders:**

**Amount of corporate guarantees provided by the Issuer along with name of the counterparty on behalf of whom it is issued**

Particulars	Outstanding Amount in Rs. (In Lacs) as on 30 <sup>th</sup> June, 2018
NRB Bearings (Thailand) Limited – Guarantee	4.39
NRB Bearings (Thailand) Limited – SBLC	2276.56

**Details of Commercial Paper:**

Maturity Date	Amt. Outstanding (In Lacs)
20/08/2018	2000

**Details of rest of the borrowing (if any including hybrid debt like FCCB, Optionally Convertible Debentures/Preference Shares) as on 31<sup>st</sup> March 2018:** Not Applicable

**Details of any outstanding borrowings taken/debt securities issued where taken/issued (i) for consideration other than cash, whether in whole or part, (ii) at a premium or discount, or (iii) in pursuance of an option:** Not Applicable

**The number of persons to whom the allotment on preferential basis / private placement / rights issue has already been made during the year, in terms of number of securities as well as price:** Not applicable.



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**L. SUMMARY OF THE FINANCIAL POSITION OF THE COMPANY AS IN THE AUDITED BALANCE SHEETS FOR THE LAST 3 YEARS**

Description	Mar -18	Mar-17	Mar-16 (IND GAAP)
<b>Inc / Exp Performance</b>			
Gross Sales	848.36	774.31	721.6
Total Income	859.94	785.58	666.75
Total Expenditure (Before Depreciation and Finance Costs)	739.63	718.01	602.93
PBIDT	162.55	113.2	107.43
PBIT	134.57	83.95	78.29
PBT	120.30	67.57	63.81
PAT	81.91	49.32	45.98
Cash Profit	109.89	78.57	75.12

Sources of Funds	Mar -18	Mar-17	Mar-16
Equity Paid Up	19.38	19.38	19.38
Reserves and Surplus	370.96	304.14	268.98
Net Worth	390.34	323.52	288.36
Total Debt	203.64	263.85	301.76
Capital Employed	593.98	587.37	590.12
<b>Application of Funds</b>			
Gross Block	601.77	558.45	545.28
Investments	24.69	24.05	23.06
Cash and Bank balance	26.75	21.20	30.77
Net Current Assets (Including Current Investments)	172.28	140.42	57.78
Total Current Liabilities	328.53	286.81	361.23

**M. AUDITED CASH FLOW STATEMENT FOR THREE YEARS IMMEDIATELY PRECEDING THE DATE OF CIRCULATION OF OFFER LETTER:**

Cash Flow	Mar-18	Mar-17	Mar-16
Cash Flow from Operations	159.9	95.4	114.8
Cash Flow from Investing activities	-38.9	-13.9	-22.3
Cash Flow from Finance activities	-97.0	-67.9	-70.9

**N. STATUTORY AUDITORS OF THE COMPANY**

Name	Address	Auditor Since
Walker Chandio & Co. LLP	16th Floor, Tower II, Indiabulls Finance Centre, S B Marg, Elphinstone (W), Mumbai 400013	August 9, 2018

**O. DETAILS IN CHANGE OF THE AUDITORS OF THE COMPANY SINCE LAST THREE YEARS**

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M/s Walker Chandiok & Co. LLP, Chartered Accountants were appointed in the causal vacancy caused by resignation of the Statutory Auditors by a resolution passed by the Board of Directors through circulation on October 24, 2017, upon recommendation of the Audit Committee.

At the 53<sup>rd</sup> Annual General Meeting held on August 9, 2018, M/s Walker Chandiok & Co. LLP, Chartered Accountants were appointed as the Statutory Auditors of the Company to hold office for a term of 5 (five) years till the conclusion of the Annual General Meeting to be held for the financial year ending March 31, 2023.

**P. DETAILS IN ANY CHANGE IN ACCOUNTING POLICIES DURING THE LAST THREE YEARS AND THEIR EFFECT ON THE PROFITS AND RESERVES OF THE COMPANY.**

There has been no change in the accounting policies during the last three years.

**Q. DEBT EQUITY RATIO**

**Gross Debt : Equity Ratio of the Company**

Before the issue of Debt Securities	[0.37]
After the issue of Debt Securities	[0.44]

**R. DETAILS OF ALL DEFAULT/S AND/OR DELAY IN PAYMENTS OF INTEREST AND PRINCIPAL OF ANY KIND OF TERM LOAN, DEBT SECURITIES AND OTHER FINANCIAL INDEBTEDNESS INCLUDING CORPORATE GUARANTEE ISSUED BY THE COMPANY, IN THE PAST FIVE YEARS**

The Company is discharging all its liabilities in time and would endeavor to continue doing so in future. The Company has been paying regular interest and on redemption repaying the bank.

**S. DETAILS OF PROMOTER HOLDING IN THE COMPANY AS ON JUNE 30, 2018 [THE LATEST QUARTER END]**

#	Name of the Shareholders	Total no. of Equity Shares	No. of Shares in Demat Form	Total Shareholding as percentage of total number of Equity Shares	No of Shares Pledged	% of Shares Pledged with respect to shares owned
1	AARTI D SAHNEY	4,07,000	4,07,000	0.42	-	-
2	AZIZ YOUSUF ZAVERI	6,52,332	6,52,332	0.67	-	-
3	BHUPINDER SINGH SAHNEY	17,970	17,970	0.02	-	-
4	DEVESH S SAHNEY	36,34,583	36,34,583	3.75	24,46,809	67.32-
5	HANWANTBIR KAUR SAHNEY	28,67,000	28,67,000	2.96	20,95,237	73.08
6	HARSHBEENA SAHNEY ZAVERI	85,15,959	85,15,959	8.79	-	-
7	JASJIV SINGH DEVINDER SINGH SAHNEY	3,03,495	3,03,495	0.31	-	-
8	RAJIV DEVINDER SAHNEY	7,47,021	7,47,021	0.77	-	-
9	SAHIR ZAVERI	19,752	19,752	0.02	-	-
10	TRILOCHAN SANT SINGH SAHNEY - TRUST	3,38,09,300	3,38,09,300	34.88	-	-
11	TRILOCHAN SINGH SAHNEY	1,000	1,000	0.00	-	-

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Whether the Security is backed by a Guarantee or letter of comfort or any other document / letter with similar intent, a copy of the same shall be disclosed in case such document does not contain detailed payment structure (procedure of invocation of guarantee and receipt of payment by the Investor along with timelines): **Not Applicable**

## **SECTION 5: DETAILS OF THE ISSUE**

### **A. SECURITIES TO BE ISSUED AND LISTED**

The Company intends to raise an amount of Rs. 300,000,000 of listed, rated, unsecured, taxable, redeemable, non-convertible debentures of face value of Rs. 10,00,000 each ("Debentures").

The Company intends to use the proceeds from the Issue for repayment of its outstanding loans and general corporate purpose. The proceeds of the Issue will however not be utilized towards investments in capital markets, acquisition of land or any other real estate solely for the purposes of trading in such land or real estate.

The Board of the Company has vide its resolution dated May 21, 2018 authorized the Issue pursuant to section 179 of the Companies Act, 2013. The Issue is authorized pursuant to the Shareholder's Resolution dated 11th August, 2014 passed under section 180(1)(c) of the Companies Act, 2013.

The Company shall get the debentures listed on the WDM segment of the BSE. In pursuance of SEBI Regulations, the Issuer shall make listing application to BSE within 15 days from the Deemed Date of Allotment of Debentures and seek listing permission within 15 days from the Deemed Date of Allotment of Debentures.

The Debentures are being issued at the face value and not at discount to offer price.

### **B. CREDIT RATING**

The Debentures have a credit rating of AA (-) by CRISIL pursuant to its letter dated August 29, 2018.

The rating is generally valid for a maximum period of 12 months from the date of the letter subject to the ongoing review that the credit rating agency carries on of all its outstanding ratings, which may result in the change of rating, should business, financial or other conditions warrant. Rating changes are immediately posted on the website of the rating agency [www.crisil.com](http://www.crisil.com).

The rating is not a recommendation to buy, sell or hold securities and investors should take their own decision. The rating may be subject to suspension, revision or withdrawal at any time by the assigning rating agency. The credit rating agency has a right to revise, suspend or withdraw the rating at any time on the basis of factors such as new information or unavailability of information or other circumstances which the credit rating agency believes may have an impact on its rating.

A copy of this Information Memorandum and other details pertaining to the Issue are required to be placed before CRISIL.

### **C. DEBENTURE TRUSTEE**

The Company has appointed IDBI Trusteeship Services Ltd to act as trustees ("Debenture Trustee") for and on behalf of the Debenture holder(s). The address and contact details of the Debenture Trustees are as under:

Name	:	Swapnali Hirlekar
Address	:	Asian Building, Ground Floor 17, R Kamani Marg Ballard Estate Mumbai - 400 001
Tel No	:	+91 22 4080 7062
Mob	:	+91 9819033287
Fax No	:	+91 22 6631 1776
Email id	:	<a href="mailto:swapnali@idbitrustee.com">swapnali@idbitrustee.com</a>

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The Debenture Trustee has accorded its consent vide their consent letter dated August 22, 2018 to act as trustee for the Issue. A copy of the same is annexed herewith.

The Company will execute a debenture trust deed ("Debenture Trust Deed") in favor of the Debenture Trustee on or before the closure of the Issue. The Debenture Trust Deed shall contain such clauses as may be prescribed under Section 71 of the Companies Act, 2013 and the allied rules thereunder and those mentioned in Schedule IV of the SEBI (Debenture Trustees) Regulations, 1993. Further, the Debenture Trust Deed shall not contain any clause which has the effect of (i) limiting or extinguishing the obligations and liabilities of the Debenture Trustee or the Company in relation to any rights or interests of the Debentures holder(s), (ii) limiting or restricting or waiving the provisions of the SEBI Act, 1992; SEBI (Issue and Listing of Debt Securities) Regulations, 2008 and circulars or guidelines issued by SEBI from time to time, (iii) indemnifying the Debenture Trustee or the Company for loss or damage caused by their act of negligence or commission or omission.

The Debenture holder(s) shall, without further act or deed, be deemed to have irrevocably given their consent to the Debenture Trustee or any of their agents or authorized officials to do all such acts, deeds, matters and things in respect of or relating to the Debentures as the Debenture Trustee may in their absolute discretion deem necessary or require to be done in the interest of the Debenture holder(s). Any payment made by the Company to the Debenture Trustee on behalf of the Debenture holder(s) shall discharge the Company pro tanto to the Debenture holder(s). The Debenture Trustee shall protect the interest of the Debenture holders in the event of default by the Company in regard to timely payment of interest and repayment of principal and shall take necessary action at the cost of the Company. No Debenture holder shall be entitled to proceed directly against the Company unless the Debenture Trustee, having become so bound to proceed, fail to do so.

The Debenture Trustee shall perform its duties and obligations and exercise its rights and discretions, in keeping with the trust reposed in the Debenture Trustee by the Debenture holder(s). The Debenture Trustee shall carry out its duties and perform its functions as required to discharge its obligations under the terms of SEBI Regulations, the SEBI (Debenture Trustees) Regulations, 1993, the Debenture Trust Deed, this Information Memorandum and all other related transaction documents, with due care, diligence and loyalty.

**D. DEBENTURE REDEMPTION RESERVE ('DRR') CREATION**

As per section 71(4) of the Act read with Rule 18(7)(b)(iii) of the Companies (Share Capital and Debentures) Rules, 2014 for manufacturing companies, the adequacy of DRR is defined at 25% of the value of debentures issued through private placement route by listed companies. In terms of extant provisions of the Act the Issuer is required to create DRR out of profits, if any, earned by the Issuer available for payment of dividend.

**E. CONTRIBUTION BEING MADE BY THE PROMOTERS OR DIRECTORS EITHER AS PART OF THE OFFER OR SEPARATELY IN FURTHERANCE OF SUCH OBJECTS**

Not Applicable

**F. PERIOD OF MATURITY AND YIELD ON REDEMPTION**

Annual Interest payable: 9.6%

Maturity Period: 5 (five) years from the Deemed Date of Allotment

**G. SUMMARY OF TERM SHEET**

**Indicative Terms and Conditions**

*The summary of terms and conditions provided below are indicative only and is a proposal to be used as a basis for continued discussions, and does not constitute a commitment of Citi to underwrite, arrange or syndicate a financing or an agreement of Citi to prepare, negotiate, execute or deliver such a commitment. A commitment would be subject to, among other things, satisfactory market conditions, documentation and Citi internal approvals*

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<b>Security Name</b>	NRBNCD2023
<b>Issuer/Company</b>	NRB Bearings Limited
<b>Type of Instrument</b>	Unsecured Rated Listed Redeemable Non-Convertible Debentures (NCDs)
<b>Nature of Instrument</b>	Unsecured Rated Listed Redeemable Non-Convertible Debentures (NCDs)
<b>Eligible Investors</b>	1. Commercial Banks; 2. Companies and Bodies Corporate including Public Sector Undertakings; 3. Mutual Funds; 4. Financial Institutions; 5. Insurance Companies; 6. Provident Funds; 7. Gratuity Funds; 8. Pension Funds; 9. SEBI registered foreign institutional investors; 10. Any other investors authorized to invest in these Debentures
<b>Investor/Debtenture Holders</b>	Citibank, N.A.
<b>Promoters</b>	Mr. T S Sahney, Mrs. Harshbeena Zaveri, their family members and family trust
<b>Promoters Group</b>	Promoters and their affiliates.
<b>Instrument</b>	Unsecured, Rated, Listed, Redeemable, Non-Convertible Debentures (NCD)
<b>Seniority</b>	Senior
<b>Mode of Issue</b>	Private Placement
<b>Listing (include name of stock exchanges where it will be listed and timeline for listing)</b>	NCDs will be listed on BSE Limited in Wholesale Debt Market (WDM) segment The Company shall list the Instrument within fifteen days from the Date of Allotment of NCDs.
<b>Issue Size</b>	Rs. 300,000,000/- (Rupees Thirty Crores Only)
<b>Objects of the issue</b>	To refinance existing debt and general corporate purposes
<b>Details of utilization of the proceeds</b>	The funds raised through this Issue will be used for refinancing of existing debt and for general corporate purposes. The proceeds of the Issue will however not be utilized towards investments in capital markets, acquisition of land or any other real estate solely for the purposes of trading in such land or real estate.
<b>Rating of the Instrument</b>	CRISILAA-
<b>Issuing Date</b>	September 12, 2018

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Issue closing Date	September 12, 2018
Pay-in date	September 12, 2018
Deemed Date of Allotment	September 12, 2018
Interest Payment Date	Annually and at maturity
Interest Reset Dates	Fixed interest rate hence interest reset is not applicable.
Coupon Rate	9.6%
Coupon payment frequency	Annual
Coupon Types	Simple interest, payable annually
Coupon Payment Dates	September 12, 2019; September 11, 2020, September 10, 2021, September 12, 2022 and September 12, 2023
Day Count Basis	Actual / Actual
Interest on Application Money	As per Companies Act, 2013
Default Interest	2% (two percent) per annum – Additional interest @2% p.a. over the Coupon Rate will be payable by the Issuer in case of default of interest and/ or principal redemption on the due dates and / or breach of any Covenant( post the cure period if any) till it is cured.
Tenor / Redemption	60 months from the Deemed Date of Allotment.
Issuance Mode	Demat mode only
Redemption Date	September 12, 2023
Redemption Amount	INR 300,000,000 /-
Issue Price	INR 1,000,000 / - per NCD
Put Date	September 10, 2021 and September 12, 2022
Put Price	At par
Call Date	September 10, 2021 and September 12, 2022
Call Price	AT par
Put Notification Time	15 Calendar Days
Call Notification Time	15 Calendar Days
Face Value	Rs. 1,000,000 per NCD
Trading Mode of the Instrument	Demat mode only

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<b>Minimum Application and in multiples of debt securities thereafter.</b>	10 Debentures and multiples of 1 thereafter
<b>Transaction Documents</b>	NCDs/ Information Memorandum, Debenture Trust Deed, Debenture Trustee Appointment Letter/ Agreement
<b>Settlement Mode</b>	RTGS/NEFT
<b>Depository(ies)</b>	National Securities Depository Limited & Central Depository Services (India) Limited
<b>Record Date</b>	15 calendar days prior to each coupon payment date
<b>Security (including description, type of security, type of charge, likely date of creation of security, minimum security cover, revaluation, replacement of security)</b>	NCDs are Unsecured and Issuer / Company will not create any security or charge on assets of the Company or otherwise.
<b>Covenants</b>	<p>Customary for transaction of this nature and other appropriate clauses in opinion of the Investor for this transaction, including but not limited to the following:</p> <p>Financial Statements as submitted to Stock Exchange to be provided on quarterly basis;</p> <p>Affirmative and Negative covenants (on a repeating basis), as appropriate <i>(including but not limited to)</i></p> <p>(a) The Issuer shall utilize the proceeds of the Instruments for the purpose stated in this termsheet/ IM/ DTD,</p> <p>(b) The Issuer shall provide access to the Issuer's books and records to the Debenture Trustee</p> <p>(c) not to securitize/ assign of any rights and/or liabilities under the transaction documents without prior consent of the Investor;</p> <p>(d) The Issuer shall furnish to the Debenture Trustee copies of its consolidated and unconsolidated audited accounts, including a balance sheet and profit and loss account as soon as they are available and not later than 90 days from the end of each of its financial year and its consolidated and unconsolidated unaudited interim statements (if they are required by the Debenture Holder) within 45 days after the end of quarter to which they relate;</p>



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(h)The Issuer shall furnish to the Debenture Trustee copies of its unaudited financial reports as soon as they are available and not later than 45 days from the end of the quarter to which they relate;

(i)The Issuer shall not-

i. effect "change of control" without the prior approval of debenture Trustee and investor.

"Change of Control" occurs upon any of these events:

Any shareholder or third party holds equity stake more than existing Promoters and the Promoters Group; or Existing Promoters don't control management and Board of the Issuer.

The power and ability to direct the management and policies of the controlled enterprise through ownership of voting shares of the controlled enterprise or by contract or otherwise, provided that ownership or control of 50% or more of the voting rights of the controlled enterprise or the power or right to appoint or nominate at least half of the members of the board of directors or similar governing body shall be deemed to be 'Control'

ii. declare any dividend to the shareholders in any year until the Issuer has paid or made satisfactory provision for the payment of principal and interest due on the Debentures.

iii.appoint / permit appointment as a Director or senior executive of the Issuer, any person who has been a director / promoter of another company / entity that has been held to be a willful defaulter by any bank, financial institution or other entity in accordance with the guidelines/circulars issued by the RBI from time to time in this regard;

iv.extend any fresh corporate guarantee to associate entities or Joint Venture without the prior approval of the investor.

(j).The Issuer shall-

i. comply with all guidelines/ directions issued by any Governmental Authority with respect to the Debenture issue;

ii. keep proper books of accounts as required by the Act and therein make true and proper entries of all dealings and transactions and the business of the Issuer and keep the said books of account and all other books, registers and other documents relating to the affairs of the Issuer at its registered office or, where permitted by Applicable Laws, at other place or places where the books of account and documents of a similar nature may be kept and the Issuer shall ensure that all entries in the same relating to the business of the Issuer shall at all reasonable times, with prior notice, be open for inspection of the Debenture Trustee;

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iv. give to the Debenture Trustee or to such person or persons as it may direct, such information as they or any of them shall require as to all matters relating to the business, property and affairs of the Issuer and at the time of the issue thereof to the shareholders of the Issuer furnish to the Debenture Trustee, 3 (three) copies of every report, balance sheet, statement of profit and loss, circulars or notices issued to the shareholders and the Debenture Trustee shall be entitled, if it thinks fit, from time to time, to nominate a firm of chartered accountant to examine the books of account, documents and property of the Issuer or any part thereof and to investigate the affairs of the Issuer and the Issuer shall allow any such accountant to make such examination and investigation and shall furnish them with all such information as they may require and shall pay all direct and actual costs, charges and expenses of and incidental to such examination and investigation;

v. pay all stamp duty, taxes, charges, insurance premium and penalties in connection with the Transaction Documents and all stamp duty, taxes and other charges in relation to the Debentures and all other documents, if and when the Issuer may be required to pay the same in accordance with the Applicable Laws and in the event of the Issuer failing to pay such stamp duty, taxes and penalties as aforesaid, the Debenture Trustee will be at liberty but shall not be bound to pay the same and the Issuer shall reimburse the same to the Debenture Trustee on demand on an actual basis;

vi. promptly inform the Debenture Trustee if it has notice of any application for corporate insolvency resolution process, winding-up having been made and is admitted or any statutory notice of winding up is given to the Company under the Act and is admitted by the relevant court or if a receiver is appointed of any of its properties or business or undertaking;

vii. punctually pay or ensure payment all rents, royalties, taxes, rates, levies, cesses, assessments, impositions and outgoings, governmental, municipal or otherwise imposed upon or payable by the Issuer as and when the same shall become payable and when required by the Debenture Trustee produce the receipts for such payments and also punctually pay and discharge all debts, obligations and liabilities and observe, perform and comply with all covenants and obligations which ought to be observed and performed by the Issuer;

viii. inform the Debenture Trustee of any major change in the board of directors of the Company;

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	<p>ix. inform the Debenture Trustee of any change in nature and conduct of business by the Issuer before such change;</p> <p>x. attend to and redress the grievances, if any, of the Debenture Holders or procure that such grievances are attended to and redressed. The Company further undertakes that it shall promptly comply with or procure, to the extent possible, for the compliance with the suggestions that may be given in this regard, from time to time, by the Debenture Trustee and shall update the Debenture Trustee periodically of such compliance.</p> <p>xi. create a debenture redemption reserve, if required under Applicable Law;</p> <p>xii. submit proof of utilization of funds as and when requested by Debenture Trustee;</p>
<b>Rating &amp; other Covenant</b>	<p>If the credit rating of the NCDs by CRISIL goes to A or below, investors shall have an option to accelerate the NCDs.</p> <p>In the event, the issuer undertakes any acquisition or event of business restructuring (including but not limited to any scheme of merger, demerger, amalgamation, slump sale of assets), arrangement with banking/ non-banking financial creditors/ lenders, compromise or reconstruction which would adversely affect the ability of the issuer to repay the outstanding amount on the debenture in a timely manner as agreed under the transaction document, the issuer will make payment within 60 days without prepayment penalty or otherwise specified, from the date of exercise of acceleration option by the majority of debenture holders</p>
<b>Debenture Trustee</b>	IDBI Trusteeship services Limited
<b>Role and Responsibilities of the Debenture Trustee</b>	<p>In terms of the agreement entered into with the debenture trustee i.e. IDBI Trusteeship Services Limited, which copy of the original document is available for inspection.</p> <p>The Trustees shall perform its duties and obligations and exercise its rights and discretions, in keeping with the Trust Reposed in the Trustees by the holder(s) of the Debentures and shall further conduct itself and comply with the provisions of all applicable laws provided that, the provisions of Sec. 20 of the Indian Trusts Act, 1882 shall not be applicable to the Trustees.</p> <p>The Trustees shall be vested with the requisite powers for protecting the interest of holder(s) of the Debentures.</p> <p>The Trustees shall be obliged to share the information submitted by the Issuer with all debenture holder(s) within seven working days of their specific request.</p>

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<p><b>Conditions precedent to the Disbursement</b></p>	<p>The Issuer shall ensure that all the consents and resolutions required to issue the NCDs are in place prior to the issue. The Issuer shall also ensure that all regulations pertaining to the NCD issuance are complied with. Further the Issuer also undertake to ensure that the Transaction Documents (especially the Information Memorandum and the Debenture Trust Deed) shall be in the form and manner and shall include all terms and conditions satisfactory to the Debenture Trustee/ Investor(s).</p> <p>The Issuer shall also ensure that the following main documents are in place as condition precedent to the Disbursement:</p> <ul style="list-style-type: none"> <li>• Information memorandum (complying with SEBI disclosures) and certified by the Issuer incorporating the PAS 4 requirements arising from Companies Act, 2013.</li> <li>• In principal approval from stock exchange</li> <li>• Debenture Trustees' consent/ appointment letter</li> <li>• Duly executed Debenture Trustee Agreement</li> <li>• Any No-objection certificates required;</li> <li>• Certified true copy of the board resolution pursuant to Section 179 and any other applicable sections of the Companies Act, 2013 authorising the Company inter alia to (i) issue the Debentures; (ii) execute the Transaction Documents and undertake the obligations stipulated therein;</li> <li>• Certified true copy of the extract of the shareholders resolution passed in accordance with Section 180(1)(c) of the Companies Act, 2013</li> <li>• Certified true copy of the extract of the shareholders resolution, board resolution in accordance with the Section 42 of the Companies Act, 2013</li> </ul> <p>Any other documents as per the requirement of the Debenture Trustee for the issuance of the NCDs</p>
<p><b>Conditions Subsequent to Disbursement</b></p>	<p>As is customary for a transaction of this nature, including but not limited to the following to be provided within 30 days of Disbursement:</p> <ul style="list-style-type: none"> <li>a) allotment of Debentures and credit of Debentures in Investor's demat account;</li> <li>b) Duly stamped and executed Debenture Trust Deed;</li> <li>c) Any filings with the Registrar of Companies;</li> <li>d) a confirmation from the Debenture Trustee that there is a physical jumbo debenture certificate for the issuance which has been duly stamped and cancelled for dematerialization; and</li> </ul>