

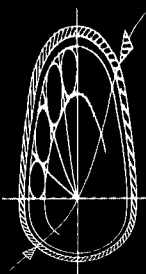
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2002-2003

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NRB
BEARINGS

POSTAL BALLOT**NRB BEARINGS LIMITED**

Registered Office: Dhannur, 15 Sir P.M. Road, Fort, Mumbai - 400 001

1. Name(s) of Shareholder(s)
(in block letters)
(including joint holders, if any)
2. Registered address of the sole/first
named shareholder
3. Registered folio No./DP ID No./Client ID No.*
(* Applicable to investors holding shares
in dematerialized form)
4. Number of shares held
5. I/We hereby exercise my/our vote in respect of the special resolution to be passed through postal ballot for
the business stated in the notice of the Company by sending my/our assent or dissent to the said resolution
by placing the tick (✓) mark at the appropriate box below

| Item No. | No. of shares | | |
|----------|---------------|--------------------------------|--|
| [8] | | I/We assent to the resolution | |
| [8] | | I/We dissent to the resolution | |

Place:

Date:

(Signature of the shareholder)

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Directors : Trilochan Singh Sahney, *Chairman & Managing Director*
I. Marsden
B. R. Sule
P. D. Ojha
Kala S. Pant
Mohammed Zameer (resigned w.e.f. 24-06-03)
Harshbeena S. Zaveri
K. M. Elavia - Alternate to I. Marsden
Devesh S. Sahney

Bankers : Canara Bank
Citibank N.A.
Standard Chartered Grindlays Bank
BNP Paribas

Auditors : A. F. Ferguson & Co.

Solicitors : Wadia Ghandy & Co.

Registered Office : Dhannur, 15 Sir. P. M. Road, Fort
Mumbai - 400 001

Works : Pokhran Road No.2, Majiwade
Thane - 400 606

E-40, M.I.D.C. Industrial Area, Chikalthana
Aurangabad - 431 010

C-6, Additional M.I.D.C. Industrial Area
Jalna - 431 203

E-72, (I) & (II) M.I.D.C., Waluj
Aurangabad 431 133

A-5, Uppal Industrial Estate
Hyderabad - 500 039

Registrar & Share Transfer Agent : Mondkar Computers Pvt.Ltd.
25, Shakil Niwas, Mahakali Caves Road
Andheri (East), Mumbai - 400 093
Tel: 2836 6620, 28211996 • Fax: 2836 9704.

NOTICE

The Members,
NRB BEARINGS LIMITED

NOTICE IS HEREBY GIVEN that the 38th Annual General Meeting of the members of the Company will be held at Indian Merchants' Chamber, Kilachand Conf.Room, LNM IMC Bldg, P.B.11211, Churchgate, Mumbai 400 020 on Wednesday, 13th August, 2003, at 11.00 a.m. to transact the following business.

ORDINARY BUSINESS

1. To receive and adopt the Accounts and Balance Sheet and the reports of the Directors and Auditors for the year ended 31st March, 2003.
2. To declare a dividend for the year ended 31st March, 2003
3. To appoint a Director in place of Dr.(Ms).K S Pant who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in place of Ms.H S Zaveri who retires by rotation and is eligible for re-appointment.
5. To consider and if thought fit, to pass with or without modifications, the following resolution:

"RESOLVED THAT M/s.A F Ferguson & Co., Chartered Accountants, Mumbai be and are hereby re-appointed as Auditors of the Company to hold office until the conclusion of the next Annual General Meeting on such remuneration plus out-of-pocket expenses, as may be mutually agreed upon between the Board of Directors and the Auditors."

SPECIAL BUSINESS

6. To consider and, if thought fit, to pass with or without modifications the following Resolution as an Ordinary Resolution:

Revision in remuneration of Ms.H S Zaveri

"RESOLVED THAT in partial modification of the resolution passed at the Annual General Meeting held on 30th July, 1999 and pursuant to the provisions of section 198, 269 and 309 read with schedule XIII and other applicable provisions, if any of the Companies Act, 1956 consent be and is hereby accorded to the variation in the terms of appointment of Ms.Harshbeena Sahney Zaveri, President and Wholetime Director w.e.f.1st April, 2003. The terms and conditions of variation as applicable w.e.f.1st April, 2003 are as under:

Basic

Rs.90,000/- pm in the grade of Rs.75,000/- – Rs.3,00,000/-

Annual increments effective 1st April each year will be decided by the Board and will be merit based and take into account the Company's performance.

Perquisites

In addition to the basic salary the perquisites noted below will also be payable.

- a. Housing
 - i. Free unfurnished accommodation in case the accommodation is owned by the company.
 - ii. In case no accommodation is provided by the Company house rent allowance subject to a ceiling of 60% of the monthly basic salary.
- b. The expenditure incurred by the company on providing electricity and furnishings for the accommodation shall be valued as per the Income tax rules 1962.

c. Leave travel assistance

Once in a year, incurred in accordance with the rules specified by the Company, subject to a ceiling of Rs.50,000/-p.a.

d. Reimbursement of Medical Expenses

Reimbursement of medical expenses for self and family, subject to a ceiling of Rs.50,000/- p.a. or Rs.1,50,000 over a period of three years.

e. Medical/Accident Insurance

As per rules of the company.

f. Personal Accident Insurance

As per rules of the company with annual premium not exceeding Rs 4300/-.

g. Club fees

Reimbursement of membership fees for upto 2 clubs not exceeding Rs.15,000/- p.a.

i. Provision of car with driver and telephone at residence will not be considered as perquisites.

j. Contribution to Provident Fund, Superannuation Fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable, under the Income-Tax Act, Gratuity payable will not exceed half a month's salary for each completed year of service.

Commission

Such remuneration by way of Commission at the rate of 1% for each financial year, in addition to the above salary and perquisites calculated with reference to the net profit of the Company in a particular financial year, as may be determined by the Board of Directors of the Company at the end of each financial year, subject to the overall ceiling stipulated in sections 198 and 309 of the Act, and limited to half year's basic salary will be payable to the President and Whole time Director for the relevant financial year.

Minimum Remuneration

Notwithstanding anything to the contrary herein contained where in any financial year during the currency of the tenure of Ms.H S Zaveri, the Company has no profits or its profits are inadequate, the company, subject to the provisions of Section II of Part II of Schedule XIII of the Companies Act, 1956, pay remuneration by way of salary and perquisites as specified above.

7. To consider and, if thought fit, to pass with or without modifications the following Resolution as an Ordinary Resolution:

Revision in remuneration of Mr.D S Sahney

"RESOLVED THAT in partial modification of the resolution passed at the Annual General Meeting held on 1st August, 2001 and pursuant to the provisions of section 198, 269 and 309 read with Schedule XIII and other applicable provisions, if any of the Companies Act, 1956, consent be and is hereby accorded to the variation in the terms of appointment of Mr.Devesh S Sahney, Director-Strategic Sourcing w.e.f.1st April, 2003. The terms and conditions of variation as applicable w.e.f.1st April, 2003 are as under:

Basic

Rs.40,000/- pm in the grade of Rs.25,000/- – Rs.1,00,000/-

Annual increments effective 1st April each year will be decided by the Board and will be merit based and take into account the Company's performance.

Cash allowances

| | |
|---------------------|--|
| Education allowance | Rs.4000/- p.m. payable as per the rules of the company |
| Other allowance | Rs.8000/- p.m. payable as per the rules of the company |

Perquisites

In addition to the basic salary the perquisites noted below will also be payable.

a. Housing

- i. Free unfurnished accommodation in case the accommodation is owned by the company.
- ii. In case no accommodation is provided by the Company house rent allowance subject to a ceiling of 40% of the monthly basic salary.

- b. The expenditure incurred by the company on providing electricity and furnishings for the accommodation shall be valued as per the Income tax rules 1962.

c. Leave travel assistance

Once in a year, incurred in accordance with the rules specified by the Company, subject to a ceiling of Rs.40,000/-p.a.

d. Reimbursement of Medical Expenses

Reimbursement of medical expenses for self and family, subject to a ceiling of Rs.20,000/- p.a. or Rs.60,000/- over a period of three years.

e. Medical/Accident Insurance

As per rules of the company.

f. Provision of car with driver and telephone at residence will not be considered as perquisites.

- g. Contribution to Provident Fund, Superannuation Fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable, under the Income-Tax Act, Gratuity payable will not exceed half a month's salary for each completed year of service.

Minimum Remuneration

Notwithstanding anything to the contrary herein contained where in any financial year during the currency of the tenure of Mr.Devesh S Sahney, the Company has no profits or its profits are inadequate, the company, subject to such approval of the Central Government as may be required, pay remuneration by way of salary and perquisites as specified above.

8. To consider and, if thought fit, to pass with or without modifications the following Resolution as a Special Resolution, with votes to be cast through the postal ballot or by voting at the Annual General Meeting:

The Timken Company's indirect acquisition of 26% equity shares and/or voting rights in the Company

WHEREAS, Securities and Exchange Board of India ("SEBI") has, through its order, dated May 29, 2003 (such order, the "SEBI Order"), granted an exemption to The Timken Company, a corporation organized under the laws of the State of Ohio, USA ("Timken"), from the provisions of Regulation 10 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as amended, from making a public announcement for an open offer to the shareholders of the Company in respect of the indirect acquisition of 26% equity shares and/or voting rights in the Company by Timken pursuant to the Stock and Asset Purchase Agreement, dated October 16, 2002, between Timken and Ingersoll-Rand Company Limited, a company organized under the laws of Bermuda (such agreement, the "SAPA")

WHEREAS, the exemption granted by SEBI pursuant to the SEBI Order is subject to the following conditions:

- (i) That a general meeting of the shareholders of the Company be convened within 3 months from the date of the SEBI Order to consider and, if thought fit, to pass a special resolution approving the acquisition of 26% equity shares and/or voting rights in the Company by Timken from Nadella S.A., a company organized under the laws of France ("Nadella"),
- (ii) That Nadella, being an interested party to the resolution, abstain from voting in respect of the resolution,
- (iii) That an additional facility of the postal ballot be provided to the shareholders of the Company for casting their votes, and
- (iv) That the notice to the shareholders of the Company for the said general meeting of the shareholders accompany an envelope for postal ballot with prepaid postal fee stamp affixed and the procedure for postal ballot and the disclosures to be made in the notice to the shareholders include the details stated in Annexure A to the SEBI Order.

WHEREAS, Timken has, through its letter dated June 12, 2003, requested the Board to convene a shareholders meeting to consider and, if thought fit, to pass a special resolution approving Timken's indirect acquisition of 26% equity shares/voting rights in the Company and to conduct a postal ballot relating to such resolution in terms of the SEBI Order;

WHEREAS, the Board has resolved that a resolution approving Timken's indirect acquisition of 26% equity shares and/or voting rights in the Company pursuant to the SAPA be considered, and if thought fit, passed as a special resolution at the next annual general meeting of the Company to be held on [August 12, 2003] (such resolution, the "Special Resolution");

WHEREAS, the Board has also resolved to provide an additional facility of the postal ballot to the shareholders of the Company for casting their vote in respect of the Special Resolution;

WHEREAS, the result of the voting in respect of the Special Resolution would be announced at the next annual general meeting of the Company;

WHEREAS, Nadella S.A., being an interested party to the Special Resolution, is not entitled to vote in respect of the Special Resolution and will, therefore, abstain from voting in respect of the Special Resolution;

WHEREAS, the Board has appointed Mr. V. S. Iyer, Practising Company Secretary as the designated person in terms of the SEBI Order to conduct, supervise and control the exercise of postal ballot; and

WHEREAS, the notice convening the next annual general meeting of the Company together with a postal ballot and a pre-paid envelope for posting such postal ballot to the Company is being sent to the shareholders of the Company under a certificate of posting.

"NOW, THEREFORE, IT IS HEREBY RESOLVED that:

1. Timken's indirect acquisition of 26% equity shares and/or voting rights in the Company from Nadella S.A. pursuant to the SAPA be, and is hereby, approved, and
2. The exemption granted by SEBI to Timken pursuant to the SEBI Order be, and is hereby, taken on record by the Company.

RESOLVED FURTHER, that Mr.T S Sahney, Chairman & Managing Director, Ms.H S Zaveri, President and Mr.S C Rangani, the Company Secretary of the Company be, and each such person hereby is, jointly and severally authorized and empowered to approve, execute and deliver such documents or instruments and to take or cause to be taken such other actions as may be necessary, appropriate or desirable in such person's sole judgment in connection with or to effect or carry out the foregoing resolutions or otherwise relating to the implementation of the SEBI Order and the exemption granted thereby."

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

"RESOLVED THAT pursuant to the applicable provisions of the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003 (hereinafter referred to as the "Delisting Guidelines") and subject to the provisions of the Companies Act, 1956, (including any statutory modifications or re-enhancement thereof for the time being in force), Securities Contracts (Regulation) Act, 1956 and the Rules framed thereunder, Listing Agreements, and all other applicable rules, regulations, and guidelines and subject to the approval, consent, permission or sanction of the Securities and Exchange Board of India, Stock Exchanges where the shares of the company are listed and any other appropriate authorities, institutions or regulators as may be necessary and subject to such conditions and modifications if any, as may be prescribed while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the company (hereinafter referred to as the "the Board", which term shall be deemed to include any Committee thereof for the time being exercising the powers conferred on the Board by this Resolution), the consent of the Company be and is hereby accorded to the Board to delist the equity shares of the Company from all or any of the Stock Exchanges at New Delhi and Chennai at such time or times as the Board may decide."

By Order of the Board

Mumbai : June 25, 2003

S C Rangani
Company Secretary

Notes

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
Proxies in order to be effective, must be received by the Company not less than 48 hours before the meeting.
2. The relative explanatory statement pursuant to Section 173 of the companies Act 1956 in respect of special business items 6 to 9 is annexed hereto.
3. The Register of Members of the Company and Transfer Books thereof will be closed from Friday 1st August, 2003 to Wednesday 13th August, 2003 (both days inclusive).
4. The dividend after declaration, will be paid to those shareholders whose name stand on the register of members on 13th August, 2003.
Members and all others concerned are requested to lodge transfer deeds, change of address communication, tax exemption forms, mandates (if any) with the Company's Share Transfer Agents M/s.Mondkar Computers Pvt. Ltd., 25, Shakil Niwas, Mahakali Caves Road, Andheri (East), Mumbai 400 093 on or before 12th August, 2003.
5. The Securities and Exchange Board of India has made it mandatory for all companies to use the bank account details furnished by the depositories for depositing dividend through Electronic Clearing Service (ECS) to investors wherever ECS and bank details are available. In the absence of ECS facilities, the company will print the bank account details if available, on the payment instrument for distribution of dividend.

EXPLANATORY STATEMENT

As required by Section 173 of the Companies Act, 1956, the following Explanatory Statement sets out all material facts relating to the business mentioned under Item No.6, 7, 8, & 9 in the accompanying notice dated 25th June, 2003.

ITEM-6

The appointment of Ms.H S Zaveri was renewed in April 1999. Her remuneration has not been subsequently revised. The operations of the company have grown significantly since then. Hence it is now proposed to enhance the remuneration w.e.f.1st April, 2003 as per the details set out in the resolution.

Ms.H S Zaveri (43 yrs) has graduated with Economics & Statistics from Wellesley College, USA. She has been a distinction student through out her college years. She has 16 yrs. experience in the bearings industry. Joining as a Management trainee she has undergone training in all departments of the company and the plants of the collaborators. Having served in various commercial and Senior management positions in the company, she has joined the board of the company w.e.f.April 1995 and is currently the President of the company.

In addition to her organizational responsibility she has been an active member of the CII, Western Region and is regularly invited as part of the select group of Indian Business persons to meetings organized by the CII to interact with international dignitaries. She is a member of various committees of Indian Merchants' Chamber and Bombay Chamber of Commerce & Industry. She is also Vice-Chairperson on the Board of Governors, Bombay International School Association.

Mr.Trilochan Singh Sahney and Mr.Devesh S Sahney, Directors are the father and brother respectively of Ms.H S Zaveri and are therefore interested in the resolution.Ms.H S Zaveri is interested in the resolution as it pertains to her own remuneration.None of the other Directors are concerned or interested in the resolution.

This explanation together with the accompanying Notice shall be treated as an abstract under Section 302 of the Companies Act, 1956.

Your Directors are of the view that the enhancement of remuneration to Ms.H S Zaveri will be in the interest of the company and, accordingly, recommend the resolution at Item No.6 for your acceptance.

ITEM-7

Mr.D S Sahney was appointed as Wholtime Director, designated Director – Operational Strategies w.e.f. 25th May, 2001 for a period of five years. His remuneration remained the same as that approved by the members at the Annual General Meeting held on 28th July, 2000. It is now proposed to revise his remuneration w.e.f.1st April, 2003 as set out in the resolution.

Mr.Devesh Sahney is 34 years of age, and holds a Bachelor of Arts degree (Business Administration & Economics) from Richmond College, London. After a short stint as Management Trainee in Credit Lyonnais he joined the company October, 1993 as Executive Assistant to the General Manager (Needle Bearings Division). He has handled various positions of responsibility in the areas of Management Services, Information Technology and Plant Operations, and currently heads the Strategic Sourcing department of the company.

Mr.Trilochan Singh Sahney and Ms.Harshbeena S Zaveri, Directors are the father and sister respectively of Mr.D S Sahney and are therefore interested in the resolution.Mr.Devesh S Sahney is interested in the resolution as it pertains to his own remuneration.None of the other Directors are concerned or interested in the resolution.

This explanation together with the accompanying Notice shall be treated as an abstract under Section 302 of the Companies Act, 1956.