FAG Bearings India Limited

National Stock Exchange of India Limited
Exchange Plaza, C-1, Block "G",
Bandra- Kurla Complex,
Bandra (E)
MUMBAI - 400 051

Company Code: FAGBEARING

May 27, 2015

Your Reference	Our Reference	Phone (0265)	Fax (0265)	e-mail	A Member of the Schaeffler Group

Sub: Intimation about Postal Ballot Notices issued to Shareholders [Clause 31 of the Listing Agreement]

Dear Sirs,

Please find enclosed herewith Notice of Postal Ballot dated May 27, 2015 as are being issued to Shareholders of the Company for your reference and record purpose.

Thanking you.

Yours faithfully,
For FAG Bearings India Limited

FAG Bearings India Ltd. Maneja Vadodara

Raj Sarraf
Company Secretary
ICSI M. No. ACS 15526
Vadodara

Encl: As above

FAG Bearings India Limited
Head Office & Works :
Maneja,
Vadodara - 390 013 INDIA
Phone: +91 265 660 2000
Fax: +91 265 2638804
www.schaeffler.co.in
info.in@schaeffler.com

Registered Office:
Nariman Bhavan, 8th Floor,
227, Backbay Reclamation,
Nariman Point,
Mumbai - 400 021 INDIA
Phone: +91 22 6681 4444 - 6681 4499
Fax: +91 22 2202 7022

CIN: L29130MH1962PLC012340

Sales Offices : Mumbai, Kolkata, New Delhi, Chennai, Pune, Bangalore, Hyderabad, Jamshedpur Ludiana, Kanpur Udaipur, Bhubaneswar

FAG Bearings India Ltd

CIN : L29130MH1962PLC012340
Regd. Office : Nariman Bhavan, 8th Floor, 227 Backbay Reclamation,
Nariman Point, Mumbai – 400 021.
Corporate office : Post Maneja, Vadodara – 390 013. Phone : 0265-6602206.
E-mail : raj.sarraf@schaeffler.com • Website : www.schaeffler.co.in

Notice of Postal Ballot
Of
FAG BEARINGS INDIA LIMITED

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E-mail : raj.sarraf@schaeffler.com Website : www.schaeffler.co.in

NOTICE OF POSTAL BALLOT

NOTICE PURSUANT TO SECTION 110 AND OTHER APPLICABLE PROVISIONS, IF ANY, OF THE COMPANIES ACT, 2013 READ WITH THE COMPANIES (MANAGEMENT AND ADMINISTRATION) RULES, 2014 (INCLUDING ANY STATUTORY MODIFICATION OR RE-ENACTMENT THEREOF FOR THE TIME BEING IN FORCE), AND CLAUSE 35B OF THE LISTING AGREEMENT EXECUTED BY THE COMPANY WITH THE BSE LIMITED AND THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED AND SEBI CIRCULARS BEARING NO. CIR/CFD/DIL/5/2013 DATED 4TH FEBRUARY, 2013 AND CIR/CFD/DIL/8/2013 DATED 21ST MAY, 2013

Dear Public Shareholder(s),

Notice is hereby given to the public shareholders of FAG Bearings India Limited ("the **Company**" or "**FAG India**") pursuant to Section 110 and other applicable provisions, if any, of the Companies Act, 2013 ("the **Act**") read with the Companies (Management and Administration) Rules, 2014 ("the **Rules**") (including any statutory modification or re-enactment thereof for the time being in force), and Clause 35B of the Listing Agreement executed by the Company with the BSE Limited and the National Stock Exchange of India Limited, and Securities and Exchange Board of India ("**SEBI**") Circulars bearing nos. CIR/CFD/DIL/5/2013 dated 4th February, 2013 and CIR/CFD//DIL/8/2013 dated 21st May, 2013 ("**SEBI Circulars**") to consider, and if thought fit, to pass the resolutions set out below through postal ballot and e-voting.

In terms of Section 110 and other applicable provisions, if any, of the Act read with the Rules, the resolutions appended below are proposed to be passed by Postal Ballot and accordingly your approval is sought in respect thereof. The Resolutions and Explanatory Statement pertaining to the said Resolutions, pursuant to Section 102 of the Act, setting out the relevant material facts and the reasons for which such resolutions are proposed, are appended herewith for your consideration along with a 'Postal Ballot Form' and self-addressed postage pre-paid Business Reply Envelope ("BRE").

If you are voting through Postal Ballot Form (i.e. physical Ballot), you are requested to carefully read the instructions printed on the Form enclosed herewith and return it, duly completed and signed along with your assent (FOR) or dissent (AGAINST) in the attached self-addressed postage pre-paid BRE, so as to reach the Scrutinizer on or before Monday, the 29th day of June 2015 by 5:00 p.m. Please note that any Postal Ballot Form(s) received thereafter will be treated as not having been received.

For e-voting, please read carefully the "Procedure/Instructions for e-voting" enumerated in the notes to this Notice.

The Board of Directors of the Company ("the Board"), in compliance with Rule 22 (5) of the Rules, has appointed Mr. Suresh Kabra, Practicing Company Secretary, for conducting the said Postal Ballot process in a fair and transparent manner.

The Scrutinizer will submit his report to the Chairman or the Managing Director or the Company Secretary of the Company, after completion of scrutiny, on or before Thursday, 2nd day of July 2015. The result of the Postal Ballot will be announced forth with by the Chairman or the Managing Director or the Company Secretary of the Company. In addition to the results being communicated to BSE Limited and National Stock Exchange of India Limited, it shall also be displayed at the Company's registered office and on its website i.e. http://www.schaeffler.co.in/content.schaeffler.co.in/en/company/fag_in_india/investorsrelations/investorrelations.jsp. It will subsequently be published in at least 1(one) English and 1 (one) vernacular newspaper circulating in Maharashtra. The resolutions will become effective on and from the date of announcement of result of the Postal Ballot by the Chairman or the Managing Director or the Company Secretary of the Company.

In the event the resolutions relating to the proposed Scheme of Amalgamation as set out below, are assented to by the majority of public shareholders by means of a Postal Ballot and e-voting, i.e. the votes cast in favour of the resolutions by the public shareholders of the Company are more than the votes cast against the resolutions by the public shareholders, in accordance with the SEBI Circulars, it shall be deemed to have been passed and the date of announcement of the result of the Postal Ballot and e-voting shall be considered as the date of passing of the said resolutions.

TO CONSIDER AND, IF THOUGHT FIT, TO PASS THE FOLLOWING RESOLUTIONS:

"RESOLVED THAT pursuant to the SEBI Circulars bearing No. CIR/CFD/DIL/5/2013 dated 4th February, 2013 and CIR/CFD/DIL/8/2013 dated 21st May, 2013 (together referred to as "SEBI Circulars"), the Observation Letter dated 11-May-2015 issued by the BSE Limited and the Observation Letter dated 11-May-2015 issued by the National Stock Exchange of India Limited, the Amalgamation as embodied in the Scheme of Amalgamation under Sections 391 to 394 of the Companies Act 1956, of FAG Roller Bearings Private Limited ("FRB") with the Company and their respective shareholders and creditors ("Scheme of Amalgamation") be and is hereby approved subject to any conditions as may be imposed by the Hon'ble High Court of Judicature at Bombay while sanctioning the Scheme of Amalgamation."

"FURTHER RESOLVED THAT the Board of Directors (which includes any Committee thereof) of FAG Bearings India Limited , be and is hereby authorised to do all such acts, deeds, matters and things as are considered requisite or necessary to effectively implement the Amalgamation embodied in the Scheme of Amalgamation and to accept such modification and/or conditions, if any, which may be required and/or imposed by the Hon'ble High Court of Judicature at Bombay while sanctioning the Scheme of Amalgamation or by any authority under law, or as may be required for the purpose of resolving any doubts or difficulties that may arise in carrying out and/or implementing the Scheme of Amalgamation."

By Order of the Board
For FAG Bearings India Limited

Raj Sarraf
Company Secretary
ICSI M. No. ACS15526

Date: May 27, 2015
Place: Mumbai

NOTES:

1. The Company has engaged Central Depository Services (India) Limited [CDSL] to provide e-voting facility to the shareholders of the Company as an alternate to dispatch the Postal Ballot Form. If a shareholder has voted through e-voting facility, he/she/it is not required to send the Postal Ballot Form.
2. **E-voting**: In compliance with the provisions of Section 110 of Companies Act, 2013 read with the Rules and Clause 35B of the Listing Agreement, the Company is pleased to offer e-voting facility for all its shareholders to enable them to cast their votes electronically as an alternative to dispatch the postal ballot forms. Please note that e-voting is entirely optional for the shareholder(s) and that the shareholder(s) can opt only for one mode of voting. If a shareholder has opted for e-voting, then he/she/it should not vote by postal ballot and vice-versa. However, in case shareholder(s) cast their vote both via physical ballot and e-voting, then voting through physical ballot shall prevail and voting done by e-voting shall be treated as invalid, notwithstanding whichever option is exercised first.
3. The procedure and instructions for e-voting are as follows:
   In compliance with the provisions of section 108 of the Companies Act, 2013 and Rule 22 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide to its Members the facility to exercise their right to vote by electronic means through e-Voting Services provided by Central Depository Services (India) Limited [CDSL].
   a. Date and time of commencement of voting through electronic means: May 29, 2015 at 10: 00 a.m.
   b. Date and time of end of voting through electronic means beyond which voting will not be allowed: June 29, 2015 at 5:00 p.m.
   c. Details of Website: https://evotingindia.com
   d. Details of persons to be contacted for issues relating to e-voting: Central Depository Service (India) Limited [CDSL]
      1. Unit : FAG Bearings India Limited
      2. 17th Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai : 400001
      3. Contact Numbers : Help Desk : 18002005533, Tel : 022-22723333 Fax : 022-22723199

Details of Scrutinizer: Mr. Suresh Kabra, Practicing Company Secretary

The instructions for e-voting are as under :

The instructions for shareholders voting electronically are as under:

(i) The voting period begins on May 29th, 2015 at 10.00 a.m. and ends on June 29, 2015 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of May 15, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
(ii) The shareholders should log on to the e-voting website www.evotingindia.com.
(iii) Click on Shareholders.
(iv) Now Enter your User ID
   a. For CDSL: 16 digits beneficiary ID,
   b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
   c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(v) Next enter the Image Verification as displayed and Click on Login.

(vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

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

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for the relevant FAG Bearings India Limited on which you choose to vote.

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

ixvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

By Order of the Board
For FAG Bearings India Limited

Raj Sarraf
Company Secretary
ICSI M. No. : ACS15526

Date: May 27, 2015
Place: Mumbai

Note: An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 is appended hereto.

EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013

For the purpose of this explanatory statement, the following terms shall have the meaning set out below:

- "Act" means the Companies Act, 1956 and shall include any statutory modifications and/or re-enactment thereof for the time being in force, including the Companies Act, 2013 and provisions thereof as are notified and applicable from time to time and shall include any statutory modifications and/or re-enactment thereof.
- "Company" means FAG Bearings India Limited, a public limited company incorporated under the Act, having its registered office at Nariman Bhavan, 8th Floor, 227, Backbay Reclamation, Nariman Point, Mumbai – 400 021, Maharashtra, India;
- "FRB" means "FAG Roller Bearings Private Limited", a private limited company, having its registered office at Nariman Bhavan, 8th Floor, 227, Backbay Reclamation, Nariman Point, Mumbai – 400 021, Maharashtra, India;
- "Public" shall have the meaning assigned to it in Rule 2(d) of the Securities Contracts (Regulation) Rules, 1957;
- "Scheme of Amalgamation" means the Scheme of Amalgamation under Sections 391 to 394 of the Companies Act, 1956 of FRB with the Company and their respective shareholders and creditors;
- "SEBI Circulars" mean Circular No. CIR/CFD/DIL/5/2013 dated 4th February, 2013 and Circular No. CIR/CFD/DIL/8/2013 dated 21st May, 2013, each issued by the SEBI;
- "Stock Exchanges" means the BSE Limited and the National Stock Exchange of India Limited.

1. The Company is proposing to enter into a Scheme of Amalgamation, which was approved by the Board of Directors of the Company on 11th February, 2015.

2. A copy of the Scheme of Amalgamation is enclosed with this explanatory statement as Annexure I and forms part of this explanatory statement.

3. Applicability of postal ballot:

   The Company held 43,50,000 shares representing 25% of share capital of FRB. The Company has further acquired shares of FRB from FAG Kugelfischer GmbH and INA Bearings India Private Limited who held 45,24,000 (i.e. 26% of share capital of FRB) and 85,26,000 shares (i.e. 49% of share capital of FRB) respectively for a total consideration of Rs 12,52,80,000/- on 1st January, 2015. These shares were acquired for a consideration less than the face value of the share capital.

   Pursuant to Paragraph 5.16 (a) (iii) of SEBI Circular bearing no CIR/CFD/DIL/5/2013 dated 4th February, 2013 read with SEBI Circular bearing no CIR/CFD/DIL/8/2013 dated 21st May, 2013, Company is required to conduct voting of public shareholders through postal ballot and e-voting as it has acquired equity shares of FRB from Promoter Group as detailed above.

4. The background of the companies involved in the Scheme of Amalgamation is as under:

   a. FRB or Transferor Company:
      (i) FRB is a private limited company incorporated on 26th November, 2001, under the provisions of the Act and having its registered office at Nariman Bhavan, 8th Floor, 227, Backbay Reclamation, Nariman Point, Mumbai – 400 021, Maharashtra, India.
      (ii) The Company held 43,50,000 shares representing 25% of share capital of FRB. The Company has further acquired shares of FRB from FAG Kugelfischer GmbH and INA Bearings India Private Limited who held 45,24,000 (i.e. 26% of share capital of FRB) and 85,26,000 shares (i.e. 49% of share capital of FRB) respectively for a total consideration of Rs 12,52,80,000/- on 1st January, 2015. Thus from 1st January 2015, FRB has become a wholly-owned subsidiary of the Company.
      (iii) The Transferor Company is currently engaged in Special Machines Building activities for bearings.
      (iv) The main objects of FRB are as follows:
         1. To carry on the business of designing, manufacturing, repairing, marketing, distributing, buying, selling, importing, exporting and otherwise dealing in antifriction ball and / or roller bearings including taper roller bearings and parts and components thereof and all types of bearing units.
         2. To carry on the business of designing, manufacturing, building, assembling, installing, maintaining, repairing, marketing, distributing, buying, selling, importing, exporting and otherwise dealing in machines and equipment including those for manufacturing antifriction ball and/or roller bearings and all parts and accessories of such machines and equipment.

(v) The share capital structure of FRB as per the last audited balance sheet as on 31st December, 2014 is as under:

Particulars	Amount in Rs
Authorized share capital	
20,000,000 Equity Shares of Rs. 10/- each	200,000,000
Total	**200,000,000**
Issued, subscribed and fully paid up share capital	
17,400,000 Equity Shares of Rs. 10/- each	174,000,000
Total	**174,000,000**

Subsequent to January 1, 2015, and up to the date of approval of this Scheme by the Board of the Transferor Company, there has been no change in the Authorized, Issued, Subscribed and Paid up Share Capital of the Transferor Company.

b. Company or Transferee Company:

(i) The Company is a listed company incorporated on 27th April, 1962 under the provisions of the Act and having its registered office at Nariman Bhavan, 8th Floor, 227, Backbay Reclamation, Nariman Point, Mumbai – 400 021, Maharashtra, India.

(ii) Transferee Company is engaged in manufacturing and supply of wide range of bearings to Industrial & Automotive Customers.

(iii) The objects of the Company are as follows:

To carry on business of manufacturers and dealers in antifriction ball and/or roller bearing and components in respect thereof and also the business of manufacturers and/or assemblers of and dealers in all types of bearing units and other component parts of machinery and accessories in respect thereof.

To carry on the business of supplying, repairing, servicing, processing, installing, assembling, altering, improving, converting, rebuilding, reconditioning and/or manipulating of all types of machine elements such as anti-friction ball, cylindrical roller and taper roller bearings, plain bearings and/or thin walled bearings.

(iv) The share capital structure of the Company as on 31st March, 2014 is set out below:

Particulars	Amount in Rs
Authorized share capital	
20,000,000 equity shares of Rs. 10/- each	200,000,000
Total	**200,000,000**
Issued share capital	
16,818,270 equity shares of Rs. 10/- each	168,182,700
Total	**168,182,700**
Subscribed and Paid-up share capital	
16,617,270 equity shares of Rs. 10/- each fully paid	166,172,700
Total	**166,172,700**

Subsequent to 1st January, 2015, and up to the date of approval of this Scheme by the Board of the Transferee Company, there has been no change in the Authorized, Issued, Subscribed and Paid up Share Capital of the Transferee Company.

5. Rationale and salient features of the Scheme:
   a. The amalgamation of the Transferor Company with the Transferee Company would inter alia have the following benefits:
      (i) Better focus and concentration on the growth efforts of Bearings business;
      (ii) Simplified corporate structure;
      (iii) Post the amalgamation of Transferor Company with Transferee Company, Transferor Company will stand dissolved. Consequently, there would be lesser regulatory and legal compliance obligations including accounting, reporting requirements, statutory and internal audit requirements, tax filings, company law requirements, etc and therefore reduction in administrative costs;
      (iv) Enable cost saving and optimum utilization of valuable resources which will enhance the management focus thereby leading to higher operational efficiency;
      (v) Transferor Company is engaged in special machines building for bearings manufacturing by group companies (mainly for Transferee Company) and housed within the premise of Transferee Company's Plant in Maneja in Vadodara.
   b. The Scheme of Amalgamation provides for the amalgamation of FRB with the Company with effect from 1st January, 2015.
   c. Upon the Scheme of Amalgamation becoming effective:
      (i) All assets and liabilities of FRB shall transfer to and vest in the Company;
      (ii) As FRB is a wholly-owned subsidiary of the Company, no consideration shall be payable pursuant to the amalgamation of FRB with the Company, and the equity shares held by the Company and in its own name or in the name of its nominee in FRB shall stand cancelled without any further act, application or deed;
      (iii) FRB shall stand dissolved without winding-up.

6. Only the salient features of the Scheme of Amalgamation have been set out above. The shareholders are requested to read the entire text of the Scheme of Amalgamation annexed to this Notice to get fully acquainted with the provisions thereof.

7. The Board of Directors of the Company, at its meeting held on 11th February, 2015, has taken into account the independent recommendation of the Audit Committee and the Fairness Opinion dated 07 February, 2015 (“Fairness Opinion”) issued by Pantomath Capital Advisors (P) Ltd. In terms of Clause 24(h) of the Listing Agreement, a copy of the Fairness Opinion is enclosed as Annexure II to this Notice.

8. As required by the SEBI Circulars, the Company has filed the Complaints Report with the Stock Exchanges on March 30, 2015 and a copy of same is enclosed as Annexure III to this Notice. After filing the Complaints Report, the Company has not received any complaints.

9. The Company has received, in terms of Clause 24(f) of the Listing Agreement, Observation Letter dated 11-May-2015 from the designated Stock Exchange viz. BSE Limited conveying its 'no objection' for filing of the Scheme of Amalgamation with the Hon'ble High Court of Judicature at Bombay. A copy of the Observation Letter is enclosed as Annexure IV A to this Notice.

10. The Company has received, in terms of Clause 24(f) of the Listing Agreement, Observation Letter dated 11-May-2015 from National Stock Exchange of India Limited conveying its 'no objection' for filing of the Scheme of Amalgamation with the Hon'ble High Court of Judicature at Bombay. A copy of the Observation Letter is enclosed as Annexure IV B to this Notice.

11. In terms of Clause 24(h) of the Listing Agreement, the pre and post amalgamation (expected) capital structure and shareholding pattern of the Company is provided in the Annexure V to this Notice.

12. Disclosure of interest:
    None of the directors and the key managerial personnel of the Company (as defined under the Companies Act, 2013) and their relatives have any interest in the Scheme of Amalgamation, except as shareholders of the respective companies, the extent of which is stated below:

Sr. No	Names	No. of shares held in the Company	Number of shares held in FRB	Number of employee stock options ("ESOPs") held in FRB
1.	Mr. Avinash Gandhi	-	-	-
2.	Mr. Rajendra Anandpara	-	-	-
3.	Mr. Klaus Rosenfeld	-	-	-
4.	Mr. Dietmar Heinrich	-	-	-
5.	Mr. Frank Huber	-	-	-
6.	Mr. R. Sampath Kumar	-	-	-
7.	Dr. Sanak Mishra	-	-	-
8.	Mrs. Renu Challu	-	-	-
9.	Mr. Rakesh Jinsi	-	-	-
10.	Mr. Satish Patel	-	1 (nominee of Company)	-
11.	Mr. Raj Sarraf	1	-	--

13. Copies of the following documents are available for inspection at the registered office of the Company situated at Nariman Bhavan, 8th Floor, 227, Backbay Reclamation, Nariman Point, Mumbai – 400 021, Maharashtra, India on any working day except Saturdays, Sundays and Public Holidays, between 11.00 a.m. to 1.00 p.m, up to 24 hours prior to the date of the commencement of the Postal Ballot:
    a. Scheme of Amalgamation;
    b. Copy of the resolutions passed by the respective Boards of Directors of the Company and FRB approving the Scheme;
    c. Report of Audit Committee of the Company dated 11 February 2015;
    d. Memorandum and Articles of Association of the Company and FRB;
    e. Observation Letter dated 11-May-2015 received from the designated Stock Exchange viz the BSE Limited conveying its 'no objection' for filing of the Scheme of Amalgamation with the Hon'ble High Court of Judicature at Bombay;
    f. Observation Letter dated 11-May-2015 received from the National Stock Exchange of India Limited conveying its 'no objection' for filing of the Scheme of Amalgamation with the Hon'ble High Court of Judicature at Bombay;
    g. Complaints report dated March 30, 2015 submitted by the Company to the BSE/ NSE;
    h. The audited accounts of FRB for the period ended 31st December, 2014;
    i. The audited accounts of the Company for the period ended 31st December, 2014;
    j. Fairness Opinion dated 07 February 2015 issued by Pantomath Capital Advisors (P) Ltd.

14. This statement may be treated as an Explanatory Statement under Section 102 of the Companies Act, 2013 and rules made thereunder. A copy of the Scheme and the Explanatory Statement may be obtained from the Registered Office of the Company situated at Nariman Bhavan, 8th Floor, 227, Backbay Reclamation, Nariman Point, Mumbai – 400 021, Maharashtra, India.

By Order of the Board
For FAG Bearings India Limited

Raj Sarraf
Company Secretary
ICSI M. No. : ACS15526

Date: May 27, 2015
Place: Mumbai

SCHEME OF AMALGAMATION **Annexure - I**

OF

FAG ROLLER BEARINGS PRIVATE LIMITED

WITH

FAG BEARINGS INDIA LIMITED

AND

THEIR SHAREHOLDERS AND CREDITORS

UNDER SECTIONS 391 TO 394 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 1956

This Scheme of Amalgamation (the "**Scheme**") is presented under Sections 391 to 394 and other applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment or amendment thereof) for amalgamation of 'FAG Roller Bearings Private Limited' with 'FAG Bearings India Limited'.

The Scheme has been formulated and presented under sections 391 to 394 of the Companies Act, 1956. Upon the relevant sections of the Companies Act, 2013 pertaining to schemes of arrangement, compromise or reconstruction of companies being notified by the Ministry of Corporate Affairs ('MCA'), the Scheme shall be deemed to have been formulated and presented under sections 230 to 240 of the Companies Act, 2013.

A. Description of Companies

Transferee Company

(a) FAG Bearings India Limited ("**FAG India**" or "**Transferee Company**") is a listed company incorporated under the provisions of the Companies Act, 1956 and having its registered office at Nariman Bhavan, 8th Floor, 227, Backbay Reclamation, Nariman Point, Mumbai – 400 021, Maharashtra [CIN: L29130MH1962PLC012340]. Transferee Company is a Schaeffler group entity and is engaged in manufacturing and supply of wide range of bearings to Industrial & Automotive Customers.

Transferor Company

(b) FAG Roller Bearings Private Limited ("**FRB**" or "**the Transferor Company**") is a private limited company incorporated under the provisions of the Companies Act, 1956 and having its registered office at Nariman Bhavan, 8th Floor, 227, Backbay Reclamation, Nariman Point, Mumbai – 400 021, Maharashtra [CIN: U29130MH2001PTC134044]. The Transferor Company is a wholly owned subsidiary of the Transferee Company. The Transferor Company is currently engaged in Special Machines Building activities for bearings.

B. Rationale and Purpose of the Scheme

The amalgamation of the Transferor Company with the Transferee Company would *inter alia* have the following benefits:

i) Better focus and concentration on the growth efforts of Bearings business;
ii) Simplified corporate structure;
iii) Post the amalgamation of Transferor Company with Transferee Company, Transferor Company will stand dissolved. Consequently, there would be lesser regulatory and legal compliance obligations including accounting, reporting requirements, statutory and internal audit requirements, tax filings, company law requirements, etc and therefore reduction in administrative costs;
iv) Enable cost saving and optimum utilization of valuable resources which will enhance the management focus thereby leading to higher operational efficiency;
v) Transferor Company is engaged in special machines building for bearings manufacturing by group companies (mainly for Transferee Company) and housed within the premise of Transferee Company's Plant in Maneja in Vadodara.

In view of the aforesaid, the Board of Directors of the Transferor Company as well as the Board of Directors of the Transferee Company have considered and proposed the amalgamation of the entire undertaking and business of the Transferor Company with the Transferee Company.

This Scheme also provides for various other matters consequential or otherwise integrally connected herewith.

For sake of convenience this Scheme is divided into following parts:

Part A dealing with definitions and share capital;
Part B dealing with amalgamation of FAG Roller Bearings Private Limited (Transferor Company) with FAG Bearings India Limited (Transferee Company);
Part C dealing with general terms and conditions.

PART A

1. DEFINITIONS

1.1. In this Scheme, unless repugnant to or inconsistent with the subject or context thereof, the following expressions shall have the following meanings:

1.1.1. **"Act"** or **"the Act"** means the Companies Act, 1956 and/or the Companies Act, 2013 as in force from time to time; it being clarified that as on the date of approval of this Scheme by the Boards of Directors of the Transferor Company and the Transferee Company, Sections 391 and 394 of the Companies Act, 1956 continue to be in force with the corresponding provisions of the Companies Act, 2013 not having been notified. Accordingly, references in this Scheme to particular provisions of the Act are references to particular provisions of the Companies Act, 1956. Upon such provisions standing re-enacted by enforcement of provisions of the Companies Act, 2013, such references shall, unless a different intention appears, be construed as references to the provisions so re-enacted;

1.1.2. **"Appointed Date"** means the 1st day of January 2015;

1.1.3. **"Board of Directors**" or **"Board**" means the Board of Directors of the Transferor Company or the Transferee Company, as the case may be, and shall include a duly constituted Committee thereof;

1.1.4. **"Effective Date" means the date on which the certified / authenticated copies of the order of the High Court of Judicature at Bombay** sanctioning the Scheme are filed with the Registrar of Companies, Maharashtra, Mumbai;

Any references in this Scheme to "upon this Scheme becoming effective" or "upon coming into effect of this Scheme" or "upon the Scheme coming into effect" shall be construed to be a reference to the Effective Date;

1.1.5. **"FRB" or "the Transferor Company" means FAG Roller Bearings Private Limited, a company incorporated under the provisions of the Act and having its registered office at** Nariman Bhavan, 8th Floor, 227, Backbay Reclamation, Nariman Point, Mumbai – 400 021, Maharashtra [CIN: U29130MH2001PTC134044]**;**

1.1.6. **"FAG INDIA" or "the Transferee Company" means FAG Bearings India Limited, a company incorporated under the provisions of the Act and having its registered office at** Nariman Bhavan, 8th Floor, 227, Backbay Reclamation, Nariman Point, Mumbai – 400 021, Maharashtra [CIN: L29130MH1962PLC012340];

1.1.7. **"Governmental Authority**" means any applicable Central, State or local Government, legislative body, regulatory or administrative authority, agency or commission or any court, tribunal, board, bureau or instrumentality thereof or arbitration or arbitral body having jurisdiction;

1.1.8. **"High Court"** means the Hon'ble High Court of judicature at Bombay in Maharashtra having jurisdiction in relation to FRB and FAG India or such other competent authority under the provisions of Sections 391 to 394 of the Act, as the case may be, and shall include the National Company Law Tribunal, or any other similar judicial body, if applicable;

1.1.9. **"Scheme" or "the Scheme" or "this Scheme" or "Scheme of Amalgamation" means this Scheme of Amalgamation in its present form or with any modification(s) made under Clause 15 of this Scheme or any modifications approved or directed by the High Court or any other Government Authority;**

1.1.10. **"Stock Exchanges" means National Stock Exchange of India Limited and BSE Limited;**

1.1.11. **"Undertaking"** means and includes the whole of the undertaking / business of Transferor Company, as a going concern, being carried on by Transferor Company and shall include (without limitation):

(a) all the assets and properties, whether movable or immovable, real or personal, in possession or reversion, corporeal or incorporeal, tangible or intangible, present or contingent and including but not limited to land and building, all fixed and movable plant and machinery, vehicles, fixed assets, work in progress, current assets, investments, reserves, provisions, funds, licenses, registrations, membership of professional associations, other associations and clubs, certificates, permissions, consents, approvals from state, central, municipal or any other authority for the time being in force, concessions (including but not limited to income-tax, excise duty, service tax or customs, and other incentives of any nature whatsoever), remissions, remedies, subsidies, guarantees, bonds, copyrights, patents, trade names, trade-marks and other rights and licenses including any applications in respect thereof, tenancy rights, leasehold rights, premises, ownership flats, hire purchase, lending arrangements, benefits of security arrangements, security contracts, computers, insurance policies, office equipment, telephones, telexes, facsimile connections, communication facilities, equipment and installations and utilities, electricity, water and other service connections, contracts, deeds, instruments, agreements and arrangements, powers, authorities, permits, registrations / licenses etc including pertaining to expatriates, allotments, privileges, liberties, advantages, easements and all the right, title, interest, goodwill, benefit and advantage, deposits, reserves, preliminary expenses, benefit of deferred revenue expenditure, provisions, advances, receivables, deposits, funds, cash, bank balances, accounts and all other rights, benefits of all agreements, subsidies, grants, incentives, tax credits (including but not limited to credits in respect of income-tax, minimum alternate tax i.e. tax on book profits, fringe benefit tax, value added tax, sales tax, service tax, etc.), tax benefits, tax losses (unabsorbed allowances), and other claims and powers, all books of accounts, documents and records of whatsoever nature and where so ever situated belonging to or in the possession of or granted in favour of or enjoyed by the Transferor Company, as on the date immediately preceding the Appointed Date;

(b) all the debts, present and future liabilities, payables, contingent liabilities, duties and obligations (including duties/ rights/ obligations under any agreement, contracts, applications, letters of intent or any other contracts) as on the date immediately preceding the Appointed Date; and

(c) all employees on the rolls of the Transferor Company on the closing hours of the date immediately preceding the Effective Date.

It is intended that the definition of Undertaking under this clause would enable the transfer of all property, assets, rights, duties, employees and liabilities of Transferor Company into Transferee Company pursuant to this Scheme.

The expressions which are used in this Scheme and not defined in this Scheme shall, unless repugnant or contrary to the context or meaning hereof, have the same meanings ascribed to them under the Act and other applicable laws, rules, regulations, bye-laws, as the case may be.

2. DATE OF TAKING EFFECT

The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the High Court under Clause 15 of the Scheme shall be effective from the Appointed Date but shall become operative only from the Effective Date.

The amalgamation of the Transferor Company with the Transferee Company shall be in accordance with Section 2(1B) of the Income-tax Act, 1961.

3. SHARE CAPITAL

3.1. The Share Capital structure of the Transferee Company as per the last audited accounts for the year ended as on December 31, 2014 is as under:

Particulars	Amount in Rs
Authorized	
20,000,000 equity shares of Rs. 10/- each	200,000,000
Total	**200,000,000**
Issued	
16,818,270 equity shares of Rs. 10/- each	168,182,700
Total	**168,182,700**
Subscribed and Paid-up	
16,617,270 equity shares of Rs. 10/- each fully paid	166,172,700
Total	**166,172,700**

Subsequent to January 1, 2015, and up to the date of approval of this Scheme by the Board of the Transferee Company, there has been no change in the Authorized, Issued, Subscribed and Paid up Share Capital of the Transferee Company.

3.2. The Share Capital structure of the Transferor Company as per the last audited balance sheet as on December 31, 2014 is as under:

Particulars	Amount in Rs
Authorized	
20,000,000 Equity Shares of Rs. 10/- each	200,000,000
Total	**200,000,000**
Issued, subscribed and fully paid up	
17,400,000 Equity Shares of Rs. 10/- each	174,000,000
Total	**174,000,000**

Subsequent to January 1, 2015, and up to the date of approval of this Scheme by the Board of the Transferor Company, there has been no change in the Authorized, Issued, Subscribed and Paid up Share Capital of the Transferor Company. Further, the entire equity share capital of the Transferor Company is held by the Transferee Company (i.e. the Transferor Company is a wholly owned subsidiary of the Transferee Company).

PART B

AMALGAMATION OF THE TRANSFEROR COMPANY WITH THE TRANSFEREE COMPANY

Amalgamation of FRB with FAG India as a going concern shall be in the following manner:

4. TRANSFER AND VESTING OF UNDERTAKING

Subject to the provisions of this Scheme as specified herein and with effect from the Appointed Date, the entire undertaking of the Transferor Company shall be transferred to and vested in or be deemed to be transferred to and vested in the Transferee Company in the following manner:

4.1. The Undertaking of the Transferor Company comprising its business, all assets and liabilities of whatsoever nature and where-so-ever situated, shall, under the provisions of Sections 391 to 394 and all other applicable provisions, if any, of the Act, without any further act or deed (save as provided in clauses 4.2 and 4.3 below), be transferred to and vested in and/ or be deemed to be transferred to and vested in the Transferee Company as a going concern so as to become as from the Appointed Date the undertaking of the Transferee Company and to vest in the Transferee Company all the rights, title, interest or obligations of the Transferor Company therein.

4.2. All the movable assets of the Transferor Company, capable of passing by physical delivery or by endorsement and delivery, shall be so transferred to the Transferee Company and deemed to have been physically handed over by physical delivery or by endorsement and delivery, as the case may be, without the need to execute any separate instrument, to the Transferee Company to the end and intent that the property and benefit therein passes to the Transferee Company with effect from the Appointed Date.

4.3. In respect of any assets of the Transferor Company, other than those mentioned in Sub Clause 4.2 above, including sundry debtors, deferred tax asset, outstanding loans and advances, if any, recoverable in cash or kind or for value to be received, bank balances and deposits, if any, with the Government, semi-Government, local and other authorities and bodies, customers and other persons, the same shall, without any further act, instrument or deed, be transferred to and stand vested in and /or be deemed to be transferred to and stand vested in the Transferee Company under the provisions of Sections 391 to 394 of the Act.

4.4. With effect from the Appointed Date, all debts, liabilities (including deferred tax liabilities and contingent liabilities), duties and obligations of the Transferor Company, as on the Appointed Date whether provided for or not in the books of accounts of the Transferor Company, and all other liabilities which may accrue or arise after the Appointed Date but which relate to the period on or up to the day of the Appointed Date shall, pursuant to the Orders of the High Court or such other competent authority as may be applicable under provisions of the Act, without any further act or deed, be transferred or deemed to be transferred to and vested in the Transferee Company, so as to become as from the Appointed Date the debts, liabilities (including deferred tax liabilities and contingent liabilities), duties and obligations of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company.

4.5. Without prejudice to the above provisions, with effect from the Appointed Date, all inter-party transactions between the Transferor Company and the Transferee Company per se shall be considered as intra-party transactions for all purposes from the Appointed Date.

5. CONSIDERATION

As the Transferor Company is a wholly-owned subsidiary of the Transferee Company, no consideration shall be payable pursuant to the amalgamation of the Transferor Company with the Transferee Company, and the equity shares held by the Transferee Company and along with the joint holders in the Transferor Company shall stand cancelled without any further act, application or deed.

6. ACCOUNTING TREATMENT

6.1. On the Scheme becoming effective, the Transferee Company shall account for the amalgamation of the Transferor Company in its books of account with effect from the Appointed Date.

6.2. Amalgamation of the Transferor Company with the Transferee Company shall be accounted in accordance with the Indian Accounting Standard – 14 as notified under the Act.

6.3. All assets & liabilities, including reserves, of the Transferor Company shall be recorded in the books of account of the Transferee Company at their existing carrying amounts and in the same form as they appear in the financial statement of the Transferor Company.

6.4. Amount of share capital of the Transferor Company and the value recorded as investment in the books of the Transferee Company shall be adjusted against each other and difference, if any, shall be debited to general reserve account or credited to capital reserve account of the Transferee Company, as the case may be.

6.5. All inter-corporate deposits, loans and advances, outstanding balances or other obligations between the Transferor Company and the Transferee Company, shall be cancelled and there shall be no obligation/outstanding in that behalf.

6.6. In case of any differences in accounting policy between the Transferee Company and the Transferor Company, the impact of the same till the Appointed Date will be quantified and recorded in accordance with the applicable Accounting Standards notified under the Act to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policy.

PART C

GENERAL TERMS AND CONDITIONS

7. CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS

7.1. Upon the coming into effect of this Scheme and subject to the provisions of the Scheme and without any further act of the parties, all memoranda of understanding, contracts (including but not limited to customer contracts, service contracts and supplier contracts), schemes, assurances, licences, insurance policies, guarantees, deeds, bonds, agreements, arrangements and other instruments (including all tenancies, leases, and other assurances in favour of the Transferor Company or powers or authorities granted by or to it) of whatsoever nature to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible and which are subsisting or having effect immediately before the Effective Date, shall continue in full force and effect against or in favour of the Transferee Company as the case may be, and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee or obligor thereto.

7.2. The Transferee Company shall, if so required or becomes necessary, upon the coming into effect of this Scheme enter into and/ or issue and/or execute deeds, writings or confirmations to give effect to the provisions of this Scheme and to the extent that the Transferor Company is required prior to the Effective Date to join in such deeds, writings or confirmations, the Transferee Company shall be entitled to act for and on behalf of and in the name of the Transferor Company, as the case may be.

8. LEGAL PROCEEDINGS

If any legal proceedings including but not limited to suits, summary suits, indigent petitions, appeal, or other proceedings of whatever nature (hereinafter called "the **proceedings**") by or against the Transferor Company are pending as on the Effective Date, the same shall not abate or be discontinued or be in any way prejudicially affected by reason of the transfer of the entire business and Undertaking of the Transferor Company or of anything contained in the Scheme, but the proceedings shall be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as they would or might have been continued, prosecuted or enforced by or against the Transferor Company, if the Scheme had not been made. On and from the Effective Date, the Transferee Company may initiate any legal proceeding for and on behalf of the Transferor Company.

9. EMPLOYEES OF TRANSFEROR COMPANY

9.1. On the Scheme coming into effect, all staff, workmen and employees (including those on sabbatical / maternity leave) of the Transferor Company in service on the Effective Date shall be deemed to have become staff, workmen and employees of the Transferee Company with effect from the Effective Date without any break or interruption in their service and on the terms and conditions not less favorable than those applicable to them with reference to the Transferor Company on the Effective Date.

9.2. It is expressly provided that, in so far as the Gratuity Fund, Provident Fund, Super Annuation Fund or any other Special Scheme(s)/Fund(s) (hereinafter referred as "Fund or Funds") created or existing for the benefit of the staff, workmen and employees of the Transferor Company is concerned, upon the Scheme coming into effect, the Transferee Company shall stand substituted for the Transferor Company for all purposes whatsoever in relation to the administration or operation of such Fund or Funds or in relation to the obligation to make contributions to the said Fund or Funds in accordance with the provisions thereof as per the terms provided in the respective Fund or Funds, if any, to the end and intent that all rights, duties, powers and obligations of the Transferor Company in relation to such Fund or Funds shall become those of the Transferee Company and all the rights, duties and benefits of the staff, workmen and employees of the Transferor Company under such Fund or Funds shall be protected, subject to the provisions of law for the time being in force. It is clarified that the services of the staff, workmen and employees of the Transferor Company will be treated as having been continuous for the purpose of the said Fund or Funds and for other benefits such as long service awards.

9.3. In so far as the Fund or Funds created or existing for the benefit of the employees of the Transferor Company are concerned upon the coming into effect of this Scheme, balances lying in the accounts of the employees of the Transferor Company in the said Fund or Funds as on the Effective Date shall stand transferred from the respective Fund or Funds of the Transferor Company to the corresponding Fund or Funds set up by the Transferee Company.

10. CONDUCT OF BUSINESS UNTIL THE EFFECTIVE DATE

With effect from the Appointed Date and up to and including the Effective Date:

10.1. The Transferor Company shall carry on and be deemed to have been carrying on its business and activities and shall stand possessed of and hold all of the Undertaking for and on account of and for the benefit of and in trust for the Transferee Company. The Transferor Company hereby undertakes to hold the said assets with utmost prudence until the Effective Date.

10.2. The Transferor Company shall carry on its business and activities with reasonable diligence, business prudence and shall not without the prior consent in writing of any of the persons authorised by the Board of Directors of the Transferee Company, (i) sell, alienate, charge, mortgage, encumber or otherwise deal with or dispose of the assets comprising the Undertaking or any part thereof or undertake any financial commitments of any nature whatsoever, except in the ordinary course of business (ii) nor shall it undertake any new business or substantially expand its existing business.

10.3. All the profits or income accruing or arising to the Transferor Company or expenditure or losses arising to or incurred or suffered by the Transferor Company, with effect from the said Appointed Date shall for all purposes and intents be treated and be deemed to be and accrue as the profits, incomes, incomes, costs, charges, expenditure or losses of the Transferee Company, as the case may be.

10.4. All taxes of any nature, duties, cess or any other like payments or deductions made by the Transferor Company to any Statutory Authorities such as Income Tax (including advance tax and Tax Deducted receivable and Minimum Alternate Tax (MAT) credit), Service Tax, Customs Duty, VAT etc or any tax deducted / collected at source relating to the period after the Appointed Date and up to the Effective Date shall be deemed to have been on account of or on behalf of or paid by the Transferee Company and the relevant authorities shall be bound to transfer to the account of and give credit for the same to the Transferee Company upon the passing of the order in the Scheme by High Court upon relevant proof and documents being provided to the said authorities to this effect.

10.5. The Transferor Company shall not alter its equity capital structure either by fresh issue of shares or convertible securities (on a rights basis or by way of bonus shares or otherwise) or by any decrease, reduction, reclassification, sub-division, consolidation, re-organisation or in any other manner, except by and with the consent of the Board of Directors of the Transferee Company.

10.6. The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to the Central Government and all other agencies, departments and authorities concerned as are necessary under any law for such consents, approvals and sanctions which the Transferee Company may require to carry on the business of the Transferor Company.

10.7 Upon the Scheme becoming effective, the Main Objects as well as relevant incidental objects of the Memorandum of Association of the Transferor Company shall form part of the Memorandum of Association of the Transferee Company.

11. DIVIDENDS

The Transferor Company shall not declare any dividend for the period commencing from and after the Appointed Date without the prior written consent of the Transferee Company.

12. SAVING OF CONCLUDED TRANSACTIONS

The transfer and vesting of the entire business and Undertaking of the Transferor Company pursuant to this Scheme, and the continuance of proceedings under Clause 8 above shall not affect any transaction or proceedings already concluded by the Transferor Company on or after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by the Transferor Company in respect thereto, as if done and executed on its behalf.

13. DISSOLUTION OF THE TRANSFEROR COMPANY

13.1. On the Scheme becoming effective, the Transferor Company shall stand dissolved without being wound up and without any further act by the parties.

13.2. On and with effect from the Effective Date, the name of the Transferor Company shall be struck off from the records of the appropriate Registrar of Companies. The Transferee Company shall make necessary filings in this regard.

13.3. Even after the Scheme becoming effective, the Transferee Company shall be entitled to operate all bank accounts relating to Transferor Company and realize all monies and complete and enforce all pending contracts and transactions in the name of Transferor Company insofar as may be necessary until the transfer and vesting of rights and obligations of the Transferor Company to the Transferee Company under this Scheme is formally effected by the parties concerned.

14. APPLICATIONS/PETITIONS TO THE HIGH COURT AND APPROVALS

14.1. The Transferor Company shall, with all reasonable dispatch, make application / petition to the High Court or such other appropriate authority under Sections 391 to 394 and other applicable provisions of the Act, seeking orders for dispensing with or convening, holding and conducting of the meetings of the respective classes of the members and/or creditors of the Transferor Company as may be directed by the High Court or such other appropriate authority.

15. MODIFICATIONS / AMENDMENTS TO THE SCHEME

15.1. The Transferor Company and the Transferee Company by their respective Board of Directors or such other person or persons, as the respective Board of Directors may authorize, including any committee or sub-committee thereof, may make and/or consent to any modifications/amendments to the Scheme, or to any conditions or limitations that the High Court or any other Government Authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by the High Court or such other Government Authority, or make any modifications / amendments to the Scheme in pursuance of a change in law or otherwise. The Transferor Company and the Transferee Company by their respective Board of Directors or such other person or persons, as the respective Board of Directors may authorize, including any committee or sub-committee thereof, shall be authorized to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whether by reason of any directive or orders of any other authorities or otherwise howsoever arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith.

15.2. For the purpose of giving effect to this Scheme or to any modifications or amendments thereof or additions thereto, the delegate(s) of the Transferor Company and/or the Transferee Company may give and are hereby authorized to determine and give all such directions as are necessary including directions for settling or removing any question of doubt or difficulties that may arise and such determination or directions, as the case may be, shall be binding on all parties, in the same manner as if the same were specifically incorporated in this Scheme.

16. VALIDITY OF EXISTING RESOLUTIONS, ETC

Upon the coming into effect of the Scheme, the resolutions of the Transferor Company as are considered necessary by the Board of Directors of the Transferee Company which are validly subsisting be considered as resolutions of the Transferee Company. If any such resolutions have any monetary limits approved under the provisions of the Act or of

any other applicable statutory provisions, then the said limits, as are considered necessary by the Board of Directors of the Transferee Company, shall be added to the limits, if any, under the like resolutions passed by the Transferee Company.

17. SCHEME CONDITIONAL ON APPROVALS / SANCTIONS

17.1. The Scheme is conditional upon and subject to:

17.1.1. approval of the Scheme by the requisite majority of each class of the respective members and creditors of the Transferor Company and the Transferee Company, if applicable, in terms of the applicable provisions of the Act;

17.1.2. approval of the Scheme by majority of public shareholders of the Transferee Company through postal ballot and e-voting in accordance with clause 5.16 of SEBI Circular No.CIR/CFD/DIL/5/2013 dated 4th Feb 2013 as modified by clause 7 of SEBI Circular No.CIR/CFD/DIL/8/2013 dated 21st May 2013;

17.1.3. sanctions and orders under the provisions of Section 391 read with Section 394 of the Act being obtained by the Transferor Company and the Transferee Company from the High Court;

14.1.4. the certified or authenticated copies of the orders of the High Court sanctioning this Scheme being filed with the appropriate Registrar of Companies.

18. EFFECT OF NON RECEIPT OF APPROVALS / SANCTIONS

18.1. In the event of any of the said approvals referred to in Clause 17 above not being obtained and/or complied with and/or satisfied and/or this Scheme not being sanctioned by the High Court and/or order or orders not being passed as aforesaid at a date as may be mutually agreed upon by the respective Board of Directors of the Transferor Company and the Transferee Company (who are hereby empowered and authorised to agree to and extend the aforesaid period from time to time without any limitations in exercise of their powers through and by their respective delegate(s)), this Scheme shall stand revoked, cancelled and be of no effect.

18.2. The Boards of Directors of the Transferor Company and the Transferee Company shall be entitled to revoke, cancel and declare the Scheme of no effect if they are of the view that the coming into effect of the Scheme could have adverse implications on the Transferor Company and/ or the Transferee Company.

18.3. If any part of this Scheme hereof is invalid, ruled illegal by the High Court, or unenforceable under present or future laws, then it is the intention of the Transferor Company and the Transferee Company that such part shall be severable from the remainder of the Scheme.

19. COSTS, CHARGES AND EXPENSES

All costs, charges and expenses (including, but not limited to, any taxes and duties, stamp duty, registration charges, etc.) of /payable by the Transferor Company and the Transferee Company in relation to or in connection with the Scheme and incidental to the completion of the amalgamation of the Transferor Company with the Transferee Company in pursuance of this Scheme shall be borne and paid by the Transferee Company.

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PANTOMATH
Capital Advisors (P) Ltd.

Annexure - II

Date: February 7, 2015

The Board of Directors,
FAG Bearings India Limited
Nariman Bhavan,
8th Floor, 227, Backbay Reclamation,
Nariman Point,
Mumbai – 400 021.

The Board of Directors,
FAG Roller Bearings Private Limited
Nariman Bhavan,
8th Floor, 227, Backbay Reclamation,
Nariman Point,
Mumbai – 400 021.

Dear Sirs,

Re: Fairness opinion on Valuation Report issued by M/s. M. Nuwal & Co., Chartered Accountants, for the proposed amalgamation of FAG Roller Bearings Private Limited with FAG Bearings India Limited.

BACKGROUND

Pantomath Capital Advisors Private Limited ("Pantomath" or "we" or "us") is a Category I Merchant Banker registered with The Securities Exchange Board of India ("SEBI"). Pursuant to clause 24(h) of Listing Agreement, we have been requested to issue a fairness opinion on Valuation Report issued by M/s. M. Nuwal & Co., Chartered Accountants, for the proposed amalgamation of FAG Roller Bearings Private Limited **("FRB" or "Transferor Company")**, with FAG Bearings India Limited **("FAG India" or "Transferee Company")**

FAG India is a public company incorporated under the Companies Act, 1956 having its registered office at Nariman Bhavan, 8th Floor, 227, Backbay Reclamation, Nariman Point, Mumbai – 400 021. The manufacturing facility of the Company is located at Vadodara, Gujarat. The Company is engaged in manufacturing and supply of wide range of bearings to Industrial & Automotive Customers.

Pantomath Capital Advisors (P) Ltd.

Progress with Values...
Pantomath Capital Advisors (P) Ltd. (SEBI Registered Category-I Merchant Bankers)
Corporate Office: 108, Madhava Premises Co-operative Society Limited, Bandra Kurla Complex, Bandra East, Mumbai – 400 051
Regd. Office: B-901, Sai Sanskar, S. T. Road, Deonar, Chembur, Mumbai - 400 088
Website: www.pantomathgroup.com | **CIN:** U74120MH2013PTC248061 | **Tel:** 022-26598687/91 | **Fax:** 022-26598690

FRB is a private company incorporated under the Companies Act, 1956, having its registered office at Nariman Bhavan, 8th Floor, 227, Backbay Reclamation, Nariman Point, Mumbai – 400 021. The Company is currently engaged in Special Machines Building activities for bearings. FRB is a wholly owned subsidiary of FAG India.

The management of FAG India is considering amalgamation of its subsidiary FRB with itself with effect from the appointed date i.e. January 1, 2015.

Shareholding Pattern of FAG Bearings India Limited (Transferee Company)

Particulars	Pre		Post	
	No of Shares	% Holdings	No of Shares	% Holdings
Promoters	8,529,183	51.33%	8,529,183	51.33%
Public	8,088,087	48.67%	8,088,087	48.67%
Total	16,617,270	100.00%	16,617,270	100.00%

SOURCES OF INFORMATION

For arriving at the fairness opinion set forth below, we have relied upon the following sources of information:

- Valuation Report issued by M/s. M. Nuwal & Co., Chartered Accountants, dated February 06, 2015;
- Draft Scheme of Amalgamation of FRB with FAG India under section 391 to 394 of the Companies Act, 1956;
- Audited financial statements of FAG India for the year ended December 31, 2013;
- Provisional financial statements of FAG India for the year ended December 31, 2014;
- Audited financial statements of FRB for the year ended December 31, 2013;
- Provisional financial statements of FRB for the year ended December 31, 2014;
- Shareholding Patterns of FAG India and FRB (Pre and Post amalgamation)
- Memorandum of Association and Articles of Association of FAG India and FRB;

In addition to the above, we have also obtained such other information and explanations, which were considered relevant for the purpose of our analysis.

Pantomath Capital Advisors (P) Ltd.

FAIRNESS OPINION

With reference to the above and based on the information and explanation provided by the management of the Companies and after analyzing the Draft Scheme of Amalgamation, we understand that FRB is wholly owned subsidiary of FAG India and thus no shares shall be issued by FAG India as consideration for the proposed amalgamation and there is no change in shareholding pattern of FAG India post proposed amalgamation. The shareholders of FAG India will continue to remain beneficial owners of FRB and FAG India in the same proportion as they held it prior to the amalgamation.

Accordingly, no valuation process is applicable to the Scheme. Thus in our opinion, we state that the valuation arrived by M/s. M. Nuwal & Co., Chartered Accountants, is fair and reasonable.

EXCLUSIONS AND LIMITATIONS

We have assumed and relied upon, without independent verification, the accuracy and completeness of all information that was publicly available or provided or otherwise made available to us by FAG India and FRB for the purpose of this opinion without carrying out any audit or certification or due diligence of the working results, financial statements, financial estimates or estimates of value to be realized for the assets of FAG India and FRB.

We have solely relied upon the information provided to us by FAG India and FRB. We have not reviewed any books or records of FAG India and FRB.

We have not assumed any obligation to conduct, nor have we conducted any physical inspection or title verification of the properties or facilities of FAG India and FRB and neither express any opinion with respect thereto nor accept any responsibility therefore.

We have not made any independent valuation or appraisal of the assets or liabilities of FAG India and FRB. In particular we do not express any opinion as to the value of assets of FAG India and FRB, whether at current market prices or in future.

We have not reviewed any internal management information statements or any non-public reports, and, instead, with your consent we have relied upon information which was publicly available or provided or otherwise made available to us by FAG India and FRB for the purpose of this opinion.

We are not experts in the evaluation of litigation or other actual or threaten claims and hence have not commented on the effect of such litigation or claims on the valuation. We are not legal, tax, regulatory or actuarial advisors. We are financial advisors only and have relied upon, without independent verification, the assessment of FAG India and FRB with respect to these matters. In addition, we have assumed that the Draft Scheme of Amalgamation will be approved by the regulatory authorities and that the proposed transaction will be consummated substantially in accordance with the terms set forth in the Draft Scheme of Amalgamation.

Pantomath Capital Advisors (P) Ltd.

We understand that the managements of FAG India and FRB during our discussion with them would have drawn our attention to all such information and matters which may have an impact on our analysis and opinion.

We have assumed that in the course of obtaining necessary regulatory or other consents or approvals for the Draft Scheme of Amalgamation, no restrictions will be imposed that will have a material adverse effect on the benefits of the transaction that FAG India and FRB may have contemplated.

Our opinion is necessarily based on financial, economic, market and other conditions as they currently exist and on the information made available to us as of the date hereof. It should be understood that although subsequent developments may affect this opinion, we do not have any obligation to update, revise or reaffirm this opinion. In arriving at our opinion, we are not authorized to solicit, and did not solicit, interests for any party with respect to the acquisition, business combination or other extra-ordinary transaction involving FAG India and FRB or any of its assets, nor did we negotiate with any other party in this regard.

It is understood that this letter is solely for the benefit of confidential use by the Board of Directors of FAG India and FRB for the purpose of facilitating companies to comply with clause 24(f) and 24(h) of the listing agreement and SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 4,2013 read with clarifications provided by SEBI CIR/CFD/DIL/8/2013 dated May 21,2013 and it shall not be valid for any other purpose. The letter is only intended for the aforementioned specific purpose and if it is used for any other purpose; we will not be liable for any consequences thereof.

Valuation, as it is said, is an art as well as a science. It is very subjective and based on individual perception. Large number of valuation models and its countless variants are in vogue, each of which has its own strength and weakness. Such practices leads to varying values arrived at by expert which at times may differ by larger margin. We express no opinion whatever and make no recommendation at all as to FAG India's, FRB's underlying decision to effect to the proposed transaction or as to how the holders of equity shares or secured or unsecured creditors of FAG India and FRB should vote at their respective meetings held in connection with the transaction. We do not express and should not be deemed to have expressed any views on any other terms of transaction. We also express no opinion and accordingly accept no responsibility for or as to the prices at which the equity shares of FAG India will trade following the announcement of the transaction or as to the financial performance of FAG India and FRB following the consumption of the transaction.



In no circumstances however, will Pantomath or its associates, directors or employees accept any responsibility or liability to any third party and in the unforeseen event of any such responsibility or liability being imposed on Pantomath or its associates, directors or employees by any third party, FAG India and FRB and their affiliates shall indemnify them.

For Pantomath Capital Advisors Private Limited



Mahavir Lunawat
Managing Director

Annexure - III

FAG Bearings India Limited

Your ref., your letter dated | Our ref., our letter dated | Phone +91 265 | Fax +91 265

SCHAEFFLER

Complaints Report

Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	**Nil**
2.	Number of complaints forwarded by Stock Exchange	**Nil**
3.	Total Number of complaints/comments received (1+2)	**Nil**
4.	Number of complaints resolved	**Nil**
5.	Number of complaints pending	**Nil**

Part B

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
1.			
2.			
3.			

For FAG Bearings India Limited

Raj Sarraf
Company Secretary
ACS M No. 15526

FAG Bearings India Limited Maneja Vadodara

FAG Bearings India Limited
Head Office & Works :
Maneja
Vadodara – 390 013
INDIA
Phone: +91 265 660 2000
Telefax: +91 265 263 8804
www.schaeffler.co.in
L29130MH1962PLC012340

Registered Office :
Nariman Bhavan, 8th Floor
227, Backbay Reclamation
Nariman Point,
Mumbai – 400 021
Phone: +91 22 6681 4444
Fax: +91 22 2202 7022

Regional Offices:
Mumbai, Kolkata, New Delhi, Chennai, Coimbatore, Pune, Bangalore, Hyderabad, Udaipur, Ludhiana, Kanpur, Bhubaneswar

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BSE Limited Registered Office : Floor 25, P J Towers, Dalal Street, Mumbai 400 001 India
T:+91 22 2272 1234/33 F:+91 22 2272 1003 www.bseindia.com
Corporate Identity Number : U67120MH2005PLC155188

DCS/AMAL/JS/24(f)/040/2015-16

May 11, 2015

The Company Secretary,
FAG Bearings India Ltd.
Nariman Bhavan, 8th Floor,
227, Backbay Reclamation,
Nariman Point,
Mumbai – 400 021.

Annexure - IV A

Sub: Observation letter regarding the Draft Scheme of Arrangement involving Amalgamation of FAG Roller Bearings Private Ltd with the Company.

We are in receipt of Scheme of Arrangement involving Amalgamation of FAG Roller Bearings Private Ltd with the Company.

As required under SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 & SEBI Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013; SEBI vide its letter May 11, 2015 has inter alia given the following comment(s) on the draft scheme of arrangement:

- ***Company shall duly comply with various provisions of the Circulars."***

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble High Court.

Further, pursuant to the above SEBI circulars, upon sanction of the Scheme by the Hon'ble High Court, the listed company shall submit to the stock exchange the following:

a. Copy of the High Court approved Scheme;
b. Result of voting by shareholders for approving the Scheme;
c. Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme;
d. Copy of the observation letter issued by all the Stock Exchanges where Company is listed.
e. Status of compliance with the Observation Letter/s of the stock exchanges;
f. The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable;
g. Complaints Report as per Annexure II of this Circular.
h. Any other document/disclosure as informed by the Exchange.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Yours faithfully,

Nitin Pujari
Manager

Lalit Phatak
Asst. Manager

NATIONAL STOCK EXCHANGE OF INDIA LIMITED

NIFTY 50 Stock of the nation

Ref: NSE/LIST/25692 May 11, 2015

The Company Secretary
FAG Bearings India Limited,
Nariman Bhavan, 8th Floor,
227, Backbay Reclamation,
Nariman Point,
Mumbai – 400021.

Kind Attn.: Mr. Raj Sarraf

Dear Sir,

Sub: Observation letter for draft Scheme of Amalgamation of FAG Roller Bearings Private Limited with FAG Bearings India Limited and their shareholders and creditors.

This has reference to draft Scheme of Amalgamation of FAG Roller Bearings Private Limited with FAG Bearings India Limited and their shareholders and creditors u/s 391 to 394 and other applicable provisions of the Companies Act 1956. submitted to NSE vide your letter dated March 03, 2015.

Based on our letter reference no Ref: NSE/LIST/25500 submitted to SEBI and pursuant to SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 04, 2013 and SEBI Circular no. CIR/CFD/DIL/8/2013 dated May 21, 2013, SEBI has vide letter dated May 11, 2015, has given following comments on the draft Scheme of Amalgamation:

"The Company shall duly comply with various provisions of the Circulars."

We hereby convey our 'No-objection' with limited reference to those matters having a bearing on listing/ delisting/ continuous listing requirements within the provisions of the Listing Agreement, so as to enable the Companies to file the Scheme with Hon'ble High Court.

However, the Exchange reserves its rights to raise objections at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines / Regulations issued by statutory authorities.

The validity of this "Observation Letter" shall be six months from May 11, 2015, within which the Scheme shall be submitted to the Hon'ble High Court. Further pursuant to the above cited SEBI circulars upon sanction of the Scheme by the Hon'ble High Court, you shall submit to NSE the following:

a. Copy of Scheme as approved by the High Court;
b. Result of voting by shareholders for approving the Scheme;
c. Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme
d. Status of compliance with the Observation Letter/s of the stock exchanges
e. The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
f. Complaints Report as per Annexure II of SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013.

Yours faithfully,
For National Stock Exchange of India Limited

Kamlesh Patel
Manager

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL http://www.nseindia.com/corporates/content/further_issues.htm

Annexure - V

Shareholding pattern

Sr.	Description	Demerged company				Resultant company			
		Transferor Company				Transferee Company			
		[FAG Roller Bearings Pvt. Ltd.]				[FAG Bearings India Limited]			
		Pre-arrangement		Post-		Pre-arrangement		Post-arrangement	
		No. of shares	%	No. of shares	%	No. of shares	%	No. of shares	%
(A)	Shareholding of Promoter and Promoter Group								
1	**Indian**								
(a)	Individuals/ Hindu Undivided Family	0	0	NA	NA	0	0	NA	NA
(b)	Central Government/ State Government(s)	0	0	NA	NA	0	0	NA	NA
(c)	Bodies Corporate	17,400,000*	100	NA	NA	0	0	NA	NA
(d)	Financial Institutions/ Banks	0	0	NA	NA	0	0	NA	NA
(e)	Any Others	0	0	NA	NA	0	0	NA	NA
	Sub Total(A)(1)	17,400,000*	100	NA	NA	0	0	NA	NA
2	**Foreign**								
(a)	Individuals (Non-Residents Individuals/Foreign Individuals)	0	0	NA	NA	0	0	NA	NA
(b)	Bodies Corporate	0	0	NA	NA	8,529,183	51.33	8,529,183	51.33
(c)	Institutions	0	0	NA	NA	0	0	0	0
(d)	Any Others	0	0	NA	NA	0	0	0	0
	Sub Total(A)(2)	0	0	NA	NA	8,529,183	51.33	8,529,183	51.33
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)					8,529,183	51.33	8,529,183	51.33
(B)	Public shareholding								
1	Institutions								
(a)	Mutual Funds/ UTI	0	0	NA	NA	2,907,451	17.5	-	-
(b)	Financial Institutions / Banks	0	0	NA	NA	2,026	0.01	-	-
(c)	Central Government/ State Government(s)	0	0	NA	NA	0	0	-	-
(d)	Venture Capital Funds	0	0	NA	NA	0	0	-	-
(e)	Insurance Companies	0	0	NA	NA	174,494	1.05	-	-
(f)	Foreign Institutional Investors	0	0	NA	NA	645,912	3.89	-	-
(g)	Foreign Venture Capital Investors	0	0	NA	NA	0	0	-	-
(h)	Any Other	0	0	NA	NA			-	-
(h-i)	Trust					110	0	-	-
(h-ii)	Foreign Financial Institution					3,360	0.02	-	-
	Sub-Total (B)(1)	0	0	NA	NA	3,733,353	22.47	-	-
2	Non-institutions								
(a)	Bodies Corporate	0	0	NA	NA	1,214,223	7.31	-	-
(b)	Individuals								
I	Individuals -i. Individual shareholders holding nominal share capital up to Rs 1 lakh	0	0	NA	NA	1,249,045	7.52	-	-
II	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	0	0	NA	NA	261,732	1.58	-	-
(c)	Any Other	0	0	NA	NA			-	-
(c-i)	Clearing Member					6,165	0.04	-	-
(c-ii)	Non Resident Individuals (Repatriable)					25,007	0.15	-	-
(c-iii)	Non Resident Individuals (Non-Repatriable)					42,850	0.26	-	-
(c-iv)	Foreign Portfolio Investor					1,555,712	9.36	-	-
	Sub-Total (B)(2)	0	0	NA	NA	4,354,734	26.21	-	-
	Total Public Shareholding (B)= (B)(1)+(B)(2)	0	0	NA	NA	8,088,087	48.67	8,088,087	48.67
	TOTAL (A)+(B)	17,400,000*	100	NA	NA	16,617,270	100	16,617,270	100
(C)	Shares held by Custodians and against which DRs have been issued	0	0	NA	NA	0	0	-	-
	GRAND TOTAL (A)+(B)+(C)	17,400,000*	100	NA	NA	16,617,270	100	16,617,270	100
Note:	* 1 share held in the Name of Mr. Satish Patel as Registered Owner being the Nominee of "FAG Bearings India Limited" i.e.								