

Schaeffler India Limited  
(Formerly known as FAG Bearings India Limited)  
Head Office & Works · P.O. Maneja, Vadodara – 390013, Gujarat, India

**BSE Limited**  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
MUMBAI- 400 001

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

**Company Code: 505790**

**Company Code: SCHAEFFLER**

Your reference, your message from

Our reference, our message from

Phone

Fax

Date

+91-265-6602206

30.08.2017

**Sub: Intimation of Scheme of Amalgamation pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Dear Sirs,

In compliance with Regulation 30 of the Securities and Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations 2015 ("LODR Regulations"), read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 9, 2015 ("SEBI Circular"), we wish to inform that the Board of Directors of Schaeffler India Limited (the "Company") in its meeting held on August 30, 2017 considered and approved the scheme of amalgamation of INA Bearings India Private Limited ("Transferor Company 1") and LuK India Private Limited ("Transferor Company 2") with the Company under Sections 230 to 232 of the Companies Act, 2013 ("Scheme"). The Transferor Company 1 and the Transferor Company 2 are hereinafter collectively referred to as "Transferor Companies". The Scheme provides for transfer and vesting of the entire undertaking of the Transferor Companies into the Company and the dissolution of the Transferor Companies without winding up. The Appointed Date for the Scheme is the opening of business on January 1, 2018. The Scheme will come into effect subject to the approval from the shareholders of the Company and the Transferor Companies, the BSE Limited, the NSE Limited, SEBI and sanction of the Hon'ble National Company Law Tribunal, Mumbai and Chennai Bench.


It may be noted that the proposed Scheme has been reviewed by the Audit Committee and upon its recommendation approved by the Board of the Company in its meeting held on August 30, 2017.

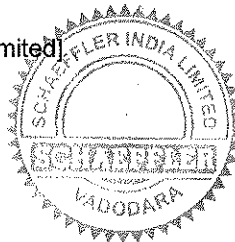
Enclosed as **Annexure A** is the information pursuant to Regulation 30 of the LODR Regulations. Enclosed as **Annexure B** is the press release issued by the Company.

Thanking you,

Yours faithfully,

For **Schaeffler India Limited**  
[Formerly known as FAG Bearings India Limited]

  
Raj Sarraf  
Company Secretary  
ICSI M. No. ACS15526



## ANNEXURE A

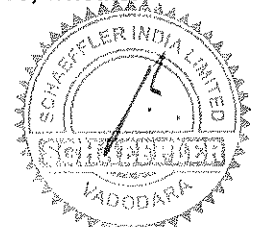
**Disclosure of Information Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 9, 2015.**

1. **Name of the entity(ies) forming part of the amalgamation/merger, details in brief such as, size, turnover etc:**
  - 1.1 INA Bearings India Private Limited ("**Transferor Company 1**"): Transferor Company 1 is a private limited company incorporated under the Companies Act, 1956 with CIN U34300PN1997PTC015240, having its registered office at Plot No. A3, Talegaon Industrial Area, Village Navalakh Umbre, Taluka Maval Pune, Maharashtra 410507.
  - 1.2 LuK India Private Limited ("**Transferor Company 2**"): Transferor Company 2 is a private limited company incorporated under the Companies Act, 1956 with CIN U29199TZ1995PTC010015, having its registered office at Survey No. 950 Rayakottah Road, Hosur, Krishnagiri Tamil Nadu 635109.
  - 1.3 Schaeffler India Limited ("**Transferee Company**" or "**Company**"): Transferee Company (earlier known as FAG Bearings India Limited) is a public limited company incorporated under the Companies Act, 1956 with CIN L29130MH1962PLC012340, having its registered office at 8<sup>th</sup> Floor, Nariman Bhavan, 227, Backbay Reclamation, Nariman Point, Mumbai 400021, Maharashtra, India.
  - 1.4 The proposed scheme of amalgamation ("**Scheme**") involves amalgamation of Transferor Company 1, Transferor Company 2 with the Transferee Company. Transferor Company 1 and Transferor Company 2 are hereinafter collectively referred to as "**Transferor Companies**". The Company is a public limited company and its equity shares are listed on BSE Limited and the National Stock Exchange of India Limited. The Appointed Date for the Scheme is the opening of business on January 1, 2018.
  - 1.5 The paid-up capital, net worth and turnover of the Transferor Companies and Transferee Company are as follows:

Based upon Limited Review Financials		As on June 30, 2017	
Company	Paid-up Capital (mioINR)	Turnover <sup>@</sup> (mioINR)	Net worth (mioINR)
Transferor Company 1	533.97	5,866.5	2,406.3
Transferor Company 2	225.00	4,086.9	3,140.6
Transferee Company	166.17	10,241.8	15,670.2

<sup>@</sup> For the six months ending June 30, 2017.

2. **Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arms length"**



2.1 The Transferor Companies and the Transferee Company are part of the same group i.e. the Schaeffler group of companies and therefore, the proposed amalgamation is a transaction between related parties.

2.2 The consideration for the proposed amalgamation will be discharged at an "arms length" basis. The shares to be allotted to the shareholders of the Transferor Companies as consideration for the amalgamation, are based on the Joint Valuation Report issued by the Independent Valuers, namely Price Waterhouse & Co LLP and Walker Chandiook & Co LLP, Chartered Accountants, and a Fairness Opinion on the same has been issued by M/s. ICICI Securities Ltd., an independent Category-I Merchant Banker. The aforesaid Joint Valuation Report and Fairness Opinion have been duly considered by the Board of Directors of the Company. The Joint Valuation Report on share entitlement ratio has been duly considered by the Boards of Directors of the Transferor Companies as well.

**3. Area of business entities:**

3.1 The Transferor Company 1 is *inter alia* engaged in the business of manufacturing and supply of precision engine, transmission and chassis components as well as needle and linear bearings for automotive, motorcycles, precision equipment, machine tools and material handling industries.

3.2 The Transferor Company 2 is *inter alia* engaged in the business of manufacturing and supply of high quality innovative products such as clutch systems, dual mass flywheel, transmission automation and hybrid systems to the automotive industry.

3.3 The Transferee Company is *inter alia* engaged in the development, manufacturing and supply of high precision and high quality rolling bearings – ball, cylindrical, spherical and taper - for mechanical engineering, wind energy, railways, aerospace and the automotive industry worldwide and related machine building activities.

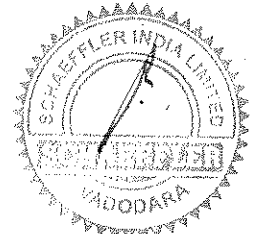
**4. Rationale for amalgamation / merger:**

4.1 The Transferor Companies and the promoter of the Transferee Company are part of the same group i.e. the Schaeffler group and are engaged in industrial and automotive products and related services.

4.2 Recognizing the strengths of each other and with the intent of aligning the business operations undertaken by the Transferor Companies and the Transferee Company, the said companies now propose, by way of this Scheme to amalgamate the Transferor Companies into and with the Transferee Company in accordance with the terms hereof.

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

- (i) Creation of a leading Indian automotive and industrial supplier;
- (ii) Establish a diversified product offering across the high growth automotive and industrial segments and benefit from access to each company's client base;
- (iii) Create revenue and cost synergies by bundling the product offerings, leveraging distribution networks and reducing overhead costs; and
- (iv) Enhance the financial profile with higher growth and margin expansion.



**5. In case of cash consideration – amount or otherwise share exchange ratio:**

5.1 The Scheme does not involve payment of any cash consideration.

5.2 As a result of the proposed Scheme, the Company will issue and allot: (i) 10 equity shares of Rs. 10 each fully paid up in its capital in respect of every 65 equity shares of Rs. 10 each fully paid up in the equity share capital of the Transferor Company 1; and (ii) 10 equity shares of Rs. 10 each fully paid up in its capital in respect of every 35 equity shares of Rs. 10 each fully paid up in the equity share capital of the Transferor Company 2, whose names appear in the register of members of the respective Transferor Companies and whose names appear as the respective beneficial owners of the equity shares of the Transferor Companies in the records of the depositories (or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognized by the Board of Directors of the Transferee Company) as on the Record Date (as defined in the Scheme). Fractional entitlement of shares, if any, will be rounded up to the nearest integer.

**6. Brief details of change in shareholding pattern (if any) of listed entity:**

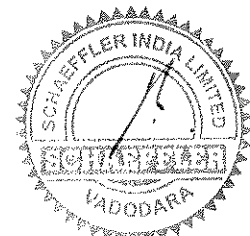
6.1 There will be a change in the shareholding pattern of the Transferee Company pursuant to the Scheme in accordance with the share entitlement ratio. The brief details of shareholding of the Transferor Companies and the Transferee Company pre and post Scheme is as follows:

**Transferee Company:**

Category	Before Amalgamation		Post Amalgamation	
	No. of shares	% of Total	No. of shares	% of Total
Promoters	8,529,183	51.33	23,172,647	74.13
Public	8,088,087	48.67	8,088,087	25.87
<b>Total</b>	<b>16,617,270</b>	<b>100.00</b>	<b>31,260,734</b>	<b>100.00</b>

**Transferor Company 1:**

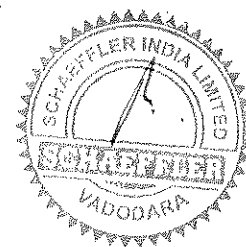
Name of shareholder	Before Amalgamation		Post Amalgamation
	No. of shares	% of Total	
INA Beteiligungsverwaltungs GmbH	30,500,927	57.12	Not applicable as Transferor Company 1 will stand
Industriewerk Schaeffler INA-Ingenieurdienst, GmbH	22,895,849	42.88	



Schaeffler Beteiligungsgesellschaft mbH	1	0.00	dissolved pursuant to the amalgamation.
<b>Total</b>	<b>53,396,777</b>	<b>100.00</b>	

**Transferor Company 2:**

Name of shareholder	Before Amalgamation		Post Amalgamation
	No. of shares	% of Total	
LuK Vermögensverwaltungsgesellschaft mbH	22,499,999	99.99	Not applicable as Transferor Company 2 will stand dissolved pursuant to the amalgamation.
Industrieaufbaugesellschaft Bühl mbH	1	0.00	
<b>Total</b>	<b>22,500,000</b>	<b>100.00</b>	



Press Release

**ANNEXURE B****Schaeffler merges Indian entities**

Mumbai, August 30, 2017. The Board of Directors of Schaeffler India Limited (formerly FAG Bearings India Limited), INA Bearings India Private Limited (“INA India”) and LuK India Private Limited (“LuK India”), at their respective meetings held on August 30, 2017 approved the draft Scheme of Amalgamation for the merger of INA India and LuK India into Schaeffler India Limited (the “Scheme”).

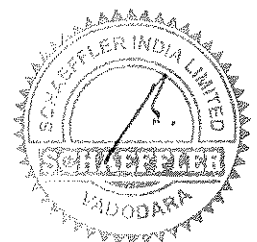
**Key highlights of the Scheme**

- Schaeffler India Limited will issue 10 equity shares to shareholders of INA India, for every 65 equity shares held.
- Schaeffler India Limited will issue 10 equity shares to shareholders of LuK India, for every 35 equity shares held.
- Schaeffler India Limited will issue 14.64 million new equity shares, thereby increasing its outstanding equity shares to 31.26 million.
- Promoter group currently holds 51.33% stake in Schaeffler India Limited and 100% stake in both INA India and LUK India; shareholding of Promoter group post-merger, will be 74.13%.

**Transaction rationale**

- Creating a leading Indian Automotive and Industrial supplier with about INR 35.7 billion in revenues and nearly 3,000 employees
- Establishing a diversified product offering across the high growth Automotive and Industrial segments
- Realizing revenue and cost synergies by bundling the product offerings, leveraging distribution networks and reducing overhead costs
- Higher growth and margin expansion to create value for all stakeholders

The key objective of this merger is to combine the strengths and competencies of all three Schaeffler entities in India and establish one strong listed Schaeffler entity in India in line with Schaeffler Group’s strategy “Mobility for tomorrow”. On a proforma basis (For 12 months ending Dec 31, 2016) the new entity will have INR 35.7 billion revenue, 4 plants, one R&D center and nearly 3,000 employees.



"I am very pleased that the Board of Directors of Schaeffler India Limited, INA Bearings India Private Limited and LuK India Private Limited have given their approval to merge the three companies. This is an important milestone towards creating a single Schaeffler entity in India and increasing long term value for all stakeholders", said Mr. Klaus Rosenfeld, CEO Schaeffler AG. "This raises the corporate profile and presence of Schaeffler in India and creates an umbrella brand over three key product brands LuK, INA and FAG."

Mr. Dharmesh Arora, Managing Director and CEO of Schaeffler India said "Schaeffler has operated in India for more than 50 years, growing from a bearing manufacturer to an Automotive and Industrial supplier. The merger will strengthen our position, leveraging our superior technology, quality and innovation to deliver superior solutions to our customers."

The merger is subject to shareholders and regulatory approvals (including stock exchanges, SEBI and NCLT) and the entire process is expected to take approximately 12 months, in the ordinary course.

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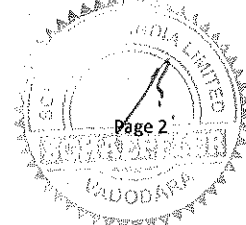
#### **About Schaeffler India Limited (formerly FAG Bearings India Limited)**

Schaeffler India was established at Vadodara, Gujarat in 1962. With sales of INR 18.1 billion in 2016 and 1,525 employees, it is amongst India's leading manufacturers of Ball and Roller Bearings. The Company's plants are rated among the Schaeffler Group's most technologically advanced facilities and have global qualifications in terms of quality and productivity. Its bearings are highly preferred in domestic as well as various global markets that find wide ranging applications from electric motors to wind mills, motorcycles to mining, tractors to textile machines, and from paper to steel mills. In addition, the comprehensive services portfolio helps customers to maximize plant availability, prevent unforeseen machine downtimes and reduce maintenance cost. Schaeffler India's trained technicians provide to customer a comprehensive range of equipment and services for the mounting and maintenance of rolling bearings.

#### **About INA Bearings India Private Limited**

INA India was incorporated on September 23, 1997 as a private limited company and is engaged in the business of rolling bearings for automotive and industrial applications, precision parts for automotive engine, transmission and chassis systems. As a supplier of innovative products, INA provides solutions like valve train systems, belt and chain drive systems, transmission synchronizer systems etc. that help improve fuel efficiency, reduce emissions and make powertrains more efficient. With a very wide customer base ranging from Industrial to Automotive customers, including two wheelers INA is synonym with efficiency and powertrain technology. It operates a manufacturing plant including a development center from Talégaon, close to Pune

#### **About LUK India Private Limited**



LuK India was incorporated on March 22, 1995 as a private limited company and is engaged in the business of manufacturing and supply of high quality innovative products such as clutch systems and transmission automation solutions. Located in South India at Hosur in the state of Tamil Nadu, LuK India has strong local product engineering capabilities with access to technology, expertise, and management system of the Schaeffler Group. Innovative products from LuK like Hydraulic Clutch Release system, dual mass flywheel and dampers enable better driving and comfort making LuK a preferred supplier for passenger cars, SUVs, trucks and tractors. The brand has a strong presence in automotive aftermarket through a vast network of distributors and dealers.

## About Schaeffler Group

The Schaeffler Group is a global automotive and industrial supplier. Top quality, outstanding technology and exceptionally innovative spirit form the basis for the continued success of the company. By delivering high precision components and systems in engine, transmission, and chassis applications as well as rolling and plain bearing solutions for a large number of industrial applications, the Schaeffler Group is already shaping "Mobility for tomorrow". The technology company generated sales of approximately EUR 13.3 billion in 2016. With around 86,600 employees, Schaeffler is one of the world's largest family-controlled companies and, with approximately 170 locations in over 50 countries, has a worldwide network of manufacturing locations, research and development facilities, and sales companies.



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