SCHAEFFLER

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

To,
Ms. Mansi Chheda / Joyce Rodrigues
National Stock Exchange of India Limited
Exchange Plaza,
Bandra Kurla Complex,
Bandra East, Mumbai-400051

Your reference, your message from | Our reference, our message from | Phone | Fax | October 24, 2018

Ref.: Your Emails dated October 23, 2018 and October 24, 2018

Subject: Synopsis of the Scheme of Amalgamation involves amalgamation of INA Bearings India Private Limited and LuK India Private Limited with Schaeffler India Limited ("**Scheme**").

A. Description of companies

1. Schaeffler India Limited ("**SIL**" or "**Transferee Company**") is a public limited company incorporated under the Companies Act, 1956. The registered office of SIL is located at 8 Floor, Nariman Bhavan, 227, Backbay Reclamation, Nariman Point, Mumbai 400021, Maharashtra. The equity shares of SIL are listed on BSE Limited and National Stock Exchange of India Limited.

2. INA Bearings India Private Limited ("**INA**") was a private limited company incorporated under the Companies Act, 1956. The registered office of INA is located at Plot No. A3, Talegaon Industrial Area, Village Navalakh Umbre, Taluka Maval, Pune 410507, Maharashtra.

3. LuK India Private Limited ("**LuK**") was a private limited company incorporated under the Companies Act, 1956. The registered office of LuK is located at Survey No. 950 Rayakottah Road, Hosur, Krishnagiri 635109, Tamil Nadu.

B. Area of business

1. SIL 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.

2. INA was *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. LuK was *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.

C. Rationale for the Scheme

1. INA and LuK were part of the same group as the promoters of SIL i.e. Schaeffler group and were engaged in industrial and automotive products and related services.

2. Recognizing the strengths of each other and with the intent of aligning the business operations undertaken by INA, LuK and SIL, the said companies proposed, by way of the Scheme

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to amalgamate INA and LuK ("**Transferor Companies**") into and with SIL in accordance with the terms of the Scheme.

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.

D. Consideration under the Scheme

4. Upon the Scheme coming into effect, SIL will issue and allot:

   (i) 10 equity shares of Rs. 10 each fully paid up in its equity share capital in respect of every 65 equity shares of Rs. 10 each fully paid up in the equity share capital of INA; and

   (ii) 10 equity shares of Rs. 10 each fully paid up in its equity share capital in respect of every 35 equity shares of Rs. 10 each fully paid up in the equity share capital of LuK,

to persons whose names appear in the register of members of INA and LuK and whose names appear as the respective beneficial owners of the equity shares of INA and LuK 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 SIL) as on the Record Date (i.e. November 1, 2018). Fractional entitlement of shares, if any, will be rounded up to the nearest integer.

E. Current status

1. The Scheme has been made operational from October 22, 2018 (Effective Date) and is effective from the Appointed Date being January 1, 2018.

2. The Scheme has been sanctioned by the National Company Law Tribunal, Bench at Chennai and National Company Law Tribunal, Bench at Mumbai vide their orders dated 13-June-2018 (read with corrigendum dated 3-July-2018) and 08-October-2018 respectively. The orders of the aforementioned NCLTs have been filed with the jurisdictional Registrar of Companies within the stipulated period.

For Schaeffler India Limited
(formerly known as FAG Bearings India Limited)

Chirag K. Shukla
Company Secretary

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