Annexure-5

PANTOMATH
Capital Advisors (P) Ltd.

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.

FAG Bearings India Ltd. Maneja Vadodara

Pantomath Capital Advisors (P) Ltd.

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.

FAG Bearings India Ltd. Maneja Vadodara

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.

FAG Bearings India Ltd. Manjia Vadodara

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.

FAG Bearings India Ltd. Maneja Vadodara

Pantomath Capital Advisors (P) Ltd.

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