

# B S R & Co. LLP

Chartered Accountants

5th Floor, Lodha Excelus,  
Apollo Mills Compound  
N. M. Joshi Marg, Mahalaxmi  
Mumbai - 400 011  
India


Telephone +91 (22) 4345 5300  
Fax +91 (22) 4345 5399

## Independent Auditor's Certificate

To  
The Board of Directors  
Schaeffler India Limited  
8<sup>th</sup> Floor Nariman Bhavan,  
227, Backbay Reclamation,  
Nariman Point,  
Mumbai - 400 021

1. We, the statutory auditors of Schaeffler India Limited (formerly known as FAG Bearings India Limited) (hereinafter referred to as 'the Company'), have examined the proposed accounting treatment specified in 'Clause 17 - Accounting Treatment' of the Draft Scheme of Amalgamation ('the Draft Scheme') between INA Bearings India Private Limited ('Transferor Company 1'), Luk India Private Limited ('Transferor Company 2') and the Company in terms of the provisions of Sections 230 to 232 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued thereunder, with reference to its compliance with the Indian Accounting Standards notified under Section 133 of the Companies Act, 2013, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Other Generally Accepted Accounting Principles in India ('applicable accounting standards').
2. The responsibility for the preparation of the Draft Scheme and its compliance with the relevant laws and regulations, including the applicable accounting standards as aforesaid, is that of the Board of Directors of the Company. Our responsibility is to examine and report whether the Draft Scheme complies with the applicable accounting standards. Nothing contained in this Certificate, nor anything said or done in the course of, or in connection with the services that are subject to this Certificate, will extend any duty of care that we may have in our capacity of the statutory auditors of any financial statements of the Company. We carried out our examination in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes (Revised 2016) issued by the Institute of Chartered Accountants of India.
3. Based on our examination and according to the information and explanations given to us, we confirm that the proposed accounting treatment contained in the Draft scheme is in compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued thereunder and the applicable accounting standards.

For Schaeffler India Ltd.

  
Raj Kumar Sarraf  
Company Secretary  
ICSI M. No.-ACS 15526

1  
B S R & Co (a partnership firm with  
Registration No. BA61223) converted into  
B S R & Co. LLP (a Limited Liability, Partnership  
with LLP Registration No. AAB-8181)  
with effect from October 14, 2013

Registered Office:  
5th Floor, Lodha Excelus  
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Mumbai - 400 011, India

4. This Certificate is issued at the request of the Company pursuant to the requirements of circulars issued under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for onward submission to the Bombay Stock Exchange and National Stock Exchange of India. This Certificate should not be used for any other purpose without our prior written consent.
5. This Certificate should be read together with the Annexure attached herewith.

**For B S R & Co. LLP**

*Chartered Accountants*

ICAI Firm Registration Number: 101248W/W-100022



**Vijay Mathur**

*Partner*

Membership Number: 046476

Place: Mumbai

Date: 30 August 2017

**Encls: Annexure**

**For Schaeffler India Ltd.**



**Company Secretary**

**ICSI M. No.-ACS 15526**

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Mumbai - 400 021

## **Annexure to Independent Auditor's Certificate on the proposed accounting treatment specified in the Draft Scheme of Amalgamation**

1. This Annexure is issued in accordance with the terms of our engagement letter dated 17 August 2017 and forms an integral part of the Independent Auditor's Certificate dated 30 August 2017.
2. We, the statutory auditors of Schaeffler India Limited (formerly known as FAG Bearings India Limited) (hereinafter referred to as 'the Company'), have examined the proposed accounting treatment in the books of the Company as specified in 'Clause 17 - Accounting Treatment' of the Draft Scheme of Amalgamation ('the Draft Scheme') between INA Bearings India Private Limited ('Transferor Company 1'), Luk India Private Limited ('Transferor Company 2') and the Company in terms of the provisions of Sections 230 to 232 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued thereunder, with reference to its compliance with the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Other Generally Accepted Accounting Principles in India ('applicable accounting standards').
3. For ease of reference, 'Clause 17 - Accounting Treatment' of the Draft Scheme, duly authenticated by the Chief Financial Officer and Company Secretary on behalf of the Company, is reproduced as an enclosure to this Annexure, and is initialled by us only for the purpose of identification.

## **Management's responsibility for the Draft Scheme**

4. The responsibility for the preparation of the Draft Scheme and its compliance with the relevant laws and regulations, including the applicable accounting standards, is that of the Board of Directors of the Company. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Draft Scheme and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

For Schaeffler India Ltd.  
  
Raj Kumar Sarraf  
Company Secretary  
ICSI M. No.-ACS 15526



### **Auditor's responsibility**

5. Pursuant to the requirements of the Companies Act, 2013 and SEBI Regulations, our responsibility is to provide a reasonable assurance whether the proposed accounting treatment in the books of the Company as specified in 'Clause 17 - Accounting Treatment' of the Draft Scheme complies with the applicable accounting standards.
6. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the Institute of Chartered Accountants of India in so far as applicable for the purpose of this Certificate. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) I, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

### **Opinion**

8. Based on our examination as above and according to the information and explanations and representations given to us by the Company's management, we are of the opinion that the proposed accounting treatment in the books of the Company as specified in 'Clause 17 – Accounting Treatment' of the Draft Scheme is in compliance with the applicable accounting standards.

### **Restriction on use**

9. This Certificate is addressed to and issued to the Board of Directors of the Company solely for the purpose to enable compliance with the Companies Act, 2013 and the SEBI Regulations and for onward submission to the Bombay Stock Exchange Limited and National Stock Exchange of India Limited. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this Certificate is shown or into whose hands it may come without our prior consent in writing.

For **B S R & Co. LLP**

*Chartered Accountants*

ICAI Firm Registration Number: 101248W/W-100022

  
**Vijay Mathur**

*Partner*

Membership Number: 046476

Place: Mumbai

Date: 30 August 2017

**For Schaeffler India Ltd.**



**Raj Kumar Sarraf**  
**Company Secretary**  
**ICSI M. No.-ACS 15526**

**Encls: Management certified true copy of 'Clause 17 – 'Accounting Treatment' of the Draft Scheme**

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## Addendum to Independent Auditor's Certificate dated 30 August 2017

To  
The Board of Directors  
Schaeffler India Limited  
8<sup>th</sup> Floor Nariman Bhavan,  
227, Backbay Reclamation,  
Nariman Point,  
Mumbai - 400 021

1. We, the statutory auditors of Schaeffler India Limited (formerly known as FAG Bearings India Limited) (hereinafter referred to as 'the Company'), had issued our 'Independent Auditor's Certificate' dated 30 August 2017 and the 'Annexure to the Independent Auditor's Certificate on the proposed accounting treatment specified in the Draft Scheme of Amalgamation' dated 30 August 2017 (collectively referred to as 'the Certificates' hereinafter) in respect of our examination of the proposed accounting treatment specified in the Draft Scheme of Amalgamation ('the Draft Scheme') between INA Bearings India Private Limited ('Transferor Company 1'), LuK India Private Limited ('Transferor Company 2') and the Company in terms of the provisions of Sections 230 to 232 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued thereunder, with reference to its compliance with the Indian Accounting Standards notified under Section 133 of the Companies Act, 2013, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Other Generally Accepted Accounting Principles in India ('applicable accounting standards'). The Certificates were issued at the request of the Company pursuant to the requirements of circulars issued under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for onward submission to the Bombay Stock Exchange and National Stock Exchange of India.
2. We have been informed by the Company's management that the reference to the clause relating to the Accounting Treatment of the Draft Scheme needs to be corrected. We have been provided with a copy of the revised Draft Scheme which was filed with the Bombay Stock Exchange and National Stock Exchange of India, containing the correct clause reference.
3. We have accordingly been requested by the Company's management to issue an Addendum to the Certificates, pursuant to which all references made to 'Clause 17 -- Accounting Treatment' of the Draft Scheme in the Certificates should now be read as 'Clause 16 -- Accounting Treatment' of the Draft Scheme. All other matters in the Certificates remain unchanged and this Addendum Certificate should be read together with the Certificates.

For Schaeffler India Ltd.

  
**Raj Kumar Sarraf**  
Company Secretary  
ICSI M. No.-ACS 15526

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4. This Addendum Certificate is addressed to and issued to the Board of Directors at the request of the Company in connection with the Draft Scheme, solely for the purpose of onward submission to the Bombay Stock Exchange and National Stock Exchange of India. This Addendum Certificate should not be used for any other purpose without our prior written consent.

**For B S R & Co. LLP**

*Chartered Accountants*

ICAI Firm Registration Number: 101248W/W-100022

  
**Vijay Mathur**

*Partner*

Membership Number: 046476

Place: Mumbai

Date: 3 October 2017

**For Schaeffler India Ltd.**



**Raj Kumar Sarraf**

**Company Secretary**

**ICSI M. No.-ACS 15526**