

**Schaeffler India Limited**

**PROCEEDINGS OF THE 55<sup>TH</sup> ANNUAL GENERAL MEETING OF MEMBERS OF SCHAEFFLER INDIA LIMITED HELD ON TUESDAY, APRIL 17, 2018 AT 3:00 PM (1500 HRS) AT Y. B. CHAVAN CENTRE, GENERAL JAGANNATH BHOSLE MARG, BESIDES SCHIVALAYA GYMKHANA, NARIMAN POINT, MUMBAI - 400 021, MAHARASHTRA, INDIA**

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**Present:**

|                      |   |                         |
|----------------------|---|-------------------------|
| Mr. Avinash Gandhi   | - | Chairman                |
| Mr. Dharmesh Arora   | - | Managing Director       |
| Mr. Klaus Rosenfeld  | - | Director                |
| Mr. Marcus Eisenhuth | - | Director                |
| Mrs. Renu Challu     | - | Director                |
| Mr. Rakesh Jinsi     | - | Director                |
| Dr. Sanak Mishra     | - | Director                |
| Mr. R. Sampath Kumar | - | Director                |
|                      |   |                         |
| Mr. Satish Patel     | - | Chief Financial Officer |
| Mr. Chirag K. Shukla | - | Company Secretary       |

**By invitation:**

Mr. Juergen Ziegler

**Members Present:**

In Person (including representatives) - 134

Through Proxies - 3 (representing 735 Shares)

The Company Secretary informed to the Members about the presence of -

1. Requisite number of members – forming a valid quorum;
2. Mrs. Renu Challu, Chairperson of Audit Committee and Stakeholders Relationship Committee;
3. Dr. Sanak Mishra, Chairman of Nomination and Remuneration Committee;
4. Mr. Vijay Mathur, representative of B S R & Co. LLP, Statutory Auditors;
5. Mr. Suresh Kabra - Secretarial Auditors and Scrutinisers for the voting.

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The Members were also informed that all statutory records and registers were available for inspection by members. The Company Secretary, then requested the Chairman to commence the Meeting.

**WELCOME BY CHAIRMAN:**

The Chairman welcomed all the Members of the Company, Auditors, Scrutinizers and the Board Members present and declared the Meeting open. Thereafter the Chairman introduced the Directors on the dais and thanked them for their presence.

**CHAIRMAN'S SPEECH:**

The Chairman delivered his speech, a copy of which was made available to all the participants of the Meeting. He briefed about Key Developments of 2017, Economic Overview, Company's Performance during 2017 and Outlook. He also briefly informed about the performance of the Company for the quarter ended March 31, 2018. In his closing remarks, the Chairman on behalf of the Company extended gratitude to all the Shareholders, the Schaeffler Group, Employees, Suppliers, Customers, Distributors, Bankers and all the business associates for their continued support in the Company's journey of growth. He then requested Mr. Dharmesh Arora, Managing Director to give overview on key performance and major initiatives taken by the Company in year 2017.

**PRESENTATION BY THE MANAGING DIRECTOR:**

Upon Chairman's request, the Managing Director, Mr. Dharmesh Arora, made a presentation covering key performance highlights of the year 2017. In his presentation he covered:

- Indian Economy
- Brief History of the Company and Performance Highlights of 2017
- Details of Business of the Company, Products, Geography, Sectors and Clients
- Operational excellence.
- Steps taken toward welfare of the society under its Corporate Social Responsibility Initiatives.
- Financial Highlights of first quarter 2018.
- Brief about the Schaeffler Group.
- Benefits envisaged from the ongoing Merger and timeline of the Merger.

The Chairman appreciated the informative coverage of the Presentation.

**NOTICE OF THE MEETING AND AUDITORS' REPORT**

Thereafter, with permission of the Members present, the Notice convening the 55<sup>th</sup> Annual General Meeting, which was dispatched to all the Equity Shareholders of the Company, was taken as read.

However, for the understanding of the Shareholders, the Chairman requested the Company Secretary to inform about the Agenda Items proposed to be dealt with in the meeting. The resolutions proposed to be passed at the AGM were read out by the Company Secretary.

The Company Secretary, thereafter as per regulatory requirements, read out the remark of Secretarial Auditors in their Secretarial Audit Report and the explanation given thereto by the Board of Directors in its report.

**QUERIES & SUGGESTIONS**

The Chairman invited comments, queries and suggestions from the Members on the Annual Financial Statements and clarified that the questions would be answered at the end of the discussion session.

Mr. Nigel Gonsalves, Mrs. Ashalata Maheshwari, Mr. S. A. Khanolkar, Mrs. Lekha Shah, Mr. Arun Malhotra, Mr. Rajesh Chainani, Mrs. C. E. Mascarenhas, Mr. Abhishek Gaoshinde, Mr. Ronald Fernandese, Mr. Aspi Bhesani, Mrs. Smita Shah, Mr. Shailesh Mahadevia, Mr. Vinod Agarwal, Mr. Yusuf Yunus Rangwala, Mr. Bharat Shah and Mrs. H. S. Patel, shareholders, expressed their views and queries.

Some of the appreciative remarks by the Shareholders were as under:

- Well prepared annual report;
- Information provided in the Annual Report;
- Transparency in sharing information;
- Informative presentation given by the Managing Director, and
- CSR Activities undertaken and approach followed by the Company.

Some of the suggestions made by the Shareholders were as under:

- MDA Report should be shortened with more Company specific information.
- Increased Dividend Pay out.
- Ensure Post Merger Integration.

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- Utilisation of Cash on book.
- Request for covering information on Economic Value Added as a key performance indicator.
- Presentation of financial numbers in Crores instead of million.
- Improvement of Working Capital
- Arrangement of Plant Visit for Shareholders.
- Split of Shares.
- Issue of Bonus Shares.

Some of the queries raised by the Shareholders were as under:

- Stickers on Share Certificates post name change.
- Calculation of ratio of Return on Equity and Capital Employed.
- Share Exchange Ratio for Merger.
- Readiness of the Company for E-mobility.
- Effects of Merger – Retrenchments, Sales Breakup, Profitability.
- Plan for utilization of Cash available.
- What are the cost savings due to merger.
- Annual Report printing cost.
- Exports post Merger and Exports growth strategy.
- Gross and Net block of Assets of combined entity.
- Investments in Savli Plant.
- Capex details and plan.
- Dividend Policy.
- Impact of GST.
- Details on Royalties paid.
- Outlook of Wind Energy Sector.
- Employee Details – numbers, attrition rate.
- Growth outlook for next five years.
- Impact of Raw Material price increase.
- Details about products and Brands of the Company
- Any change in Board of Directors envisaged post Merger.
- Key Competitors of the Company.
- Performance of INA Bearings India Pvt. Ltd. and LuK India Pvt. Ltd.
- Any Delisting Plan.
- Vision of the Company on Automotive Business.

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The Chairman thanked the shareholders for their appreciation and suggestions. He and Mr. Dharmesh Arora then addressed most of the queries.

**VOTING:**

The Chairman then ordered Poll to be taken on the Resolutions proposed to be passed at the Meeting and requested the Company Secretary to commence with voting process.

The Company Secretary informed the members about the e-voting facility provided by the Company to all Members through CDSL platform during April 14, 2018 to April 16, 2018. He further added that the Company has provided facility of voting at the AGM through Tablet Computer facility provided by the Registrar and Share Transfer Agents of the Company – Link Intime India Private Limited. The voting process was explained by the Company Secretary and it was informed that the Results of the voting shall be declared within 48 Hours of the conclusion of Meeting and the same shall be posted inter alia, on the Website of the Company and Websites of the Stock Exchanges.

Following resolutions as set forth in the notice convening 55<sup>th</sup> Annual General Meeting were put to vote through poll:

**ITEM NO. 1****ADOPTION OF AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017**

**“RESOLVED THAT** the Audited Financial Statements of the Company including Balance Sheet as at December 31, 2017 and the Statement of Profit and Loss for the financial year ended on that date, together with Cash Flow Statement and notes as attached thereto, the Directors’ and Auditors’ Report thereon as circulated to the members along with notice, be and are hereby received, approved and adopted.

**RESOLVED FURTHER THAT** the Key Managerial Personnel of the Company, be and are hereby severally authorised to take the necessary actions and complete all the legal formalities related thereto.”

**ITEM NO. 2****DECLARATION OF DIVIDEND**

**“RESOLVED THAT** the final dividend on the fully paid up equity shares of the Company at the rate of Rs. 17 per equity share for the year 2017 be and is hereby declared.

**RESOLVED FURTHER THAT** the same be paid to those shareholders whose names appear on the ‘Register of Members’ as at the end of business hours on April 10, 2018 and in respect of shares held in dematerialised form, the dividend be paid on the basis of beneficial ownership as per the details furnished by the Depositories in this regard.

**RESOLVED FURTHER THAT** the Key Managerial Personnel of the Company, be and are hereby severally authorised to take the necessary actions and complete all the legal formalities related thereto.”

### **ITEM NO. 3**

#### **RATIFICATION OF APPOINTMENT OF AUDITORS AND TO FIX THEIR REMUNERATION**

**“RESOLVED THAT** pursuant to the provisions of sections 139, 142 and such other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder, as amended from time to time and in line with the Ordinary Resolution passed by the Members at 52<sup>nd</sup> Annual General Meeting held on April 24, 2015, appointment of M/s. B S R & Co. LLP, Chartered Accountants [Reg. No. 101248 W / W-100022], Mumbai, as the Statutory Auditors of the Company (for five years from the conclusion of 52<sup>nd</sup> Annual General Meeting) and for them to hold office from the conclusion of this Annual General Meeting till the conclusion of 56<sup>th</sup> Annual General Meeting to be held in the year 2019, be and is hereby ratified.

**RESOLVED FURTHER THAT** the Audit Committee and / or Board of Directors be and is hereby authorized to fix their remuneration according to the scope of their services in line with prevailing provisions of applicable rules and regulations made in this regard.

**RESOLVED FURTHER THAT** the Key Managerial Personnel of the Company be and are hereby severally authorised to take necessary actions and complete all the legal formalities related thereto.”

### **ITEM NO. 4**

#### **TO RESOLVE NOT TO FILL UP THE VACANCY CAUSED BY RETIREMENT OF MR. DIETMAR HEINRICH BY ROTATION**

**“RESOLVED THAT** the vacancy caused due to retirement of Mr. Dietmar Heinrich [DIN: 00928243] by rotation at this Annual General Meeting, be not filled up.”

**ITEM NO. 5****APPOINTMENT OF MR. MARCUS EISENHUTH AS DIRECTOR**

**“RESOLVED THAT** pursuant to the provisions of sections 152, 161 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), Mr. Marcus Eisenhuth [DIN: 07904850] who was appointed as an Additional Director by the Board of Directors of the Company and who holds office up to the date of this Annual General Meeting of the Company and in respect of whom the Company has received a notice in writing under section 160 of the Act from a member, proposing his candidature for the office of Director of the Company, be and is hereby appointed as Director of the Company, liable to retire by rotation.

**RESOLVED FURTHER THAT** the Key Managerial Personnel of the Company be and are hereby severally authorized to take necessary actions and complete all the legal formalities related thereto.”

**ITEM NO. 6****APPOINTMENT OF MR. AVINASH GANDHI AS AN INDEPENDENT DIRECTOR**

**“RESOLVED THAT** pursuant to the provisions of sections 149, 150, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and pursuant to the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any modification or amendment thereof, Mr. Avinash Gandhi [DIN: 00161107] who has been Director of the Company since July 25, 2002, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years commencing from February 7, 2018.

**RESOLVED FURTHER THAT** the Key Managerial Personnel of the Company be and are hereby severally authorized to take the necessary actions and complete all legal formalities.”

**ITEM NO. 7****REMUNERATION TO THE COST AUDITORS**

**“RESOLVED THAT** pursuant to the provisions of section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and pursuant to the recommendation of the Audit Committee, M/s. Y. S. Thakar & Co., Cost Accountants having Firm Registration No. 000318, appointed by the Board of Directors of the Company as Cost Auditors to conduct the audit of the cost records of the Company for the Financial Year ending December 31, 2018, be paid a remuneration of Rs.125,000 (Rupees One Hundred Twenty Five Thousand only), excluding all taxes and reimbursement of out of pocket expenses.

**RESOLVED FURTHER THAT** the Key Managerial Personnel of the Company be and are hereby severally authorised to take necessary actions and complete all the legal formalities related thereto.”

Thereafter, the Poll was carried out through Tablet Computers and the Meeting concluded at 5:25 PM (17:25 Hrs) with a vote of thanks to the Chair.

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**VOTING RESULTS OF THE RESOLUTIONS PUT FOR VOTE AT THE 55<sup>TH</sup> ANNUAL GENERAL MEETING OF MEMBERS OF SCHAEFFLER INDIA LIMITED HELD ON TUESDAY, APRIL 17, 2018 AT 3:00 PM (1500 HRS) AT Y. B. CHAVAN CENTRE, GENERAL JAGANNATH BHOSLE MARG, BESIDES SCHIVALAYA GYMKHANA, NARIMAN POINT, MUMBAI - 400 021, MAHARASHTRA, INDIA**

The voting on the Resolutions/Business contained in the Notice convening the 55<sup>th</sup> Annual General Meeting were open for voting through electronic means on the platform provided by CDSL, from April 14, 2018 9:00 AM upto April 16, 2018 5:00 PM. Further, the Poll was taken at the venue of the Meeting the Company had provided facility of voting through Tablet Computer on the poll to those shareholders who had not voted through Electronic Voting facility during April 14 to April 16, 2018. MR. Suresh Kumar Kabra, Partner of M/s. Samdani Kabra & Associates, Practising Company Secretaries, was appointed as Scrutinizer to scrutinize the votes casted through Electronic Voting as well as for Poll taken at the venue of the Meeting in fair and transparent manner. The Scrutinizer submitted his Consolidated Report on April 18, 2018 w.r.t. voting through Electronic Means as well as Poll taken at the venue of the Meeting. On the basis of the Scrutiniser's report, the Company Secretary, as authorised by the Chairman in this regard, forthwith declared the results of voting stating that the resolutions contained in the Notice convening 55<sup>th</sup> Annual General Meeting of the Company, have been passed with requisite majority. The results were submitted to the Stock Exchanges the Company and the website of CDSL. The results were also displayed on the Notice Board of the Company at its Registered Office as well as at the Head office at Maneja, Vadodara.

**SUMMARY OF RESULTS**

| Sr. No. | Resolution   | No. of Votes polled | No. of Votes in - favour | No. of Votes - against | % of Votes in favour on votes polled | % of Votes against on votes polled |
|---------|--|---------------------|--------------------------|------------------------|--------------------------------------|------------------------------------|
| 1       | Adoption of Audited Financial statements for the year ended December 31, 2017. | 13,052,558          | 13,052,556               | 2                      | 100.00                               | 0.00                               |
| 2       | Declaration of dividend.   | 13,052,558          | 13,052,556               | 2                      | 100.00                               | 0.00                               |
| 3       | Ratification of appointment of auditors and to fix their remuneration.         | 13,052,558          | 13,052,556               | 2                      | 100.00                               | 0.00                               |

| Sr. No. | Resolution  | No. of Votes polled | No. of Votes in - favour | No. of Votes - against | % of Votes in favour on votes polled | % of Votes against on votes polled |
|---------|---|---------------------|--------------------------|------------------------|--------------------------------------|------------------------------------|
| 4       | To resolve not to fill up the vacancy caused by retirement of Mr. Dietmar Heinrich by rotation. | 13,052,558          | 13,052,555               | 3                      | 100.00                               | 0.00                               |
| 5       | Appointment of Mr. Marcus Eisenhuth as Director.  | 13,052,558          | 13,052,556               | 2                      | 100.00                               | 0.00                               |
| 6       | Appointment of Mr. Avinash Gandhi as an Independent Director.                                   | 12,578,852          | 11,793,867               | 784,985                | 93.76                                | 6.24                               |
| 7       | Remuneration to the Cost Auditors.  | 13,052,558          | 13,052,556               | 2                      | 100.00                               | 0.00                               |

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