

To  
The Member(s)  
FAG Bearings India Limited

Notice is hereby given that the 54<sup>th</sup> Annual General Meeting of “FAG BEARINGS INDIA LIMITED” will be held on Friday, April 21, 2017 at 3:00 pm at Kamalnayan Bajaj Hall, Ground Floor, Bajaj Bhavan, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai - 400 021, Maharashtra, India, to transact the following businesses:

### ORDINARY BUSINESS

- To receive, consider and adopt the Financial Statements including Balance Sheet as at December 31, 2016 and the Statement of Profit and Loss for the year ended on that date along with Directors' and Auditors' Report thereon.
- To declare Dividend for the year ended December 31, 2016.
- To appoint a Director in place of Mr. Klaus Rosenfeld (DIN: 07087975), who retires by rotation and being eligible offers himself for re-appointment.
- To appoint a Director in place of Mr. R. Sampath Kumar (DIN: 00495192), who retires by rotation and being eligible offers himself for re-appointment.
- To ratify the appointment of Auditors and to fix their remuneration.

To consider and if thought fit to pass, with or without modification, the following resolution as an **Ordinary Resolution:**

“**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. BSR & 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 55<sup>th</sup> Annual General Meeting to be held in the year 2018, be and is hereby ratified.”

“**RESOLVED FURTHER THAT** the Audit Committee and / or Board of Directors be and is hereby authorised 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.”

### SPECIAL BUSINESS

- Approval on Material Related Party Transactions

To consider and if thought fit, to pass, with or without modification, the following resolution as an **Ordinary Resolution:**

“**RESOLVED THAT** pursuant to the provisions of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in accordance with the prevailing provisions of the Companies Act, 2013 read with rules made thereunder, consent of the members of the Company be and is hereby accorded to Material Related Party Transactions with “Schaeffler Technologies AG & Co. KG”, Germany for a period of three years from 2017 and such approval is further accorded to an increase of up to 15% over and above the consolidated value of transactions in the previous financial year.”

“**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.”

- Remuneration to the Cost Auditors

To consider and if thought fit, to pass, with or without modification, the following resolution as an **Ordinary Resolution:**

“**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, 2016 and 2017, be paid a remuneration of ₹ 100,000 (Rupees One Lakh only), per year, 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.”

8. Appointment of Mr. Dharmesh Arora as Director

To consider and if thought fit, to pass, with or without modification, the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to provisions of Section 161 of the Companies Act, 2013 read with Article 126 of the Articles of Association of the Company, Mr. Dharmesh Arora (DIN: 05350121) be and is hereby appointed as Director of the Company.”

“**RESOLVED FURTHER THAT** the Chief Financial Officer and the Company Secretary of the Company be and are hereby severally authorised to take necessary actions and complete all the legal formalities related thereto.”

9. Appointment of Mr. Dharmesh Arora as Managing Director

To consider and if thought fit, to pass, with or without modification, the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to provisions of Sections 196, 197, 198, 203 and all other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and Schedule V of the Companies Act, 2013, the appointment of Mr. Dharmesh Arora (DIN: 05350121) as Managing Director by the Board of Directors be and is hereby confirmed for a period of five years w.e.f. March 6, 2017, on the terms and conditions as agreed between the Company and Mr. Arora vide employment agreement dated March 6, 2017 and whose office shall not be liable to retirement by rotation.”

“**RESOLVED FURTHER THAT** the Employment Agreement dated March 6, 2017 executed between the Company and Mr. Arora, be and is hereby approved.”

“**RESOLVED FURTHER THAT** in accordance with the provisions of Sections 196, 197 and other applicable provisions, if any, read with Schedule V of the Companies Act, 2013 and subject to other consents, if any, and in accordance with the Employment Agreement executed with Mr. Arora, the approval of the Company be and is hereby accorded to appointment of Mr. Dharmesh Arora at such remuneration and perquisites for the year 2017 as per details given below;

- |  |   |
|--|---|
| A) Fixed Base Salary: ₹ 7,866,000 per annum,   | F) Company's Contribution to National Pension Scheme (NPS): 10% of Fixed Base Salary. |
| B) Short-term Bonus: ₹ 5,834,000 per annum,  | G) Travelling and out of pocket expenses in accordance with the Rules of the Company. |
| C) House Rent Allowance: ₹ 1,980,000 per annum (including utilities),                                      | H) Annual Leave: 15 days of annual leave per year.                                    |
| D) Personal Allowances: ₹ 2,753,100 per annum,   | I) Sick Leave: up to one month in a year, and   |
| E) Company's Contribution to Provident Fund: to the extent these are not taxable under the Income Tax Act. | J) Personal accidental and life insurance coverage according to Company policy.”      |

“**RESOLVED FURTHER THAT** subject to the overall ceiling as stipulated in Section 197 read with Schedule V of the Companies Act, 2013, the Board be and is hereby authorised to approve increase by way of annual increment as it may think fit within the overall remuneration limit of the Managing Director for the period up to and including 2021 which is as follows;

- |  |   |
|--|---|
| A) Fixed Base Salary: ₹ 11,500,000 per annum,  | F) Company's contribution to National Pension Scheme (NPS): 10% of Fixed Base Salary. |
| B) Short-term Bonus: ₹ 8,500,000 per annum,  | G) Travelling and out of pocket expenses in accordance with the Rules of the Company. |
| C) House Rent Allowance: ₹ 2,900,000 per annum (including utilities),                                      | H) Annual Leave: 15 days of annual leave per year.                                    |
| D) Personal Allowances: ₹ 4,000,000 per annum,   | I) Sick Leave: up to one month in a year, and   |
| E) Company's Contribution to Provident Fund: to the extent these are not taxable under the Income Tax Act. | J) Personal accidental and life insurance coverage according to Company policy.”      |

“**RESOLVED FURTHER THAT** the Chairman, the Chief Financial Officer and the Company Secretary of the Company be and are hereby severally authorised to take the necessary actions and complete all legal formalities related thereto.”

**By Order of the Board**

**Raj Sarraf**  
Company Secretary  
ICSI M. No: ACS15526

New Delhi: March 6, 2017

### NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THIS 54<sup>th</sup> ANNUAL GENERAL MEETING OF THE COMPANY, IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. A PROXY SO APPOINTED SHALL HAVE NO RIGHT TO SPEAK AT THE MEETING.
2. A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY, PROVIDED THAT SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.
3. The instrument of proxy, duly completed, should be lodged at the Registered Office of the Company not less than forty-eight hours before the commencement of the Annual General Meeting. No Proxy Form shall be considered as valid on its receipt after 3:00 pm. on April 19, 2017.
4. The Company has notified closure of Register of Members and the Transfer Books from April 15, 2017 to April 20, 2017 (both days inclusive) to determine entitlement of dividend on equity shares. The dividend will be paid to those shareholders, whose name appears on the 'Register of Members' of the Company as at the end of business hours on April 14, 2017. The dividend, as recommended by the Board of Directors and if declared at the Annual General Meeting, will be paid within the specified time limit.
  - a) Shareholders, who have not encashed the dividend warrants for the years 2009, 2010, 2011, 2012, 2013, 2014 and 2015 are requested to lodge their request with the Company immediately.
  - b) Pursuant to provisions of Section 205A read with Section 205 C of the Companies Act, 1956 unclaimed Dividend up to the year 2008 were transferred to the Investor Education and Protection Fund in time.
5. In terms of Section 72 of the Companies Act, 2013, Nomination facility is available to individual shareholders holding shares in the physical form. The shareholders who are desirous of availing this facility, may kindly write to Company's R & T Agent - M/s. Link Intime India Private Limited, B-102 & 103, Shangrila Complex, First Floor, Opp. HDFC Bank, Near Radhakrishna Char Rasta, Akota, Vadodara 390020, Gujarat, India for nomination form by quoting their folio number.
6. National Electronic Clearing Services (NECS) has been permitted by Reserve Bank of India. Shareholders may fill up the option Form and send it to the Registrars by March 31, 2017.
7. As per Section 136 of the Companies Act, 2013 read with Rule 11 of Companies (Accounts) Rules, 2014, financial statements may be sent to the Members -
  - a) by electronic mode to such Members whose shares are held in dematerialised form and whose email Ids are registered with Depository for communication purposes;

- b) where Shares are held in physical form, by electronic mode to such Members who have positively consented in writing for receiving by electronic mode; and
- c) by dispatch of physical copies through any recognised mode of delivery as specified under Section 20 of the Companies Act, 2013, in all other cases.

In case, you desire to receive the aforesaid documents in electronic mode in lieu of physical mode, kindly update your e-mail ID with:

- a) Our Registrar & Share Transfer Agent: for the Shares held in physical form and
- b) Your respective Depository Participants: for the Shares held in dematerialised form.

8. Members, who have not yet dematerialised their shares, are recommended to get their shares dematerialised at the earliest.
9. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014, and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Members are provided with the facility to cast their votes electronically, through the e-voting services provided by Central Depository Services (India) Limited (CDSL), on all the resolutions set forth in this Notice.

The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Friday, April 14, 2017, may cast their vote electronically. The e-voting period will commence from Tuesday, April 18, 2017 at 9:00 am (IST) and will end at 5:00 pm (IST) on Thursday, April 20, 2017. The e-voting module will be disabled on April 20, 2017 at 5:00 pm (IST). The voting right of shareholders shall be in proportion to their share in the paid up equity share capital of the Company as on the cut-off date, being April 14, 2017.

Any person who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e. Friday, April 14, 2017, may obtain User ID and password by sending a request at our RTA i.e. M/s Link Intime India Pvt. Ltd. e-mail: vadodara@linkintime.co.in. However, Shareholders who are already registered with CDSL for remote e-voting, can use their existing User ID and password for casting their votes.

#### The instructions for Shareholders voting electronically are as under:

- (i) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (ii) Now click on Shareholders to cast your votes.
- (iii) Now Enter your User ID
  - a) For Members holding shares in Demat Form:

- **For CDSL:** 16 digits beneficiary ID,
  - **For NSDL:** 8 Character DP ID followed by 8 Digits Client ID,
- b) For Members holding shares in Physical Form:  
Enter Folio Number registered with the Company.
- (iv) Next enter the Image Verification as displayed and click on Login.
- (v) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any Company, then your existing password can be used.
- (vi) If you are a first time user follow the steps given below:

### For Members holding shares in Demat Form and Physical Form

<b>PAN</b>	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)  Members who have not updated their PAN with the Company / Depository Participant are requested to use the Sequence Number which is printed on attendance Slip indicated in the PAN field.
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<b>DOB*</b>	Enter the Date of Birth as recorded in your demat account or in the Company records in dd/mm/yyyy format.
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<b>Dividend Bank Details*</b>	Enter the Dividend Bank Details as recorded in your demat account or in the Company records.
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*\*Please enter the DOB or Dividend Bank Details in order to login. If both the details are not recorded with the depository or Company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iii)*

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then directly reach the Company selection screen. However, Members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the relevant E-voting Sequence Number (EVSN) for the FAG BEARINGS INDIA LIMITED for which you choose to vote.

- (xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option Yes implies that you assent to the Resolution and option No implies that you dissent to the Resolution.
- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvi) If Demat account holder has forgotten the login password, then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvii) Shareholders can also cast their vote using CDSL's mobile app m-Voting. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xviii) Note for Non-individual Shareholders and Custodians i.e. Corporate/Institutional Members (FIs/FILs/Trust/Mutual Fund/Banks, etc.)
- Non-individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favor of the Custodian, if any, should be uploaded in PDF format in the system for the scrutiniser to verify the same.
- In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
10. Statement under Section 102 of the Companies Act, 2013 in respect of Item nos. 6, 7, 8 and 9 under "Special Business", is attached hereto. All documents referred to in the Notice are open for inspection at the Registered Office of the Company between 10:00 am to 5:00 pm. on any working day up to the date of Annual General Meeting.

**Statement under Section 102 of the Companies Act, 2013 relating to Special Business mentioned in the Notice convening the 54<sup>th</sup> Annual General Meeting;**

**ITEM No. 6 Approval on Material Related Party Transactions**

In order to sustain quality standards of the Schaeffler Group, quantitative benefits, ease of customer reach, global representation and in the best interest of the Company and its shareholders, major transactions of the Company pertaining to sale, purchase or supply of goods, materials & services have been since long with Schaeffler Group Company, i.e. Schaeffler Technologies AG & Co. KG, Germany. Considering the prevailing market trend these transactions will continue in the year 2017 and thereafter.

A summary of transactions carried out with 'Schaeffler Technologies AG & Co. KG, Germany' during the financial year 2016 together with projections until 2019 are as under:

Material Related Party Transactions with Schaeffler Technologies AG & Co. KG, Germany	2016 ₹ in million		Turnover %	Projected Transactions Proposed for Approval		
	Actual	Cumulative		2017	2018	2019
1 Purchase of Finished Goods	3,406.8					
2 Sales of Finished Goods	1,112.1					
3 Purchase of Raw Material & Components	635.4					
4 Purchase of Tangible Fixed Assets / Technical Services	125.5					
5 Service Income - Received	0.1					
6 Charges for SAP / R 3 and connectivity - Paid	103.3	5,716.0	30.37	Δ 15% on 2016	Δ 15% on 2017	Δ 15% on 2018
7 Expat Cost - Paid	8.7					
8 Fees for use of technology / trademark - Paid	292.8					
9 Deputation, Traveling, Training, Testing, Insurance, Support Fee & Other Cost - Reimbursed	25.9					
10 Payments on behalf of related parties - Received	5.4					

These transactions as well as the proposed transactions would continue to be in ordinary course of business and at arm's length basis.

Pursuant to provisions of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, all 'Material Related Party Transactions' will require approval of the members through an ordinary resolution.

Since the aggregate value of these transactions (year to date plus proposed in 2017) is likely to exceed ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, the said transactions would be considered to be Material Related Party Transactions for the purpose of provisions of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and will thus require approval of the members of the Company through an Ordinary Resolution. The Audit Committee and Board of Directors have reviewed major terms & conditions of these transactions and recommend to the members for their approval by way of an Ordinary Resolution.

None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No. 6 of the Notice except to the extent of their shareholding or employment in the Company, its Holding Company or Associate Group Company, if any, in the Company.



The Board recommends the Resolution under Item No. 6 of the Notice for approval of the Members as an Ordinary Resolution.

### ITEM No. 7 Remuneration to the Cost Auditors

M/s Y. S. Thakar & Co., Cost Accountants, was appointed as the Cost Auditors of the Company in its Board Meeting held on February 12, 2016 for conducting the audit of the cost records of the Company for the Financial Year ending December 31, 2016.

Upon the recommendation of the Audit Committee, the Board of Directors of the Company in its meeting held on February 14, 2017 has, based upon the eligibility and consent to act as such, re-appointed M/s Y. S. Thakar & Co., Cost Accountants, as the Cost Auditors of the Company for conducting the audit of the cost records of the Company for the Financial Year ending December 31, 2017.

The Audit Committee and the Board have approved a remuneration of ₹ 100,000 (Rupees One Lakh only) per year for 2016 and 2017 respectively, excluding all taxes and reimbursement of out of pocket expenses.

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, Members of the Company are required to ratify the remuneration to be paid to the cost auditors of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 7 of the Notice for ratification of the remuneration payable / to be paid to the Cost Auditors for conducting the audit of the cost records of the Company for the Financial Year ending December 31, 2016 and 2017 respectively.

None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out in Item No. 7 of the Notice.

The Board recommends the Resolution under Item No. 7 of the Notice for approval of the Members as an Ordinary Resolution.

### ITEM No. 8 Appointment of Mr. Dharmesh Arora as Director

Mr. Dharmesh Arora is a Mechanical Engineer qualified from University of Mumbai and holds a TRIUM Global Executive MBA degree. He has over 27 years of experience in the automotive industry.

Mr. Dharmesh Arora was appointed as the Additional Director by the Board with effect from March 6, 2017. Pursuant to provisions of Section 161 of the Companies Act, 2013 read with Article 126 of the Articles of Association of the Company, Mr. Dharmesh Arora holds office upto the date of this Annual General Meeting.

His continued association with the Company as a Director would be a great advantage. Your Directors therefore recommend his election to the office of Director of the Company. The Company has received notice together with a deposit of ₹ 100,000/- for his candidature for the office of Director under Section 160 of the Companies Act, 2013.

None of the Directors except Mr. Dharmesh Arora or Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out in Item No. 8 of the Notice.

The Board recommends the Resolution under Item No. 8 of the Notice for approval of the Members as an Ordinary Resolution.

### ITEM No. 9 Appointment of Mr. Dharmesh Arora as Managing Director

Mr. Dharmesh Arora was appointed as the Managing Director of the Company with effect from March 6, 2017 by the Board in its meeting held on March 6, 2017. The Employment Agreement was executed between the Company and Mr. Dharmesh Arora on March 6, 2017. The Directors are of the view that his knowledge, experience guidance would be useful for the growth of the Company in the future as well.

Mr. Arora is not holding any equity shares in the Company.

The material terms and conditions of the agreement including remuneration are as follows:

**A. DUTIES AND POSITION**

- a) Mr. Arora agrees to serve the Company in the capacity of Managing Director for the period March 6, 2017 to March 5, 2022 (subject to earlier termination as hereinafter provided) on the terms and conditions herein contained. Six months prior to the end of the period for which Mr. Arora has been appointed, both Parties shall mutually agree on whether Mr. Arora shall be reappointed as Managing Director for a further period.
- b) Mr. Arora will be overall in-charge of all operations of the Company and entrusted with substantial powers of management of the affairs of the Company. He shall report to the Chairman.
- c) Mr. Arora shall faithfully adhere to, execute and fulfil all policies and guidelines established by the Board of Directors of the Company and by Corporate Headquarters of the Schaeffler Group.
- d) Irrespective of his authorisation to represent the Company externally in accordance with the Articles of Association, special shareholders' resolutions or statutory laws, Mr. Arora is obliged to observe all Schaeffler Group guidelines and procedures applicable internally to him and to the Company and to ensure that they are observed within the Company, especially with regard to the rights, obligations and restrictions of the Approval Guideline P 170002.
- e) Mr. Arora further undertakes to ensure adherence to the compliance standards valid within the Schaeffler Group. This includes in particular observance of the “Anti-Bribery and Anti-Corruption Guideline” (on the handling of acceptance of gratuities and gifts) and the “Competition and Antitrust Guideline” (dealings with competitors and business partners).
- f) Mr. Arora confirms that he has knowledge of the content of the foresaid guidelines and guarantees that they are adopted within the Company and agrees to take the necessary measures to enforce a compliance environment within the Company.
- g) Mr. Arora shall devote the most substantial part of his time and attention to the affairs of the Company and shall not, without its express consent in writing, engage in any business, profession or occupation (whether or not competing with its business) or become a Director, consultant, partner or owner in or of any other entity. Notwithstanding the provisions of this Clause, Mr. Arora may in addition act as the Managing Director of INA Bearing India Private Limited and carry the title of “CEO Schaeffler India”.
- h) Mr. Arora shall well and faithfully serve the Company and use his best endeavors to promote the interests thereof. He shall not, while an employee thereof or thereafter, directly or indirectly, divulge any information concerning the affairs, or any information of whatever nature which he shall have acquired during his employment, to anyone or to use it for any purpose except performance of his duties in terms of his Employment Agreement.

**B. REMUNERATION AND BENEFITS**

As remuneration for his services, Mr. Arora shall be entitled to receive remuneration as under;

(Amount in ₹ per annum)

No.	Particulars	2017	Max. up to 2021
1	Fixed Base Salary	7,866,000	11,500,000
2	Short-Term Bonus (STB)	5,834,000	8,500,000
3	House Rent Allowance (HRA)	1,980,000	2,900,000
4	Perquisites / Allowances (max.)	2,753,000	4,000,000
5	Company's Contribution to Funds	1,731,000	2,500,000

Mr. Arora shall be entitled to receive other benefits as under;

- A) Travelling and out of pocket expenses in accordance with the Rules of the Company.
- B) Mr. Arora shall be entitled to his annual leave during the course of employment as per the Rules of the Company. Mr. Arora shall be entitled to 15 days of annual leave per year. Generally, such annual leave must be taken within the relevant calendar year. As per the rules of the Company, un-availed leave is encashable at the end of the year.

## Annexure to Notice

- C) Leave of up to one month in a year, should Mr. Arora be unable, due to sickness or accident or other incapacity, to discharge the duties being performed by him.
- D) Personal accidental and life insurance coverage for Mr. Arora according to Company policy.

### C. OTHER TERMS AND TERMINATION OF EMPLOYMENT

Other terms and the termination of employment shall be governed as per the Employment Agreement with Mr. Arora.

The above may be treated as an abstract under Section 190 of the Companies Act, 2013.

A copy of the referred agreement entered into between the Company on the one part and Mr. Arora on the other part is open for inspection by the members at the Registered Office or at the Head Office of the Company on any working day between 10.00 am and 12.00 noon till the Annual General Meeting.

The appointment and remuneration paid / payable to Mr. Arora is required to be approved by the shareholders in the General Meeting and accordingly this resolution is being placed before the members for approval.

A brief resumé and shareholding of Directors who are being appointed or re-appointed have been included in the Corporate Governance Report.

None of the Directors except Mr. Dharmesh Arora or Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out in Item No. 9 of the Notice.

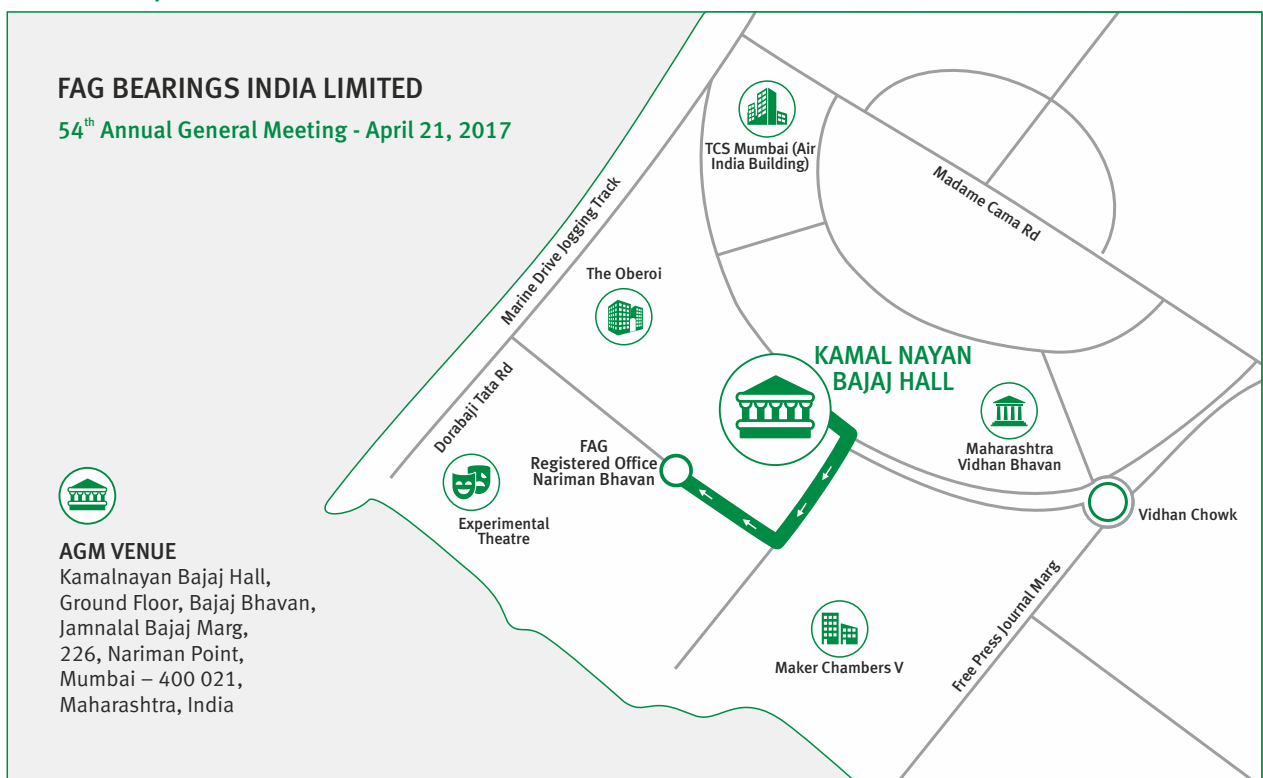
The Board recommends the Resolution under Item No. 9 of the Notice for approval of the Members as an Ordinary Resolution.

By Order of the Board

**Raj Sarraf**  
Company Secretary  
ICSI M. No: ACS15526

New Delhi: March 6, 2017

## Route Map For AGM





**FAG BEARINGS INDIA LIMITED**

CIN - L29130MH1962PLC012340

Regd. Office: 'Nariman Bhavan', 8<sup>th</sup> Floor, 227, Backbay Reclamation, Nariman Point, MUMBAI - 400 021, Maharashtra, India

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

**54<sup>th</sup> Annual General Meeting - April 21, 2017**

Name of the Member(s)

Registered address

E-mail ID

Folio No. / Client ID

DP ID

I / We, being the member(s) of \_\_\_\_\_ shares of the above named Company, hereby appoint

**1** Name

Address

E-mail ID

Signature

, or failing him

**2** Name

Address

E-mail ID

Signature

, or failing him

**3** Name

Address

E-mail ID

Signature

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 54<sup>th</sup> Annual General Meeting of the Company, to be held on Friday, the 21<sup>st</sup> day of April, 2017 at 03.00 pm at Kamalnayan Bajaj Hall, Ground Floor, Bajaj Bhavan, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai - 400 021, Maharashtra, India and at any adjournment thereof in respect of such resolutions as are indicated below:

**Ordinary Business**

1. To receive, consider and adopt the Financial Statements including Balance Sheet as at December 31, 2016 and the Statement of Profit and Loss for the year ended on that date along with Directors' and Auditors' Report thereon.
2. To declare dividend for the year ended December 31, 2016.
3. To appoint a Director in place of Mr. Klaus Rosenfeld (DIN: 07087975), who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. R. Sampath Kumar (DIN:00495192), who retires by rotation and being eligible offers himself for re-appointment.
5. To ratify the appointment of Auditors and to fix their remuneration.

**Special Business**

6. Approval on Material Related Party Transactions.
7. Remuneration to the Cost Auditors.
8. Appointment of Mr. Dharmesh Arora as Director.
9. Appointment of Mr. Dharmesh Arora as Managing Director.

Signed this      (Date)            day of      (Month)            2017.

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Signature of Shareholder

₹ 1 Revenue Stamp with Proxy's Signature
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**Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**

To,

**Link Intime India Private Limited****The Registrar & Share Transfer Agent****Unit: FAG Bearings India Limited**

B-102 & 103, Shangrila Complex, First Floor,  
Opp. HDFC Bank, Near Radhakrishna Char Rasta, Akota,  
Vadodara - 390 020 Gujarat, India  
E-mail: vadodara@linkintime.co.in  
Ph. No.: 0265 - 2356573, 2356794

Dear Sir(s),

**Subject: Update my / our e-mail address(es) in your records.**

Please note my / our following e-mail address(es) and send notice / documents through electronic mode in future:

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**1** Name of the Shareholder / Beneficial Owner

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**2** Registered Folio / DP ID and Client ID

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**3** No. of shares

---

**4** E-mail address of the first named  
Shareholder / Beneficial Owner

---

**5** E-mail address of the second / third named  
Shareholder / Beneficial Owner

---

**6** Contact Numbers

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**Date:**

**Place:**

---

Signature of the Shareholder / Beneficial Owner



## NECS / Bank Mandate Update Form

(Shareholders' option to receive payments through Credit Clearing Mechanism)

For Shares Held in Physical Mode	For Shares Held in Electronic Mode
To, <b>Link Intime India Private Limited</b> Registrar & Share Transfer Agent Unit: FAG Bearings India Limited B-102 & 103, Shangrila Complex, First Floor, Opp. HDFC Bank, Near Radhakrishna Char Rasta, Akota, VADODARA - 390 020 Gujarat, India E-mail: vadodara@linkintime.co.in Ph. No.: 0265 - 2356573, 2356794	To, (Name & Address of Depository Participant)    

Dear Sir(s),

**Sub.: Payment of Dividend through NECS (NECS Mandate Form)**

I / We hereby give my / our mandate to credit my / our Dividend on the share/s held by me / us under the Demat Account mentioned directly to my / our Bank Account through the National Electronic Clearing System [NECS] / to prepare my / our dividend warrant with details of my / our Bank Account No. and Name of the Bank & Branch.

**The Details of the Bank Account are given below.**

Name of First / Sole Shareholder (in BLOCK letters)

Folio Number as appearing on Share Certificate / DP ID & Client ID

Name of the Bank in full

Branch Name

Address & Telephone No. of the Bank

9 Digit Code No. of the Bank & Branch as appearing on the MICR Cheque issued by the Bank

Type of Account with Code  Saving Bank - 10  Current - 11  Cash Cr. - 13

A/c No. as appearing on the Cheque Book	Bank Ledger No. / Bank Ledger Folio No. (if any, appearing on the Cheque Book)	PAN / GIR No.
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Address of the Shareholder

I / We enclose a blank cancelled cheque / photo copy of cheque / front page of savings Bank passbook to enable you to verify the details. (This is required only in case of NECS).

I / We hereby declare that the particulars given above are correct and complete. If the transaction is delayed because of incomplete or incorrect information, I / We would not hold the Company / the user institution responsible. I / We undertake to inform any subsequent changes in the above particulars before the relevant Book closure Date(s). I / We understand that, the above details shall be maintained by you till I/We hold the shares in physical / electronic mode under the captioned Folio No. / DP ID & Client ID.

Date:

Place:

Signature of Sole / First Shareholder

