MINUTES OF THE 48th ANNUAL GENERAL MEETING OF THE MEMBERS OF 'FAG BEARINGS INDIA LIMITED' HELD ON THURSDAY, APRIL 21, 2011 AT 3.00 P. M. AT KAMALNAYAN BAJAJ HALL, GROUND FLOOR, BAJAJ BHAWAN, JAMNALAL BAJAJ MARG, 226, NARIMAN POINT, MUMBAI.

Present:

Chairman

Mr. Avinash Gandhi

Directors

Mr. Rajendra Anandpara	- Managing Director
Mr. Wolfgang Dangel	
Mr. Frank Huber	
Mr. Bernhard Steinruecke	
Mr. Moreshwar Garde	
Mr. Kamlesh Tapadar	- Alternate Director to Mr. Krauss

Invitees

Mr. Yezad Kapadia	- Alternate Director to Mr. Dangel
Mr. R. Sampath Kumar	- Alternate Director to Mr. Huber
Mr. Satish Patel	- Chief Financial Officer
Mr. Shiva Kumar	- Statutory Auditors
Mr. Suresh Kabra	- Secretarial Auditors
Mr. Yashodhar Thakar	- Cost Auditors
Mr. Vipin Patel	- Internal Auditor

Company Secretary

Mr. Raj Sarraf

Members

In person	-	72
By Proxy	-	6
By Power of Attorney	-	8

MEETING DECLARED OPEN

The Chairman, on ascertaining that the requisite quorum was present, declared the meeting open.

INTRODUCTION OF DIRECTORS

The Chairman introduced the directors present in the meeting and thanked them for their presence.

PROXIES

The Chairman stated that *Fourteen Proxies* and *Powers of Attorney* covering 93,48,933 equity shares (56.3% of the share capital) had been lodged with the Company and found to be in order. He added that the Proxy Register and Powers of Attorney were available for inspection at the meeting.

STATUTORY REGISTERS AND DOCUMENTS

The Chairman stated that all the statutory registers, documents, auditors' report and accounts as required to be maintained under the Companies Act, 1956 were available for inspection at the meeting.

CHAIRMAN'S SPEECH

At the beginning of his speech, the Chairman informed the General Body of Shareholders about the sad demise of Dr. Vidya Sagar on 27th February 2011. He then briefed them about the admirable contribution of Dr. Vidya Sagar since 1968, his constant guidance, support and steering the evolution of the Company from a fledgling start up to a progressive and professional organisation. Paying due homage to Dr. Sagar, a minute's silence was observed by all the attendees praying to God, "May Dr. Sagar's soul rest in eternal tranquillity".

The Chairman then delivered his speech, copy of which was made available to all the members. In his speech he, in addition to Company's Performance, briefed about the trend in the economy, industry outlook, its likely impact and financial performance of the Company. He stated that even though the Annual Report and his speech contained key financial figures and major trends, but as a further step towards better Corporate Governance and Transparency, he advised the Managing Director, Mr. Anandpara, to share some basic information about Company's initiatives which he did by way of a Power Point Presentation.

In his closing remarks, the Chairman on behalf of top management team extended his gratitude to all the Shareholders, the Schaeffler Group, Employees, Suppliers, Customers, Distributors, Bankers and all business associates for their continued support in the Company's journey of growth.

PRESENTATION BY THE MANAGING DIRECTOR

As mentioned above, upon the request of the Chairman, the Managing Director made a Presentation to the Shareholders and focused mainly on the Company's performance trend over the last decade, economic developments in India, performance in 2010 including first quarter of 2011, segment wise outline, exports, outlook 2011, focus areas, concerns, Schaeffler Group's support as backbone to Company's growth and Corporate Social Activities undertaken by the Company.

The Chairman appreciated the informative coverage which answered many of the queries from the Shareholders.

NOTICE OF THE MEETING AND AUDITORS' REPORT

With the consent of the members, notice convening the Annual General Meeting along with Directors' Report and Annual Financial Statements, as already circulated, was taken as read.

The Company Secretary then read out the Auditor's Report on the financial statements for the year ended on December 31, 2010.

ITEM NO. 1
ADOPTION OF ANNUAL ACCOUNTS FOR THE YEAR ENDED DECEMBER 31, 2010.

The Chairman proposed the following motion as an Ordinary Resolution:

"RESOLVED THAT the Audited Annual Accounts of the Company including the Audited Balance Sheet as at December 31, 2010 and Profit & Loss Account for the financial year ended on that date, together with Cash Flow Statement, schedules and notes as attached thereto, the Directors' and Auditor's Report thereon as circulated to the members along with notice and as placed before the meeting, be and are hereby received, approved and adopted."

"RESOLVED FURTHER THAT The Managing Director, 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 the legal formalities related thereto".

The Chairman invited comments, queries and suggestions from the members on the Annual Accounts and clarified that, following the usual practice; all questions would be answered at the end of the discussion session.

Mrs. Ashalata Maheshwari, Mr. Rohinton Batiwala, Mr. Nigel Gonsalves, Mrs. Shobhna Mehta, Mr. Suresh Kamath, Ms. Homayun Pouredehi, Mr. Hariram Chaudhary, Mrs. Celestine Elizabeth Mascarenhas and Mr Sachin Shah were the speaker shareholders. They congratulated the management team for its excellent performance and appreciated informative presentation by the Managing Director, well prepared Annual Report and very well organised Shareholders' plant visit during 2010. The speaker shareholders drew the attention of the management team to their queries, concerns and suggestion especially on the matters as under;

1. Dividend and EPS, Less payout ratio as compared to market price of the share and profitability of the Company,
2. Bonus Shares on 50th Anniversary,
3. Splitting of Shares
4. Steps taken for counterfeit activities,
5. Competitors and next five year performance roadmap,
6. Comparison; Export / Domestic Sale, Automotive / non-automotive sale, segment wise sales break up and future focus,

7. Capex Plans, new segments / avenue, LSB Production plans and Competitors,
8. Reasons behind parking huge funds in Banking Current Accounts,
9. Another Plant visit of the Shareholders,
10. Few Suggestion were given on;
    - Manufacturing Plant at Savli
    - Use of Green Power / Solar Power
    - Sustainability of Growth momentum
    - Adoption of Economic Value Added (EVA) for Annual Accounts and analysis

The Chairman thanked the shareholders for their appreciation and replied to most of the questions. He added that the good performance of the Company was the result of the good management team led by Mr. Anandpara.

Mr. Vinod Agarwal [IN30311610678714] seconded the proposed resolution.

The resolution was put to vote by show of hands and then declared by the Chairman, passed as Ordinary Resolution.

ITEM NO. 2
DECLARATION OF DIVIDEND

The Chairman put forward the following motion as Ordinary Resolution, which was proposed by Mr. Bharat Negandhi [LF: 00010695] and seconded by Mr. Suresh Kamath [IN30290241493364].

> **"RESOLVED THAT** the final dividend on the fully paid up equity shares of the Company at the rate of Rs. 5 per equity share for the year 2010 be and is hereby declared."
>
> **"RESOLVED FURTHER THAT** the same be paid to those shareholders whose names appear on the Register of Members on March 31, 2011 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 for this purpose."
>
> **"RESOLVED FURTHER THAT** The Managing Director, 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 the legal formalities related thereto".

The resolution was put to vote by show of hands and then declared by the Chairman, passed as Ordinary Resolution.

ITEM NO. 3
RE-APPOINTMENT OF MR. AVINASH GANDHI AS A DIRECTOR

Immediately before the motion was put forward, Mr Avinash Gandhi vacated his office of the Chairman for this matter and with the permission of members requested Mr. Garde to chair & conduct the Meeting on the motion. Mr. Garde then took the Chair and put forward the

following motion as an Ordinary Resolution, which was proposed by Mrs. Shobhana Mehta (IN30051310543512) and seconded by Mr. Tushar Sodha [IN30197510000014].

> **"RESOLVED THAT** Mr. Avinash Gandhi, whose period of office is liable to determination by retirement of Directors by rotation and who has offered himself for re-appointment be and is hereby re-appointed as a Director of the Company."
>
> **"RESOLVED FURTHER THAT** The Managing Director, 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 the legal formalities related thereto".

The resolution was put to vote by show of hands and then declared by the Chairman, passed as Ordinary Resolution.

Mr. Moreshwar Garde vacated his office and with the permission of members requested Mr. Gandhi to chair & conduct the Meeting.

ITEM NO. 4
RE-APPOINTMENT OF MR. MORESHWAR GARDE AS A DIRECTOR

The Chairman put forward the following motion as an Ordinary Resolution, which was proposed by Mr. Hariram Chaudhary [IN30154916644731] and seconded by Mr. Nigel Gonsalves [LF. 00007102]

> **"RESOLVED THAT** Mr. Moreshwar Garde, whose period of office is liable to determination by retirement of Directors by rotation and who has offered himself for re-appointment be and is hereby re-appointed as a Director of the Company."
>
> **"RESOLVED FURTHER THAT** The Managing Director, the Chief Financial Officer and the Company Secretary of the Company be and is hereby severally authorised to take the necessary actions and complete all the legal formalities related thereto".

The resolution was put to vote by show of hands and then declared by the Chairman, passed as Ordinary Resolution.

ITEM NO. 5
APPOINTMENT OF AUDITORS

The Chairman put forward the following motion as an Ordinary Resolution, which was proposed by Mrs. Ashalata Maheshwari (L. F. 00004780) and seconded by Mrs. Shobhna Mehta (IN30051310543512).

> **"RESOLVED THAT** M/s. B S R & Co., Chartered Accountants [Regn no. 101248W], Mumbai, who have confirmed to the Company that, if appointed, their appointment will be within the limit laid down under section 224 (1) (B) of the Companies Act, 1956, be and are hereby appointed as the Auditors of the Company from the conclusion of this

Annual General Meeting until the conclusion of next Annual General Meeting, in place of M/s Mohinder Puri & Company, Chartered Accountants, the retiring auditors".

"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 as Statutory Auditors and other assignments, if any."

"RESOLVED FURTHER THAT the Managing Director, 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 the legal formalities related thereto".

The resolution was put to vote by show of hands and then declared by the Chairman, passed as Ordinary Resolution.

VOTE OF THANKS

The meeting ended with a vote of thanks to the Chair.

Date: May 6, 2011
Place: New Delhi

Avinash Gandhi
Chairman