MINUTES OF THE 47th ANNUAL GENERAL MEETING OF THE MEMBERS OF 'FAG BEARINGS INDIA LIMITED' HELD ON THURSDAY, APRIL 22, 2010 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. Bruno Krauss
Dr. Vidya Sagar
Mr. Bernhard Steinruecke
Mr. Moreshwar Garde
Mr. R. Sampath Kumar - Alternate Director to Mr. Huber

Invitees

Mr. Yezad Kapadia	- Alternate Director to Mr. Dangel
Mr. Kamlesh Tapadar	- Alternate Director to Mr. Krauss
Mr. Satish Patel	- Chief Financial Officer
Mr. Vikas Vig	- Statutory Auditors
Mr. Suresh Kabra	- Secretarial Auditors
Mr. Vipin Patel	- Internal Auditor

Company Secretary

Mr. Raj Sarraf

Members

In person	-	66
By Proxy	-	18
By Power of Attorney	-	1

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 *Eighteen Proxies* and *one Powers of Attorney* covering 8,914,383 equity shares (53.64% 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

The Chairman had 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. In his closing remarks he 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.

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, 2009.

ITEM NO. 1
ADOPTION OF ANNUAL ACCOUNTS FOR THE YEAR ENDED DECEMBER 31, 2009.

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, 2009 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. H. V. Sanghavi, Mr. Manubhai Parikh, Mr. Shailesh Mahadevia, Mrs. Shobhna Mehta, Mr. Hariram Chaudhary, Mr. Arvind J Vyas, Mr. Vinit Kumar Parikh, Mr. M. I. Parikh, Mr. Beruz F. Pouredehi, Mrs. Homayun Pouredehi and Mr. Purohit were the speaker shareholders. Most of them congratulated the management team for its excellent performance and welcomed the newly

appointee directors including the Managing Director. The speaker shareholders drew the attention of the management team to their queries and wished to have some clarifications especially on the matters as under;

1. Bonus Share, Dividend and EPS,
2. Less payout ratio as compared to market price of the share,
3. Growth in Turnover and Profitability in quarter ended March 2010,
4. Comparison; Export / Domestic Sale, Automotive / non-automotive sale, segment wise sales break up and future focus, Orders in hand from Railways
5. Impact of Currency Fluctuation, exchange gain / losses and forward cover,
6. Capex Plans, Investment Plans, Diversification, Market Share, new segments / avenue, LSB Production plans and Competitors,
7. Reasons behind increase in loans & advances,
8. Outstanding loans & advances, Status of repayment, Scope of recovery,
9. Capacity Utilisation, Cost Saving Measures adopted,
10. Impact of the steel price hike and anti dumping duties,
11. MOVE Project cost to the Company and its impact on the savings,
12. Reasons behind parking huge funds in Banking Current Accounts,
13. Explanation on charges on outside services and power enhancement,
14. Plant visit of the Shareholders,
15. Reason behind putting employees number and why not attrition rate,
16. Internal Audit; whether in-house or external,
17. Number of Annual Reports printed and cost incurred thereon,
18. Few Suggestion were given on;
    - Circulation of copy of quarterly results along with Chairman's Speech,
    - Equal time allocation to the speaker shareholders,
    - Adoption of Economic Value Added (EVA) for Annual Accounts and analysis

The Chairman thanked the shareholders for their appreciation and replied to some of the questions. The Managing Director replied few of the questions particularly related to market scenario, performance of the first quarter and plant visit etc. For the rest speakers were assured for a suitable reply in due course. He added that the good performance of the Company was the result of the good management, team led by Mr. Anandpara.

Mrs. Ashalata Maheshwari 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. Vinit Kumar Parikh (L. F. No. 00004476) and seconded by Mr. Beruz Pouredehi (IN30122510106303).

> **"RESOLVED THAT** the final dividend on the fully paid up equity shares of the Company at the rate of Rs. 4.5 per equity share for the year 2009 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, 2010 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. FRANK HUBER AS A DIRECTOR

The Chairman put forwarded the following motion as an Ordinary Resolution, which was proposed by Mr. Vinit Kumar Parekh (L. F. No. 00004476) and seconded by Ms. Shobhana Mehta (IN30051310543512).

"RESOLVED THAT Mr. Frank Huber, 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.

ITEM NO. 4
RE-APPOINTMENT OF MR. BERNHARD STEINRUECKE AS A DIRECTOR

The Chairman put forward the following motion as an Ordinary Resolution, which was proposed by Ms. Shobhana Mehta (IN30051310543512) and seconded by Mr. Shailesh Mahadevia (IN30012610537621)

"RESOLVED THAT Mr. Bernhard Steinruecke, 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. Mohinder Puri & Co., Chartered Accountants, New Delhi, who have confirmed that, if appointed, their appointment would be within the limit laid down under section 224(1)(B) of the Companies Act, 1956, be and are hereby appointed as the Statutory Auditors of the Company, to hold office until the conclusion of the next Annual General Meeting."

"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.

ITEM NO. 6
APPOINTMENT OF MR. BRUNO KRAUSS AS A DIRECTOR

The Chairman put forward the following motion as an Ordinary Resolution, which was proposed by Mrs. Ashalata Maheshwari (L. F. 00004780) and seconded by Mr. Shailesh Mahadevia (IN30012610537621)

"RESOLVED THAT pursuant to applicable provisions of the Companies Act, 1956, Mr. Bruno Krauss be and is hereby 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.

ITEM NO. 7
APPOINTMENT OF MR. RAJENDRA ANANDPARA AS A DIRECTOR

The Chairman put forward the following motion as an Ordinary Resolution, which was proposed by Mrs. M. I. PAREKH (L. F. IN30087010098939) and seconded by Mrs. Ashalata Maheshwari (L. F. 00004780).

"RESOLVED THAT pursuant to applicable provisions of the Companies Act, 1956, Mr. Rajendra Anandpara be and is hereby 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.

ITEM NO. 8
APPOINTMENT OF MR. RAJENDRA ANANDPARA AS A MANAGING DIRECTOR

The Chairman put forward the following motion as an Ordinary Resolution, which was proposed by Mrs. M. I. PAREKH (DPID; IN30087010098939) and seconded by Mrs. Ashalata Maheshwari (L. F. 00004780).

"RESOLVED THAT the appointment of Mr. Rajendra Anandpara [DIN: 02461259], as Additional Director and Managing Director by the Board of Directors be and is hereby confirmed on the terms and conditions as agreed between the Company and Mr. Anandpara vide employment agreement dated August 1, 2009 and the supplemental agreement thereto dated March 11, 2010 and whose office shall not be liable to retirement by rotation."

"FURTHER RESOLVED THAT in accordance with the provisions of Sections 269, 198, 309 and other applicable provisions, if any, read with Schedule XIII of the Companies, Act 1956 and subject to other consents, the approval of the Company be and is hereby accorded to appointment of Mr. Rajendra Anandpara as Managing Director at such salary and perquisites as per details given below."

Sr. no.	Particulars	Amount in Million INR per annum
A	Fixed Base Salary	2.205
B	Performance Bonus	0.945
C	House Rent Allowance	0.360
D	Perquisites And Other Allowances	1.600
E	Company's Contribution (Provident Fund & Superannuation Fund)	0.595

"FURTHER RESOLVED THAT the Managing Director shall also be eligible to the following which shall not be included in the computation of the ceiling on remuneration specified above";

- The Company shall reimburse Mr. Anandpara's travelling and out of pocket expenses in accordance with the Rules of the Company.

- Mr. Anandpara shall be entitled to use an automobile selected by the Company with driver when performing his duties as Managing Director of the Company as well as for private purposes in India. The cost associated with such automobile, including fuel and maintenance expense, shall be to the Company's account. Any income tax levied on the personal use of the Company car shall be borne by Mr. Anandpara.

- Mr. Anandpara shall be entitled to his annual leave during the course of his employment as per the Rules of the Company. Generally, such annual leave must be taken within the current calendar year.

- Should Mr. Anandpara be unable, due to sickness or accident or other incapacity, to discharge the duties being performed by him, leave of up to one month in a year shall be available to him.

"FURTHER RESOLVED THAT subject to the overall ceiling as stipulated in Sections 198 and 309 read with Schedule XIII of the Companies Act, 1956, the Board be and is hereby authorized 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 upto and including 2014 which is as follows":

Sr. No.	Particulars	Amount in Million INR per annum
A	Fixed Base Salary	5.600
B	Performance Bonus	2.400
C	House Rent Allowance	0.527
D	Perquisites And Other Allowances	2.343
E	Company's Contribution (Provident & Superannuation)	1.512

"FURTHER RESOLVED THAT the Employment Agreement dated August 1, 2009 and the supplemental agreement thereto dated March 11, 2010 executed between the Company and Mr. Anandpara, be and are hereby approved and pursuant to the provisions of section 310 and 311 read with Schedule XIII of the Companies Act, 1956 and other applicable provisions, if any, the approval of the Company be and is hereby accorded to the remuneration limits of Mr. Anandpara for the period up to and including 2014 in accordance with the referred agreements."

"FURTHER RESOLVED THAT if in any financial year, the Company has no profits or, its profits are inadequate, the remuneration payable to the Managing Director shall be in accordance with Section II to Part II to Schedule XIII of the Companies Act, 1956 and he shall also be eligible to the following perquisites which shall not be included in the computation of the ceiling on remuneration specified above";

a) Contribution to the Provident Fund and Superannuation Fund to the extent these either singly or put together are not taxable under the Income-tax Act, 1961,

b) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service as per the rules of the Company, and

c) Encashment of leave at the end of the tenure as per Rules of the Company.

"FURTHER RESOLVED THAT any one of the existing Directors or the Chief Financial Officer or the Company Secretary of the Company be and is hereby authorised to take the necessary actions and complete all legal formalities."

VOTE OF THANKS

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

Date: April 30, 2010
Place: New Delhi

Avinash Gandhi
Chairman