

# BSR & Co. LLP

Chartered Accountants

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## **Auditors' Report on Financial results of FAG Bearings India Limited pursuant to Clause 41 of Listing Agreement**

### **To the Board of Directors FAG Bearings India Limited**

We have reviewed the accompanying statement of unaudited financial results ('the Statement') of FAG Bearings India Limited ('the Company') for the period ended 30 September 2014 except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. This Statement is the responsibility of the Company's management and has been approved by the Board of Directors of the Company in their meeting held on 6 November 2014. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410 "Review of interim financial information performed by the Independent Auditor of the Entity". This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with the Accounting Standards notified pursuant to the Companies (Accounting Standards) Rules, 2006 as per the Companies Act, 1956, read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013 and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

We draw attention to note 4 to the Statement in respect of change in accounting policy in respect of accounting for forward contracts. During the quarter, the Company has adopted and applied the principles of hedge accounting set out in Accounting Standard (AS) 30, 'Financial Instruments: Recognition and measurement' issued by Institute of Chartered Accountants of India to forward contracts in respect of highly probable transactions or firm commitments which were previously accounted following the principles of prudence as per AS 1. Consequently, the Company has recorded Rs 158.3 million representing mark to mark loss in the Cash flow hedge reserve as at 30 September 2014 resulting in net profit for the quarter being higher to that extent. Our opinion is not qualified in respect of this matter.

For **BSR & Co. LLP**  
Chartered Accountants

Firm's Registration No: 101248W/W-100022

**Vijay Mathur**

Partner

Membership No: 046476

Mumbai  
6 November 2014



**FAG BEARINGS INDIA LIMITED**

Regd Office : Nariman Bhavan, 8th Floor, 227 Backbay Reclamation, Nariman Point, Mumbai - 400 021



(Rupees in million)

**STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED SEPTEMBER 30, 2014**

Sr. No.	Particulars	PART I					
		THREE MONTHS ENDED			YEAR TO DATE FIGURES		YEAR ENDED
		Sep.30, 2014	Jun.30, 2014	Sep.30, 2013	Sep.30, 2014	Sep.30, 2013	Dec. 31, 2013
	(UNAUDITED)			(UNAUDITED)		(AUDITED)	
1	Income from Operations						
	(a) Net sales / Income from Operations ( Net of excise duty)	4,063.5	3,880.4	3,680.7	11,920.6	10,018.7	13,926.4
	(b) Other Operating Income	38.3	37.3	33.0	105.9	67.0	97.7
	<b>Total income from operations (Net)</b>	<b>4,101.8</b>	<b>3,917.7</b>	<b>3,713.7</b>	<b>12,026.5</b>	<b>10,085.7</b>	<b>14,024.1</b>
2	Expenses						
	(a) Cost of materials consumed	1,606.9	1,584.5	1,256.3	4,640.7	3,631.4	5,036.8
	(b) Purchase of Stock-in-trade	1,236.4	889.4	1,245.1	3,117.5	3,049.5	4,256.1
	(c) Changes in inventories of finished goods, Work in Progress and stock-in-trade	(402.7)	(102.4)	(97.1)	(449.4)	(347.3)	(322.0)
	(d) Employees benefit expense	317.9	337.7	312.7	1,030.4	929.7	1,191.3
	(e) Depreciation and amortisation expense	125.2	122.9	112.7	368.6	313.7	432.5
	(f) Other expenses	742.8	572.3	490.1	1,893.5	1,486.0	2,026.0
	<b>Total expenses</b>	<b>3,626.5</b>	<b>3,404.4</b>	<b>3,319.8</b>	<b>10,601.3</b>	<b>9,062.0</b>	<b>12,620.7</b>
3	<b>Profit from Operations before Other Income, finance costs and Exceptional Items (1-2)</b>	<b>475.3</b>	<b>513.3</b>	<b>393.9</b>	<b>1,425.2</b>	<b>1,023.7</b>	<b>1,403.4</b>
4	Other Income	97.1	107.4	152.1	295.4	302.9	456.6
5	<b>Profit from ordinary activities before finance costs and exceptional items (3+4)</b>	<b>572.4</b>	<b>620.7</b>	<b>546.0</b>	<b>1,720.6</b>	<b>1,326.6</b>	<b>1,860.0</b>
6	Finance cost	2.6	2.3	1.6	6.8	5.9	7.6
7	<b>Profit from ordinary activities after finance costs but before exceptional items (5-6)</b>	<b>569.8</b>	<b>618.4</b>	<b>544.4</b>	<b>1,713.8</b>	<b>1,320.7</b>	<b>1,852.4</b>
8	Exceptional items	-	-	-	-	-	-
9	<b>Profit from Ordinary Activities before tax (7-8)</b>	<b>569.8</b>	<b>618.4</b>	<b>544.4</b>	<b>1,713.8</b>	<b>1,320.7</b>	<b>1,852.4</b>
10	Tax expense	194.5	210.7	185.5	584.2	451.5	636.1
11	<b>Net Profit from Ordinary Activities after tax (9-10)</b>	<b>375.3</b>	<b>407.7</b>	<b>358.9</b>	<b>1,129.6</b>	<b>869.2</b>	<b>1,216.3</b>
12	Extraordinary Items (Net of tax expense)	-	-	-	-	-	-
13	<b>Net Profit for the period (11-12)</b>	<b>375.3</b>	<b>407.7</b>	<b>358.9</b>	<b>1,129.6</b>	<b>869.2</b>	<b>1,216.3</b>
14	Paid-up equity share capital (Face value of Rs.10/- per share)	166.2	166.2	166.2	166.2	166.2	166.2
15	Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year	-	-	-	-	-	9,708.9
16i	Earnings per share (before extraordinary items) (of Rs. 10 each) (not annualised)						
	(a) Basic	22.57	24.53	21.59	67.97	52.29	73.32
	(b) Diluted	22.57	24.53	21.59	67.97	52.29	73.32
16ii	Earnings per share (After extraordinary items) (of Rs. 10 each) (not annualised)						
	(a) Basic	22.57	24.53	21.59	67.97	52.29	73.32
	(b) Diluted	22.57	24.53	21.59	67.97	52.29	73.32

Sr. No.	Particulars	PART II					
		THREE MONTHS ENDED			YEAR TO DATE FIGURES		YEAR ENDED
		Sep.30, 2014	Jun.30, 2014	Sep.30, 2013	Sep.30, 2014	Sep.30, 2013	Dec. 31, 2013
	(UNAUDITED)			(UNAUDITED)		(AUDITED)	
A	<b>PARTICULARS OF SHAREHOLDING</b>						
1	Public Shareholding						
	-Number of shares	8088087	8088057	8088087	8088067	8088087	8088057
	-Percentage of shareholding	48.7	48.7	48.7	48.7	48.7	48.7
2	Promoters and promoter group Shareholding						
	a) Pledged/Encumbered						
	-Number of Shares	-	-	-	-	-	-
	-Percentage of shares (as a % of the total shareholding of promoter and promoter group)	-	-	-	-	-	-
	-Percentage of shares (as a % of the total share capital of the company)	-	-	-	-	-	-
	b) Non-encumbered						
	-Number of Shares	8529183	8529183	8529183	8529183	8529183	8529183
	-Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100	100	100	100	100	100
	-Percentage of shares (as a % of the total share capital of the company)	51.3	51.3	51.3	51.3	51.3	51.3

Particulars	3 Months ended September 30, 2014
B INVESTOR COMPLAINTS	
Pending at the beginning of the quarter	-
Received during the quarter	-
Disposed of during the quarter	-
Remaining unresolved at the end of the quarter	-

- The business of the Company falls under a single primary segment i.e. "Ball / Roller Bearings and related components" for the purpose of Accounting Standard AS - 17.
- The above financial results were reviewed by the Audit Committee and approved by the Board of Directors at the meeting held on November 6, 2014
- The Statutory Auditors have performed a "Limited Review" of the above financial results for the nine months ended September 30, 2014
- During the quarter, the Company has adopted and applied the principles of hedge accounting set out in Accounting Standard (AS) 30, 'Financial Instruments: Recognition and measurement' issued by ICAI to forward contracts in respect of highly probable transactions or firm commitments which were previously accounted following the principles of prudence as per AS 1. Consequently, the Company has recorded Rs 158.3 million representing mark to mark loss in the Cash flow hedge reserve as at September 30, 2014 resulting in net profit for the quarter being higher to that extent.
- The figures of the previous periods have been regrouped wherever necessary to conform to the current period's presentation.

Per our report attached of even date  
 B S R & Co. LLP,  
 Chartered Accountants  
 Firm Reg. No. 101248W / W-100022  
 Vijay Mathur  
 Partner  
 Membership No. 046476  
 Mumbai / November 5, 2014

For FAG Bearings India Ltd.

Rajendra Anandpara  
 Managing Director