

B S R & 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 audited the accompanying annual financial results of FAG Bearings India Limited ('the Company') for the year ended 31 December 2013, attached herewith, being submitted by the Company pursuant to the requirement of clause 41 of the Listing Agreement, 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. Attention is drawn to the fact that the figures for the quarter ended 31 December 2013 and the corresponding quarter ended in the previous year as reported in these financial results are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the end of the third quarter of the relevant financial year. Also the figures up to the end of the third quarter had only been reviewed and not subjected to audit.

These financial results have been prepared on the basis of the annual financial statements and reviewed quarterly financial results upto the end of the third quarter which are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial results based on our audit of the annual financial statements which have been prepared in accordance with the recognition and measurement principles laid down in the Companies (Accounting Standards) Rules, 2006 as per Section 211(3C) of the Companies Act, 1956, which as per a clarification issued by the Ministry of Corporate Affairs, continue to apply under Section 133 of the Companies Act, 2013, (which has superseded Section 211 (3C) of the Companies Act, 1956 with effect from 12 September 2013) and other accounting principles generally accepted in India and in compliance with Clause 41 of the Listing Agreement.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us these financial results:

- (i) are presented in accordance with the requirements of clause 41 of the Listing Agreement in this regard; and
- (ii) give a true and fair view of the net profit and other financial information for the year ended 31 December 2013.



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

FAG Bearings India Limited

Further, we also report that we have, on the basis of the books of account and other records and information and explanations given to us by the management, also verified the number of shares as well as percentage of shareholdings in respect of aggregate amount of public shareholdings, as furnished by the Company in terms of clause 35 of the Listing Agreement and found the same to be correct.

For **B S R & Co.LLP**
Chartered Accountants
Firm's Registration No: 101248W



Vijay Mathur
Partner

Membership No: 046476

Mumbai
11 February 2014

FAG BEARINGS INDIA LIMITED

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

FAG


(Rupees in million)

STATEMENT OF STANDALONE AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED DECEMBER 31, 2013
PART I

Sr. No.	Particulars	THREE MONTHS ENDED			YEAR ENDED	YEAR ENDED
		Dec. 31, 2013 (AUDITED)	Sep. 30, 2013 (UNAUDITED)	Dec. 31, 2012 (AUDITED)	Dec. 31, 2013 (AUDITED)	Dec. 31, 2012 (AUDITED)
1	Income from Operations					
	(a) Net sales / Income from Operations (Net of excise duty)	3,994.9	3,729.5	3,435.6	14,202.4	14,358.4
	(b) Other Operating Income	30.7	33.0	35.6	97.7	108.1
	Total income from operations (Net)	4,025.6	3,762.5	3,471.2	14,300.1	14,466.5
2	Expenses					
	(a) Cost of materials consumed	1,405.4	1,256.3	1,000.3	5,036.8	4,782.9
	(b) Purchase of Stock-in- trade	1,207.8	1,245.1	1,038.5	4,256.1	4,045.3
	(c) Changes in inventories of finished goods, Work in Progress and stock-in-trade	25.3	(97.1)	228.1	(322.0)	247.7
	(d) Employees benefits expense	281.6	312.7	303.6	1,191.3	1,128.9
	(e) Depreciation and amortisation expense	118.8	112.7	87.6	432.5	302.7
	(f) Other expenses	627.2	538.9	487.5	2,302.0	2,057.6
	Total expenses	3,645.9	3,368.6	3,145.6	12,896.7	12,565.1
	Profit from Operations before Other Income, finance costs and Exceptional Items (1-2)	379.7	393.9	325.6	1,403.4	1,901.4
3	Other Income	155.7	152.1	94.7	458.6	446.3
5	Profit from ordinary activities before finance costs and exceptional items (3+4)	535.4	546.0	420.3	1,862.0	2,347.7
6	Finance costs	1.7	1.6	2.2	7.6	13.0
7	Profit from ordinary activities after finance costs but before exceptional items (5 - 6)	533.7	544.4	418.1	1,854.4	2,334.7
8	Exceptional Items	-	-	-	-	-
9	Profit from Ordinary Activities before tax (7-8)	533.7	544.4	418.1	1,854.4	2,334.7
10	Tax expense	184.6	185.5	121.2	636.1	742.9
11	Net Profit from Ordinary Activities after tax (9-10)	349.1	358.9	296.9	1,218.3	1,591.8
12	Extraordinary Items (Net of tax expense)	-	-	-	-	-
13	Net Profit for the period (11-12)	349.1	358.9	296.9	1,218.3	1,591.8
14	Paid-up equity share capital (Face value of Rs.10/- per share)	166.2	166.2	166.2	166.2	166.2
15	Reserves excluding Revaluation Reserves				9,708.9	8,607.8
16i	Earnings per share (before extraordinary items) (of Rs. 10 each) (not annualised)					
	(a) Basic	21.01	21.59	17.86	73.32	95.79
	(b) Diluted	21.01	21.59	17.86	73.32	95.79
16ii	Earnings per share (After extraordinary items) (of Rs. 10 each) (not annualised)					
	(a) Basic	21.01	21.59	17.86	73.32	95.79
	(b) Diluted	21.01	21.59	17.86	73.32	95.79

PART II
SELECT INFORMATION FOR THE QUARTER AND YEAR ENDED DECEMBER 31, 2013

Sr. No.	Particulars	THREE MONTHS ENDED			YEAR ENDED	YEAR ENDED
		Dec. 31, 2013 (AUDITED)	Sep. 30, 2013 (UNAUDITED)	Dec. 31, 2012 (AUDITED)	Dec. 31, 2013 (AUDITED)	Dec. 31, 2012 (AUDITED)
A	PARTICULARS OF SHAREHOLDING					
1	Public Shareholding					
	-Number of shares	8088087	8088087	8088087	8088087	8088087
	-Percentage of shareholding	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
	-Percentage of shares (as a % of the total shareholding of promoter and promoter group)	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
	Particulars					3 Months ended December 31, 2013
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					-

Sr. No.	STANDALONE STATEMENT OF ASSETS AND LIABILITIES	YEAR ENDED	
		Dec. 31, 2013	Dec. 31, 2012
	Particulars	(AUDITED)	(AUDITED)
A	EQUITY AND LIABILITIES		
1	Shareholders' funds		
	(a) Share Capital	166.2	166.2
	(b) Reserves & Surplus	9,729.3	8,628.8
	Shareholders' Funds	9,895.5	8,795.0
3	Non-current liabilities		
	(a) Deferred tax liabilities (net)	174.1	64.4
	(b) Other long-term liabilities	16.1	15.2
	(c) Long-term Provisions	205.0	229.4
	Non Current Liabilities	395.2	309.0
4	Current Liabilities		
	(a) Trade payables	2,404.7	1,786.1
	(b) Other current liabilities	488.5	417.7
	(c) Short-term provisions	148.8	128.8
	Current Liabilities	3,042.0	2,332.6
	TOTAL- EQUITY AND LIABILITIES	13,332.7	11,436.6
B	ASSETS		
1	Non-current assets		
	(a) Fixed assets	4,123.2	3,927.1
	(b) Non-current investments	43.5	43.5
	(c) Long-term loans and advances	1,765.1	754.3
	(d) other non-current assets	4.6	4.6
	Non-current assets	5,936.4	4,729.5
2	Current assets		
	(a) Inventories	1,705.8	1,422.1
	(b) Trade receivables	2,906.0	2,547.1
	(c) Cash and cash equivalents	2,376.6	1,948.2
	(d) Short-term loans and advances	347.1	755.4
	(e) other current assets	60.8	34.3
	Current assets	7,396.3	6,707.1
	TOTAL- ASSETS	13,332.7	11,436.6
1	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.		
2	The figures of the last quarter are the balancing figures between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the respective financial year. Also the figures up to the end of the third quarter were only reviewed and not subjected to audit.		
3	The audited financial results for the year ended December 31, 2013 were reviewed by the Audit Committee and approved by the Board of Directors at the meeting held on February 11, 2014. The statutory auditors have expressed an unqualified opinion.		
4	The Board of Directors of the Company has recommended a dividend for the year ended December 31, 2013 at the rate of Rs.6.00 per share (2012:Rs. 5.00 per Share)		
	Per our report attached of even date B S R & Co. LLP Chartered Accountants Firm Reg. No. 101248W Vijay Mathur Partner Membership No. 046476 Mumbai / February 11, 2014		For FAG Bearings India Ltd.  Rajendra Anandpara Managing Director