



# 53<sup>rd</sup> Annual General Meeting

## FAG Bearings India Limited

Mumbai, April 27<sup>th</sup> 2016

**Rajendra Anandpara**  
Managing Director

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# Agenda

- 1** Economy and Market
- 2** Highlights Y2015
- 3** Strategy
- 4** Way forward Y2016

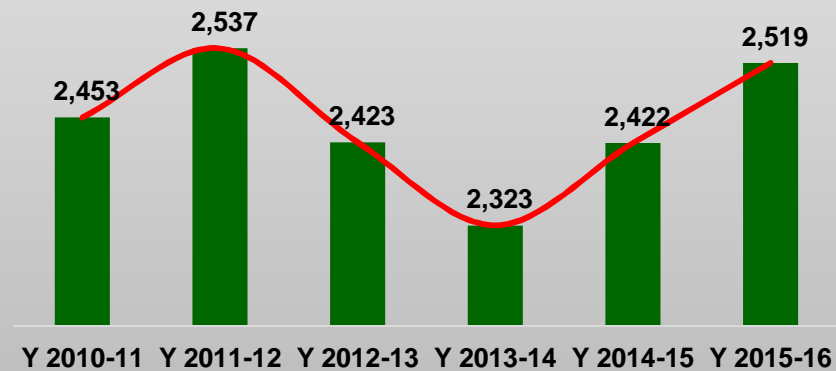
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# Mobility Sector...

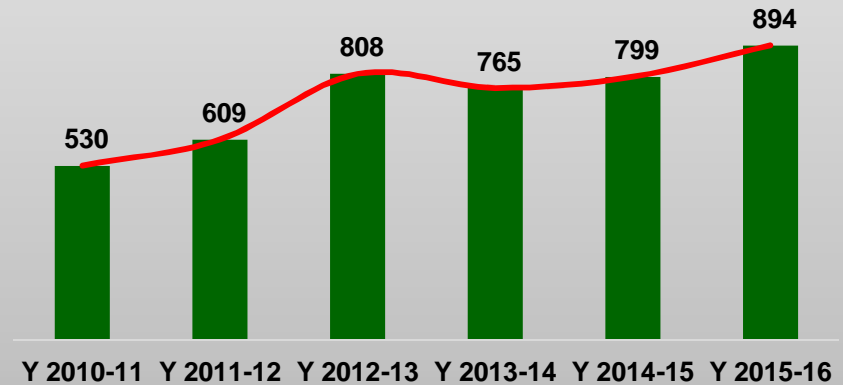
## Passenger Cars

<b>Growth</b>	3.4%	-4.5%	-4.1%	4.3%	4.0%
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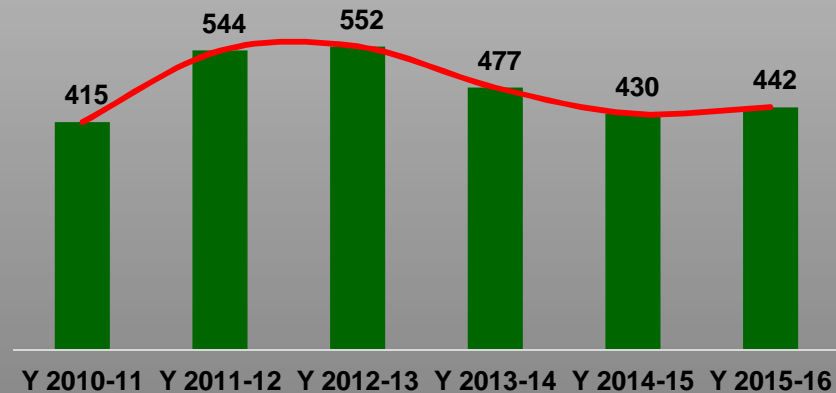
## UVs / MPVs

<b>Growth</b>	15.0%	32.7%	-5.3%	4.4%	11.9%
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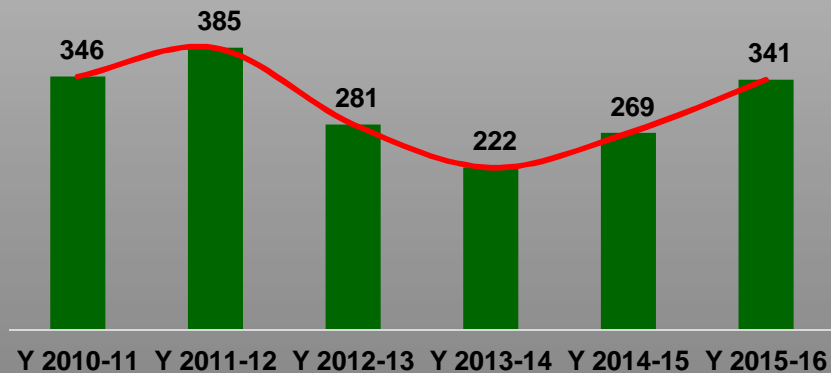
## LCV

<b>Growth</b>	31.2%	1.4%	-13.5%	-10.0%	2.8%
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## MCV / HCV

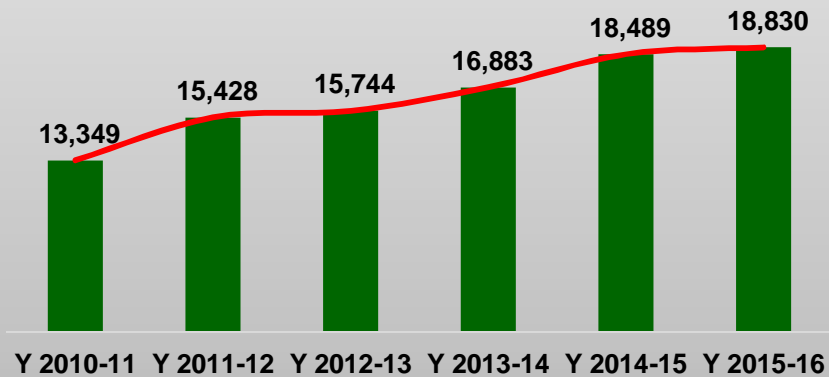
<b>Growth</b>	11.3%	-27.1%	-21.1%	21.2%	27.0%
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# Mobility Sector...

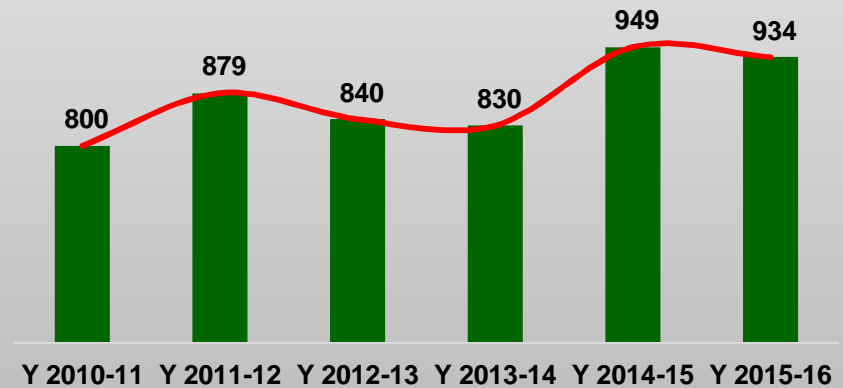
## Two Wheelers

<b>Growth</b>	15.6%	2.1%	7.2%	9.5%	1.8%
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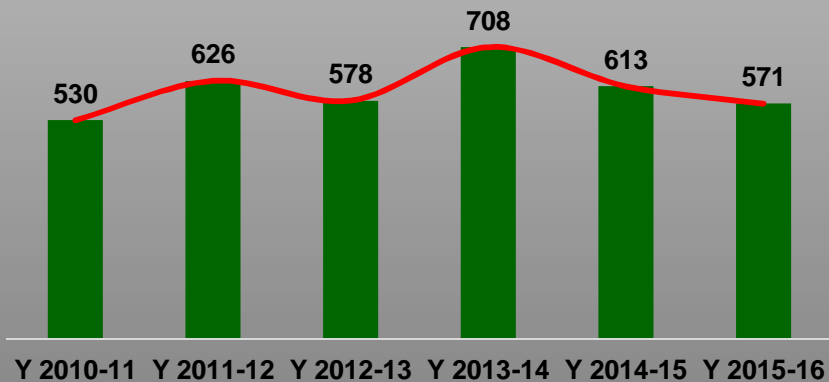
## Three Wheelers

<b>Growth</b>	10.0%	-4.5%	-1.1%	14.3%	-1.6%
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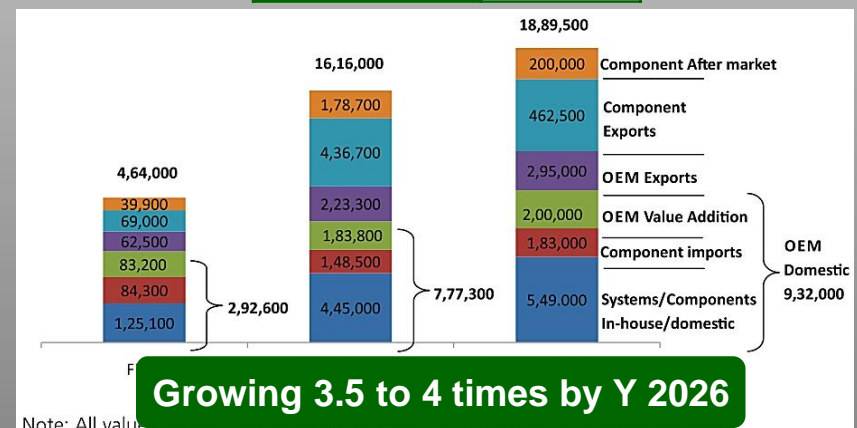
## Tractors

<b>Growth</b>	18.0%	-7.6%	22.4%	-13.4%	-6.9%
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## Automotive Mission Plan 2016 - 2026

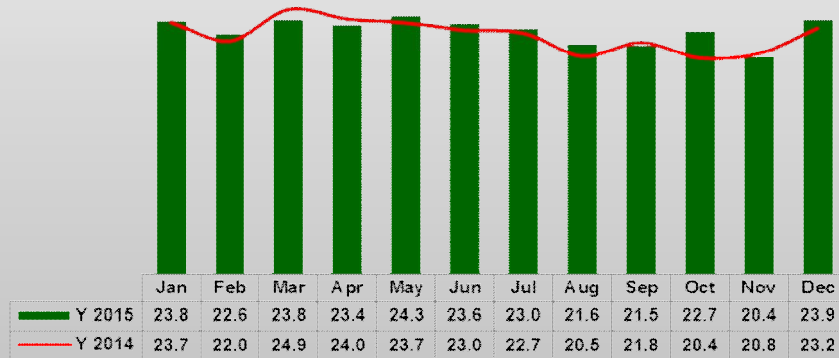
**Vision 3 / 12 / 65**



Note: All values in the above chart are in Euro and at current year (2016) prices.

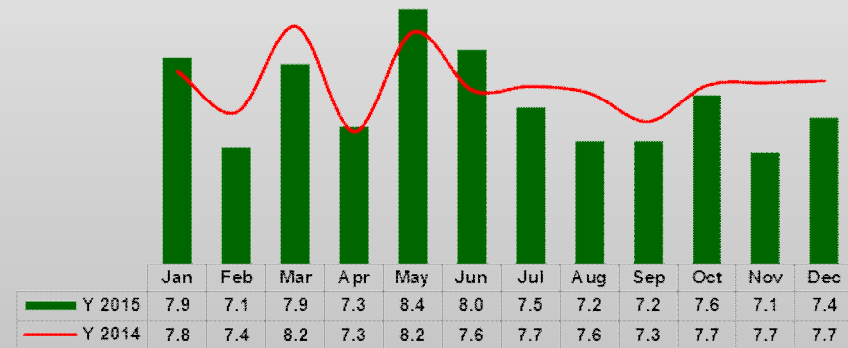
# Core Sector Growth

## Cement Production (Mio Tonnes)



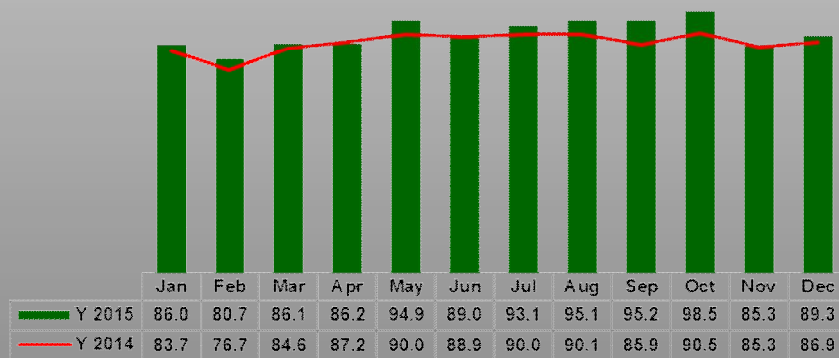
**Y 2014** 270.4 **Y 2015** 274.5 **Growth** 1.5%

## Steel Production (Mio Tonnes)



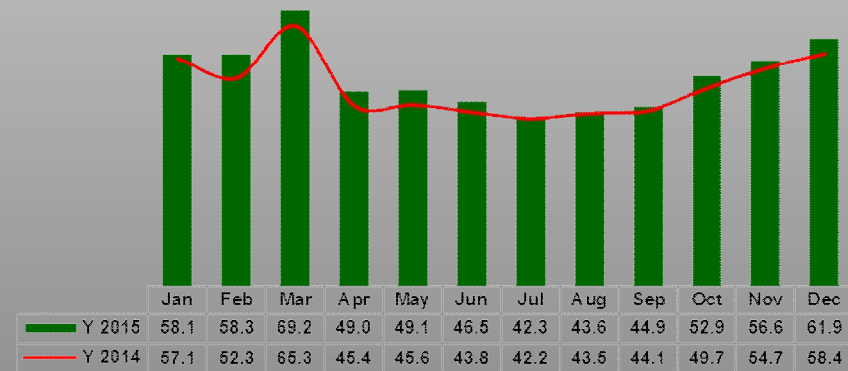
**Y 2014** 92.3 **Y 2015** 90.5 **Growth** -2.0%

## Electricity (Bn KWH)



**Y 2014** 1,040 **Y 2015** 1,079 **Growth** 3.8%

## Coal (Mio Tonnes)



**Y 2014** 602 **Y 2015** 632 **Growth** 5.1%

# Reviving Growth...

**Leverage Potential**

- ✓ Young India
- ✓ Growing Middle class
- ✓ Growing Urbanization



**Overcome Constraints**

- ✓ Infrastructure
- ✓ Bureaucracy
- ✓ Skill

## Initiatives

<p><b>Infrastructure Development</b></p> <ul style="list-style-type: none"> <li>✓ Roads</li> <li>✓ Ports</li> <li>✓ Inland Waterways</li> <li>✓ Housing</li> </ul>	<p><b>Railways</b></p> <ul style="list-style-type: none"> <li>✓ 100% FDI</li> <li>✓ DFC by Y2019</li> <li>✓ 10 year contract for locomotives</li> <li>✓ New metro rails</li> <li>✓ Semi high speed + Bullet trains</li> </ul>	<p><b>Urban development</b></p> <ul style="list-style-type: none"> <li>✓ 100 smart cities</li> <li>✓ Project AMRUT</li> </ul>	<p><b>Energy</b></p> <ul style="list-style-type: none"> <li>✓ Power for all</li> <li>✓ New Renewable capacity by Y 2022 : Solar 100GW, Wind 60 GW</li> </ul>
<p><b>Ease of Doing Business</b></p> <ul style="list-style-type: none"> <li>✓ FDI norms in 15 sectors</li> <li>✓ Defense and Aerospace</li> <li>✓ Automotive mission plan</li> </ul>	<p><b>Financial Inclusivity</b></p> <ul style="list-style-type: none"> <li>✓ "JAM" – Scheme</li> </ul> <p><b>Digital India</b></p> <ul style="list-style-type: none"> <li>✓ WiFi to major cities</li> <li>✓ Broadband for villages</li> </ul>	<p><b>Clean India</b></p> <ul style="list-style-type: none"> <li>✓ Focus on public hygiene and cleaning of river water</li> </ul>	<p><b>Skill India</b></p> <ul style="list-style-type: none"> <li>✓ 300 Million Skilled workforce</li> <li>✓ Entrepreneurship development</li> </ul>

**IMPLEMENTATION IS KEY**



# Agenda

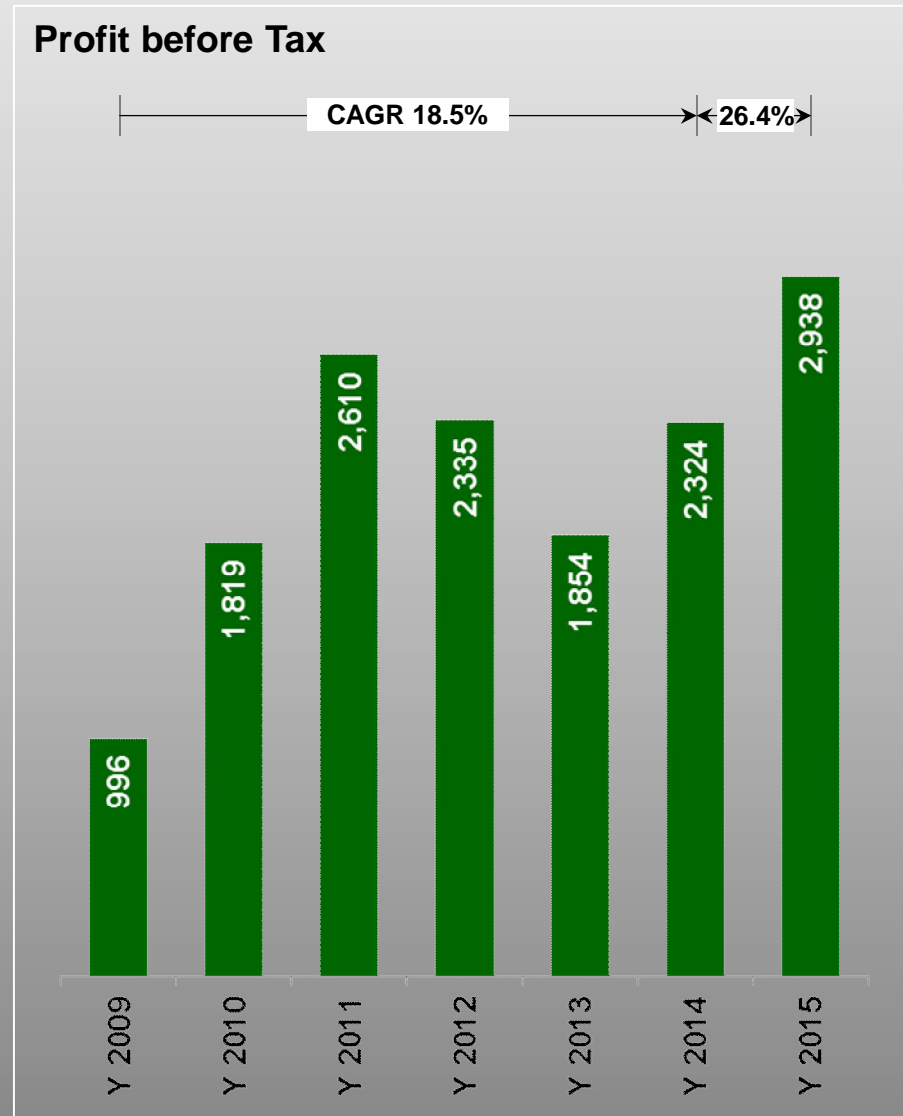
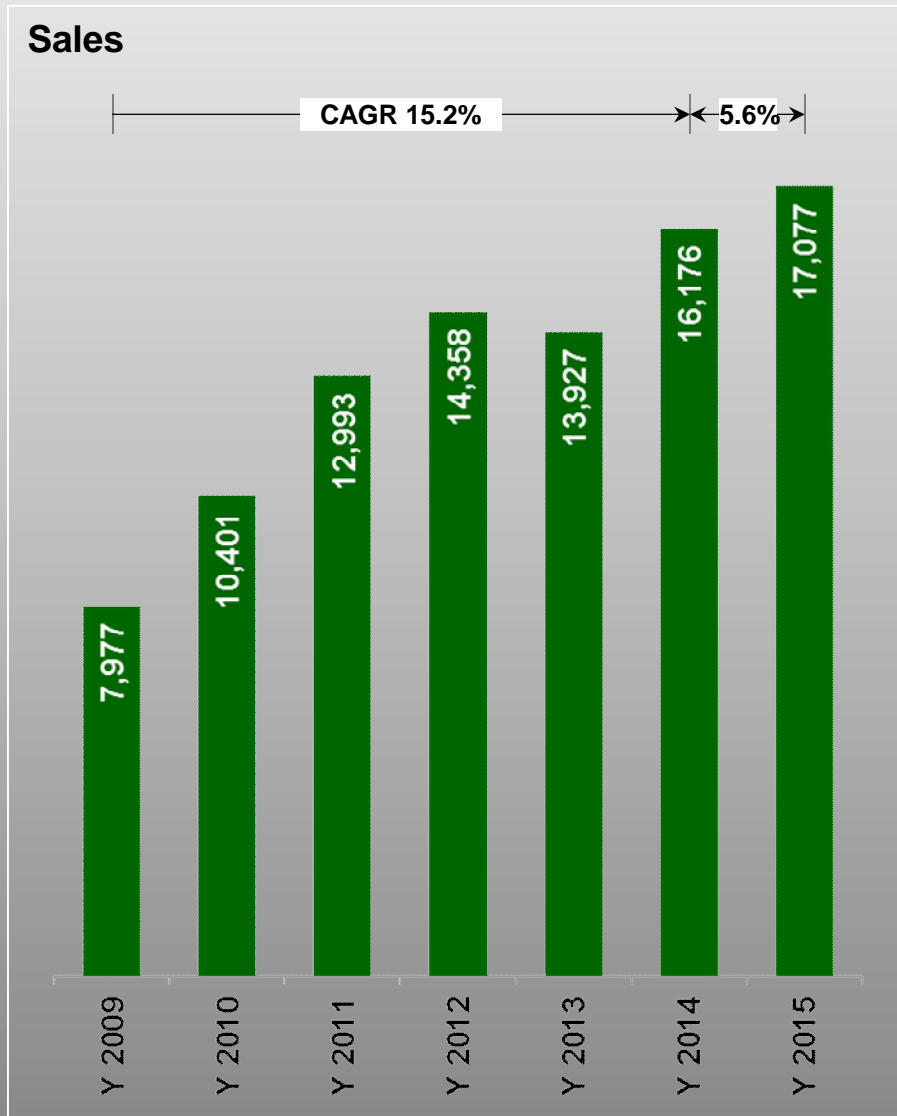
**1** Economy and Market

**2** Highlights Y2015

**3** Strategy

**4** Way forward Y2016

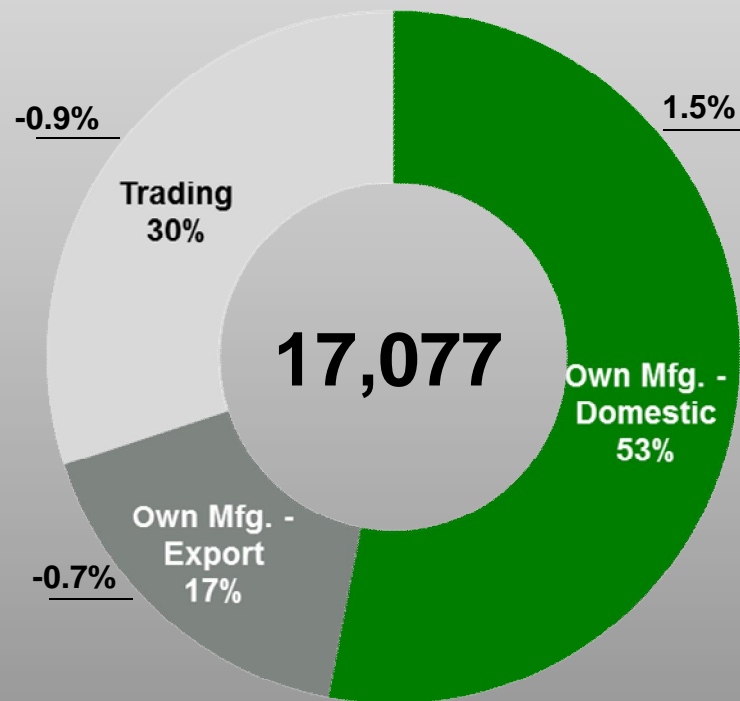
# Moderate Sales Development in Y 2015



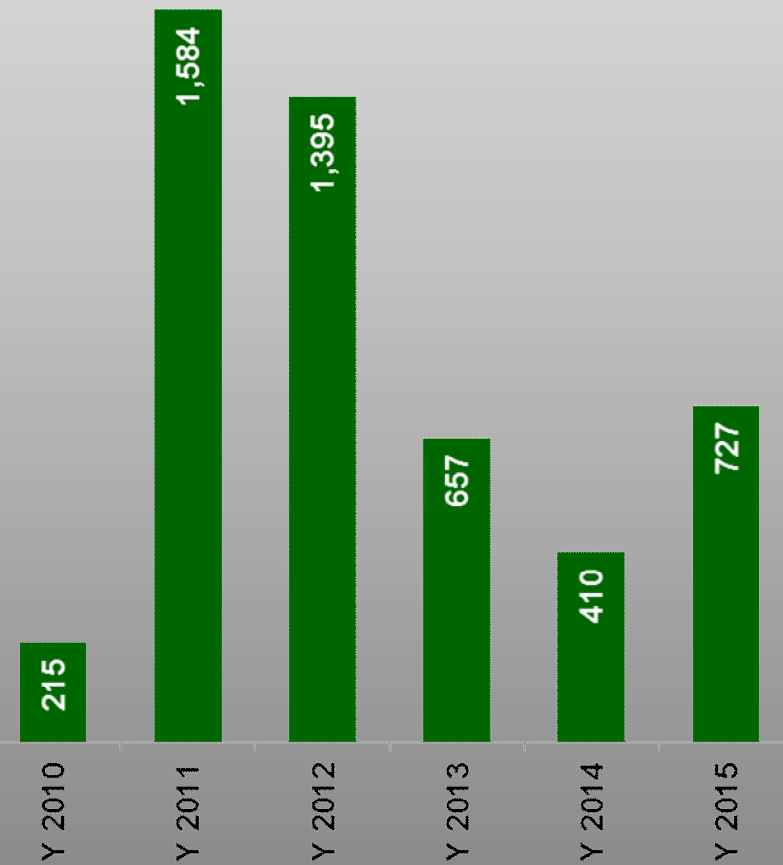
# Improving Localization...

Sales Mix

Change w. r.t. Y 2014

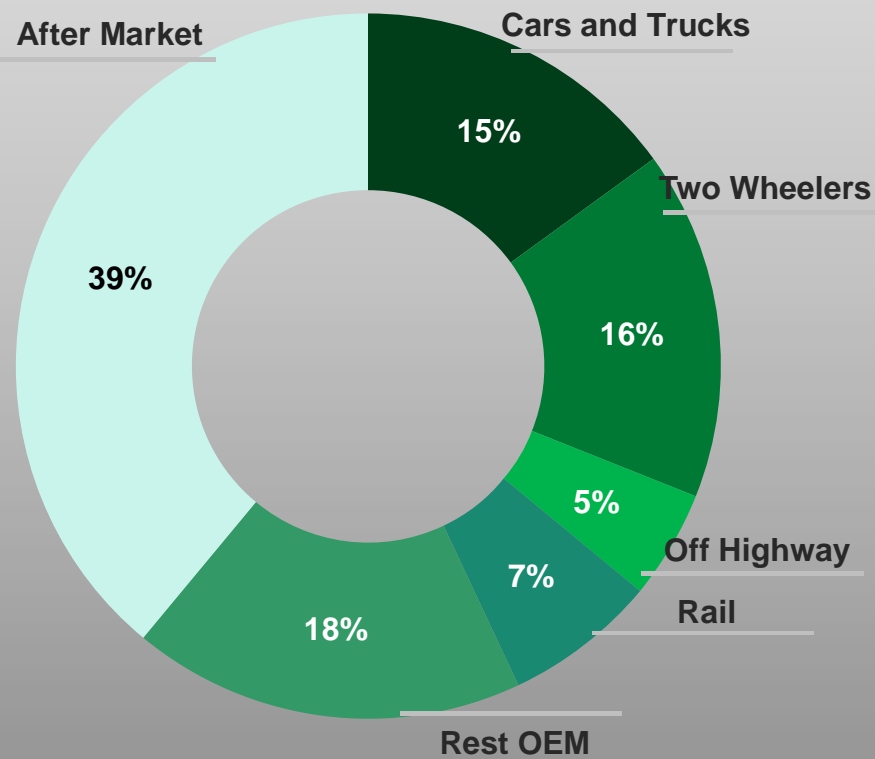


Investment



# Sales Structure and Market share : Y 2015

Sales Mix : % Third Party Sales 2015



Market Size ≈ 90 to 95 Billion INR



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# Schaeffler Strategy Concept - "Mobility for Tomorrow"

## Key mega trends

- Society trends**
  - Urbanization ✓✓
  - Population growth ✓
- Technology trends**
  - Increasing complexity ✓
  - Digitalization ✓
- Environmental trends**
  - Renewable energies ✓✓
  - Availability of resources ✓
- Economic trends**
  - Globalization ✓✓
  - Affordability ✓✓

## 4 Focus Areas

1 Eco-friendly drives

2 Urban mobility

3 Interurban mobility

4 Energy chain

**Mobility for Tomorrow**

# Strong competence in sectors we serve...

**Cars and Trucks**



**Two Wheelers**



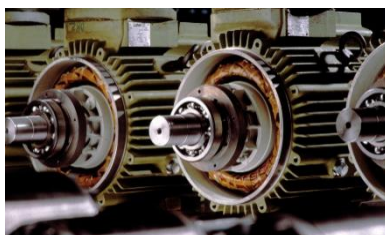
**Railways**



**Renewable Energy**



**Power Transmission**



**Heavy Industry**



**Off Highway**



**Automation**



**MRO - Steel**



**MRO - Raw Material**



**MRO - Power**



**MRO Paper and Pulp**



Customer First...

Automotive



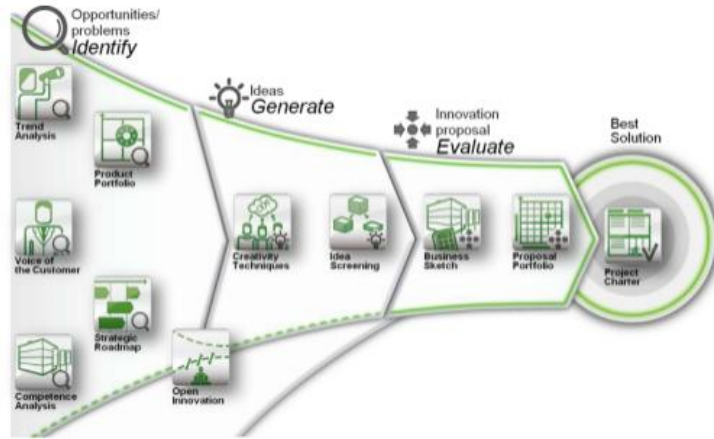
Industry



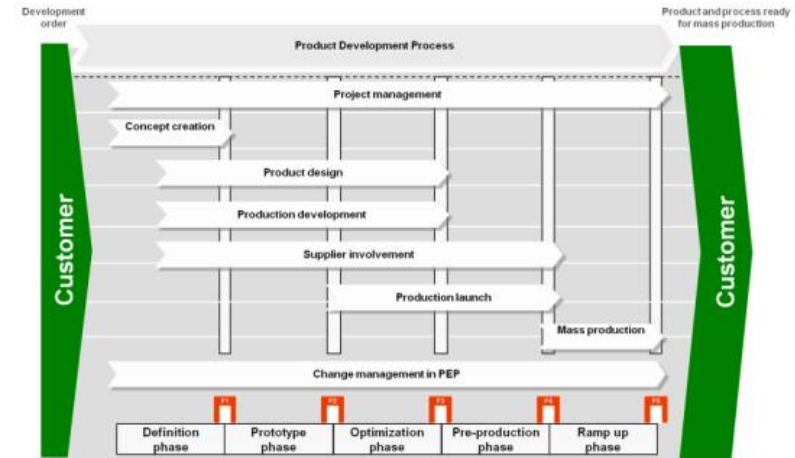


# Process and System Competence

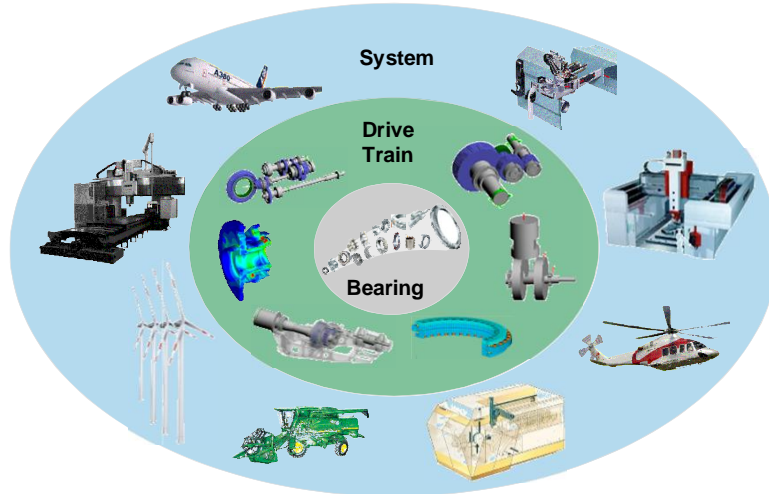
## Global Innovation Process



## Global Product Development Process



## Understanding System



## Developing Competence



# Manufacturing Footprint



Ball Bearing



Wheel Bearing



Roller Bearing

Medium Volume,  
Flexible Plant



Ball Bearing – Gen C



Large Size Bearing

Mass Production

Customized,  
Low Volume

# Operational Excellence



- State of the art technology
- Special machine building division
- Lean through MOVE
- ZERO defect through high Fit for Quality



# Recognition

**Engineering Export Promotion Council (EEPC)**



**Indo-German Chamber of Commerce (IGCC)**



**Rieter India Pvt. Ltd. Best Delivery Supplier Award**



**ACMA – Quality Circle Competition**



**Quality Circle Forum of India (QCFI)**



**ACMA – Kaizen Competition**



CSR spend Y 2015 :  $\approx$  31 Mio INR



Spreading Smiles...

Main Projects - 2015

- Mookdhwani Hostel
- Skill Development
- Mobi – Health
- Quest on Wheel

Projects 2016

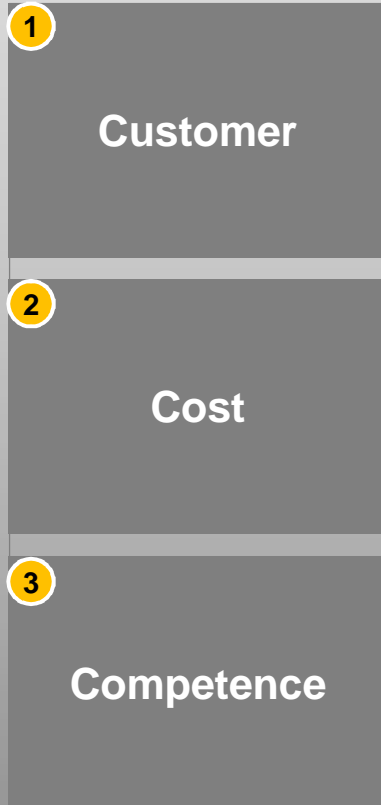
- Lamdapura School
- Quest on Wheel
- Mobi – Health 2
- Jagriti

# Agenda

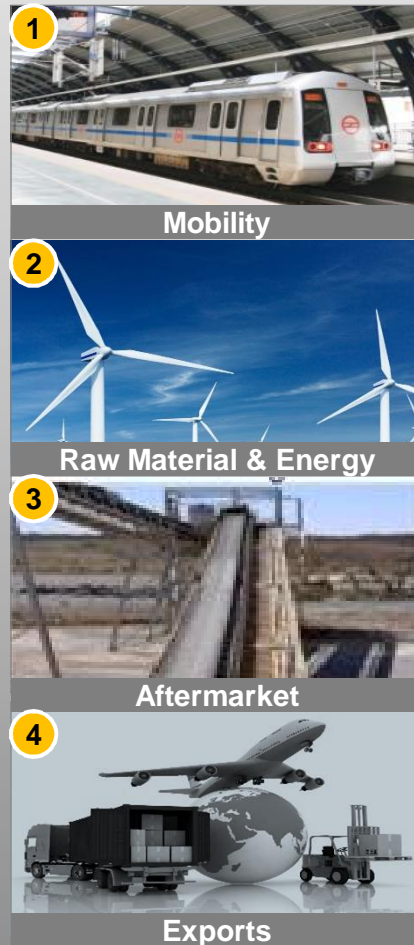
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# Going Forward...

## Core



## Markets



## Priorities



Profitable  
Long-term  
Growth

## Audited Financial Results Q1 - 2016

Mio INR

Sr. No.	Particulars	THREE MONTHS ENDED			YEAR ENDED
		Mar.31, 2016	Dec.31, 2015	Mar.31, 2015	Dec. 31, 2015
		(UNAUDITED)	(AUDITED)	(UNAUDITED)	(AUDITED)
<b>1</b>	<b>Income from Operations</b>				
	(a) Net sales / Income from Operations ( Net of excise duty)	4,123.3	4,388.3	4,052.6	17,077.6
	(b) Other Operating Income	52.6	61.3	37.8	166.7
	<b>Total income from operations (Net)</b>	<b>4,175.9</b>	<b>4,449.6</b>	<b>4,090.4</b>	<b>17,244.3</b>
<b>2</b>	<b>Expenses</b>				
	(a) Cost of materials consumed	1,579.9	1,728.0	1,455.6	6,292.2
	(b) Purchase of Stock-in- trade	1,032.0	890.3	818.1	3,714.2
	(c) Changes in inventories of finished goods, Work in Progress and stock-in-trade	(181.2)	(70.6)	84.7	(135.0)
	(d) Employees benefits expense	350.4	310.4	339.7	1,317.7
	(e) Depreciation and amortisation expense	152.0	278.4	124.5	655.1
	(f) Other expenses	661.5	677.2	758.8	3,002.4
	<b>Total expenses</b>	<b>3,594.6</b>	<b>3,813.7</b>	<b>3,581.4</b>	<b>14,846.6</b>
	<b>Profit from Operations before Other Income, finance costs and Exceptional Items (1-2)</b>	<b>581.3</b>	<b>635.9</b>	<b>509.0</b>	<b>2,397.7</b>
<b>3</b>	<b>Other Income</b>	<b>156.5</b>	<b>136.2</b>	<b>128.2</b>	<b>561.6</b>
<b>4</b>	<b>Profit from ordinary activities before finance costs and exceptional items (3+4)</b>	<b>737.8</b>	<b>772.1</b>	<b>637.2</b>	<b>2,959.3</b>
<b>5</b>	<b>Finance costs</b>	<b>4.2</b>	<b>3.4</b>	<b>4.8</b>	<b>21.2</b>
<b>6</b>	<b>Profit from ordinary activities after finance costs but before exceptional items (5 -6)</b>	<b>733.6</b>	<b>768.7</b>	<b>632.4</b>	<b>2,938.1</b>
<b>7</b>	<b>Exceptional Items</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>8</b>	<b>Profit from Ordinary Activities before tax (7-8)</b>	<b>733.6</b>	<b>768.7</b>	<b>632.4</b>	<b>2,938.1</b>
<b>9</b>	<b>Tax expense (refer note 4 below)</b>	<b>309.1</b>	<b>206.6</b>	<b>218.4</b>	<b>963.3</b>
<b>10</b>	<b>Net Profit from Ordinary Activities after tax (9-10)</b>	<b>424.5</b>	<b>562.1</b>	<b>414.0</b>	<b>1,974.8</b>
<b>11</b>	<b>Extraordinary Items (Net of tax expense)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>12</b>	<b>Net Profit for the period (11-12)</b>	<b>424.5</b>	<b>562.1</b>	<b>414.0</b>	<b>1,974.8</b>



# Performance : Jan – Mar Y2016

Mio INR



Δ Q1 2015 : +1.7%  
Δ Q4 2015 : -6.0%



Δ Q1 2015 : +16.0%  
Δ Q4 2015 : - 4.6%



Δ Q1 2015 : +2.1%  
Δ Q4 2015 : +0.3%

# Way Forward Y 2016...

## Growth

**Sales Growth**

≈ 5% +

**PBT**

≈ 15% +

## Operations

**Investments**

≈ 1,000 mn INR

**Utilization**

≈ 90%

## People

**Employees**

≈ +90 People

**Initiatives**

Competence Build-up

## Strategy

Realize long term profitable growth by focusing on

- Customer,
- Cost and
- Competence



# MORE

