SCHAEFFLER INDIA LIMITED

[formerly known as FAG Bearings India Limited]

CIN: L29130MH1962PLC012340

Regd.Office : Nariman Bhavan, 8th Floor, 227 Backbay Reclamation, Nariman Point, Mumbai - 400 021
Ph. +91 22 66814444; Fax; +91 22 22027022 Website: www.schaeffler.co.in Email: investorsupport.in@schaeffler.com

STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED DECEMBER 31, 2017

(Amount in INR million except per share data)

Sr.	Particulars	Three Months Ended			Year Ended	
		Dec 31, 2017	Sept 30, 2017	Dec 31, 2016	Dec 31, 2017	Dec 31, 2016
		Audited (Refer note 2)	Unaudited	Audited (Refer note 2)	Audited	Audited
1	**Income**					
	(a) Revenue from operations (Refer note 7)	5,060.8	4,921.8	4,996.8	19,910.7	19,451.6
	(b) Other income	184.8	180.8	192.2	679.3	682.6
	Total Income	**5,245.6**	**5,102.6**	**5,189.0**	**20,590.0**	**20,134.2**
2	**Expenses**					
	(a) Cost of materials consumed	1,913.4	1,734.3	1,775.7	7,273.3	6,828.7
	(b) Purchases of stock-in- trade	1,015.9	902.6	1,151.5	3,708.8	4,588.4
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(59.8)	243.9	(172.3)	74.1	(591.1)
	(d) Excise duty (Refer note 7)	0.0	-	369.3	723.5	1,488.4
	(e) Employees benefits expense	361.6	395.8	413.4	1,530.9	1,492.3
	(f) Finance costs	0.7	1.5	4.9	10.2	17.6
	(g) Depreciation and amortisation expense	179.4	178.8	175.0	711.2	641.0
	(h) Other expenses	816.3	739.6	721.6	2,934.9	2,675.6
	Total Expenses	**4,227.5**	**4,196.5**	**4,439.1**	**16,966.9**	**17,140.9**
3	**Profit before exceptional items and tax (1 - 2)**	**1,018.1**	**906.1**	**749.9**	**3,623.1**	**2,993.3**
4	Exceptional items	-	-	-	-	-
5	**Profit before tax (3 - 4)**	**1,018.1**	**906.1**	**749.9**	**3,623.1**	**2,993.3**
6	**Tax expense**					
	(i) Current tax	357.1	336.5	216.7	1,278.3	1,109.3
	(ii) Deferred tax	(18.4)	(16.6)	(14.2)	(35.4)	(66.6)
7	**Profit for the period (5 - 6)**	**679.4**	**586.2**	**547.4**	**2,380.2**	**1,950.6**
8	**Other Comprehensive Income**					
	A (i) Items that will not be reclassified to profit or loss	(3.2)	13.1	(6.1)	(11.7)	(20.7)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	1.0	(4.5)	2.2	4.0	7.2
	B (i) Items that will be reclassified to profit or loss	(3.9)	37.4	(63.0)	107.3	(71.1)
	(ii) Income tax relating to items that will be reclassified to profit or loss	1.3	(12.9)	21.8	(37.1)	24.6
	Total Comprehensive Income for the period (comprising Profit and Other Comprehensive Income for the period) (7 + 8)	**674.6**	**619.3**	**502.3**	**2,442.7**	**1,890.6**
9	Paid-up equity share capital (face value of Rs.10 per share)	166.2	166.2	166.2	166.2	166.2
10	Earnings per equity share (of Rs.10 each) (not annualised)					
	(a) Basic (Rs.)	40.9	35.3	32.9	143.2	117.4
	(b) Diluted (Rs.)	40.9	35.3	32.9	143.2	117.4

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STATEMENT OF AUDITED ASSETS & LIABILITIES

(Amount in INR million)

Sr.	Particulars	As at Dec 31, 2017	As at Dec 31, 2016
		Audited	Audited
A)	**ASSETS**		
1	**Non-current assets**		
a)	Property, plant and equipment	3,799.1	3,861.2
b)	Capital work-in-progress	326.6	241.3
c)	Other intangible assets	0.1	0.4
d)	Financial assets		
	(i) Loans	660.0	990.0
	(ii) Other financial assets	35.2	35.8
e)	Deferred tax assets (net)	26.0	23.7
f)	Income-tax assets (net)	386.8	358.4
g)	Other non-current assets	66.9	32.5
	Total Non-current assets	**5,300.7**	**5,543.3**
2	**Current assets**		
a)	Inventories	2,736.2	2,739.9
b)	Financial assets		
	(i) Trade receivables	3,198.9	3,262.8
	(ii) Cash and cash equivalents	776.9	972.6
	(iii) Bank balances other than (ii) above	7,529.5	5,432.9
	(iv) Loans	530.0	-
	(v) Other financial assets	412.9	175.5
c)	Other current assets	444.6	410.1
	Total Current assets	**15,629.0**	**12,993.8**
	TOTAL ASSETS	**20,929.7**	**18,537.1**
B)	**EQUITY & LIABILITIES**		
1	**Equity**		
a)	Equity share capital	166.2	166.2
b)	Other equity	16,787.0	14,585.4
	Total Equity	**16,953.2**	**14,751.6**
2	**Liabilities**		
	Non-current liabilities		
a)	Financial liabilities		
	(i) Other financial liabilities	10.1	12.7
b)	Long-term provisions	285.6	257.9
	Total Non-current liabilities	**295.7**	**270.6**
	Current liabilities		
a)	Financial liabilities		
	(i) Trade payables	2,867.9	2,710.0
	(ii) Other financial liabilities	632.5	636.3
b)	Other current liabilities	108.6	118.6
c)	Short-term provisions	71.8	50.0
	Total Current liabilities	**3,680.8**	**3,514.9**
	Total Liabilities	**3,976.5**	**3,785.5**
	TOTAL EQUITY AND LIABILITIES	**20,929.7**	**18,537.1**

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Notes:

1 The above financial results for the quarter and year ended December 31, 2017 were reviewed by the Audit Committee at their meeting held on February 6, 2018 and approved by the Board of Directors at their meeting held on February 7, 2018. The Statutory Auditors have audited these financial results and issued an unmodified opinion thereon.

2 The figures for 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 This Statement has been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under Section 133 of the Companies Act, 2013 and other recognized accounting practices and policies to the extent applicable. Beginning January 1, 2017, the Company has for the first time adopted Ind AS with a transition date of January 1, 2016.

4 The business of the Company mainly comprises sale of "Ball / Roller Bearings and related components" which has been identified as a single reportable segment for the purpose of Indian Accounting Standard (Ind AS) 108 on 'Operating Segments'.

5 The reconciliation of Net profit after tax reported in accordance with Previous GAAP to total comprehensive income in accordance with Ind AS is given below:

Profit Reconciliation		Quarter ended Dec 31, 2016 Audited (Refer note 2)	Year ended Dec 31, 2016 Audited
Net Profit after tax for the period under Previous GAAP		**563.8**	**1,945.0**
Adjustments:			
a) Measurement of financial assets at fair value		(20.3)	(7.9)
b) Actuarial gain on defined benefit plans recognised in Other Comprehensive Income		3.9	13.5
Net Profit after tax for the period under Ind AS	**(A)**	**547.4**	**1,950.6**
Other Comprehensive Income (net of tax)	**(B)**	**(45.1)**	**(60.0)**
Total Comprehensive Income as per Ind AS	**(A + B)**	**502.3**	**1,890.6**

6 The reconciliation of Equity reported in accordance with Previous GAAP to Equity reported in accordance with Ind AS is given below:

Equity Reconciliation	Year ended Dec 31, 2016
Equity under Previous GAAP	**14,525.2**
Adjustments:	
a) Impairment of financial assets based on expected credit loss model	(55.4)
b) Tax impact on above adjustment	19.1
c) Reversal of proposed dividend and tax thereon	241.1
d) Tax relating to items that will be reclassified to profit or loss	21.6
Total Equity as per Ind AS	**14,751.6**

7 Revenue from operations for the current quarter and for the quarter ended September 30, 2017 are net of Goods and Services Tax whereas for the other periods presented it is gross of Excise duty (which has been presented separately under Total expenses). Accordingly, the amounts are not comparable.

8 A Scheme of Amalgamation ('the Scheme') of INA Bearings India Private Limited and Luk India Private Limited with the Company was approved on August 30, 2017 by the Board of Directors of the respective companies with appointed date as January 1, 2018. The Company has filed the draft Scheme before the respective National Company Law Tribunal (NCLT) benches in Mumbai and Chennai. Pending such regulatory approvals, no effect of the aforesaid draft Scheme has been given in the financial results.

9 The Board of Directors of the Company has recommended a dividend for the year ended December 31, 2017 at the rate of ₹ 17 per share (2016: ₹ 12.0 per share).

10 Previous period figures have been re-grouped / re-classified wherever necessary.

As 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

New Delhi
February 7, 2018

For and on behalf of the Board of Directors

Dharmesh Arora
Managing Director
DIN: 05350121

B S R & Co. LLP
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Independent Auditor's Report on the financial results of Schaeffler India Limited (formerly known as FAG Bearings India Limited) pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
The Board of Directors of Schaeffler India Limited (formerly known as FAG Bearings India Limited)

We have audited the accompanying annual financial results of Schaeffler India Limited (formerly known as FAG Bearings India Limited) ('the Company') for the quarter ended 31 December 2017 and the year to date results for the period from 1 January 2017 to 31 December 2017 ('the Statement'), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Attention is drawn to the fact that the figures for the quarter ended 31 December 2017 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.

Management's Responsibility for the Financial Results

These quarterly financial results as well as the year to date financial results have been prepared on the basis of the annual financial statements and reviewed quarterly financial results up to the end of the third quarter. Management is responsible for the preparation of these financial results that give a true and fair view of the net profit and other financial information in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards which are prescribed under Section 133 of the Companies Act, 2013 (the Act), read with Rule 7 of the Companies (Accounts) Rules. 2014 and other accounting principles generally accepted in India and in compliance with Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

This responsibility also includes design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial results based on our audit of the annual financial statements. We conducted our audit in accordance with the Standards on Auditing 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 misstatement.

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 quarterly financial results as well as the year to date results:

(i) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard; and

(ii) give a true and fair view of the financial performance including other comprehensive income and other financial information for the quarter ended 31 December 2017 as well as the year to date results for the period 1 January 2017 to 31 December 2017.

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

Vijay Mathur
Partner
Membership No.: 046476

New Delhi
7 February 2018

SCHAEFFLER

Press Release

Schaeffler India Limited announces Q4 and full year results ended December 31, 2017

Board of Directors approved and declared a dividend of INR 17 per share

New Delhi, *February 07, 2018.* Leading industrial and automotive supplier, Schaeffler India Limited (BSE: 505790, NSE: SCHAEFFLER) today announced that the Board of Directors approved the results for the fourth quarter and full year, ended December 31, 2017.

October – December 2017

- Total income (net) for the quarter increased to INR 5,246 million, higher by 8.8% than the corresponding quarter of 2016.
- EBT for the quarter increased to INR 1,018 million, higher by 35.8% than the corresponding quarter of 2016.

January – December 2017

- Total income (net) for the 12 month period increased to INR 19,867 million, higher by 6.5% than the corresponding period of 2016.
- EBT for the same period increased to INR 3,623 million, higher by 21.0% than the corresponding period of 2016.

Further to the merger scheme announced on August 30, 2017 by the Board of Directors of INA Bearings India Pvt Limited, LuK India Pvt Limited and Schaeffler India Limited, Schaeffler India also published the consolidated results on a pro-forma basis for the three companies. On a pro-forma basis the twelve months' (Jan-Dec 2017) consolidated total income (net) stood at INR 40,216 million, higher by 10.8% compared to the corresponding twelve months of 2016.

Commenting on the results and financial performance, Mr. Dharmesh Arora, Managing Director, Schaeffler India Limited said, "In a year that had challenges like GST implementation, lingering impact from demonetization and new emission standards for commercial vehicles, company delivered solid results. Revenue grew by 6.5% for the year and on account of good sales mix, stable foreign exchange and operational efficiencies, EBT grew faster by 21%. The year was made memorable by announcement made in August, of merging the Schaeffler Group's unlisted entities INA Bearings India Pvt Ltd and LuK India Pvt Ltd with Schaeffler India Ltd. The combined results (proforma) demonstrated the strength of

our balanced portfolio among automotive and industrial sectors, growing by 10.8%. Merger is progressing as planned and is expected to be closed by Q3, 2018. The Board of Directors recommended a dividend of INR 17 per share which is higher than previous years"

About Schaeffler India Limited (formerly FAG Bearings India Limited)

Schaeffler India Limited was established at Vadodara, Gujarat in 1962. With sales of INR 18.8 billion in 2016 and 1,571 employees, it is amongst India's leading manufacturers of Ball and Roller Bearings. The company's plants are rated among the most technologically advanced facilities of the Schaeffler Group and have global qualifications in terms of quality and productivity. Its bearings are highly preferred in domestic as well as various global markets that find wide ranging applications from electric motors to wind mills, motorcycles to mining, tractors to textile machines, and from paper to steel mills. In addition, the comprehensive services portfolio helps customers to maximize plant availability, prevent unforeseen machine downtimes and reduce maintenance cost. Schaeffler India's trained technicians provide to customer a comprehensive range of equipment and services for the mounting and maintenance of rolling bearings.

About INA Bearings India Private Limited (INA India)

INA India was incorporated on September 23, 1997 as a private limited company and is engaged in the business of rolling bearings for automotive and industrial applications, precision parts for automotive engine, transmission and chassis systems. As a supplier of innovative products, INA India provides solutions like valve train systems, belt and chain drive systems, transmission synchronizer systems etc. that help improve fuel efficiency, reduce emissions and make powertrains more efficient. With a very wide customer base ranging from industrial to automotive customers, including two wheelers INA India is synonym with efficiency and powertrain technology. It operates a manufacturing plant including a development center from Talegaon, close to Pune.

About LuK India Private Limited (LuK India)

LuK India was incorporated on March 22, 1995 as a private limited company and is engaged in the business of manufacturing and supply of high quality innovative products such as clutch systems and transmission automation solutions. Located in South India at Hosur in the state of Tamil Nadu, LuK India has strong local product engineering capabilities with access to technology, expertise, and management system of the Schaeffler Group. Innovative products from LuK India like hydraulic clutch release system, dual mass flywheel and dampners enable better driving and comfort, making LuK India a preferred supplier for passenger cars, SUVs, trucks and tractors. The brand has a strong presence in the automotive aftermarket through a vast network of distributors and dealers.

About Schaeffler Group

The Schaeffler Group is a global automotive and industrial supplier. Top quality, outstanding technology and exceptionally innovative spirit form the basis for the continued success of the company. By delivering high precision components and systems in engine, transmission, and chassis applications as well as rolling and plain bearing solutions for a large number of industrial applications, the Schaeffler Group is already shaping "Mobility for tomorrow". The technology company generated sales of approximately EUR 14 billion in 2017. With around 86,600 employees, Schaeffler is one of the world's largest family-controlled companies and, with approximately 170 locations in over 50 countries, has a worldwide network of manufacturing locations, research and development facilities, and sales companies.

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For further information

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