FAG

SCHAEFFLER



FAG Bearings India Limited

Annual Report 2016


STEPS
INTO THE
FUTURE



10 YEARS' HIGHLIGHTS

(₹ in million)

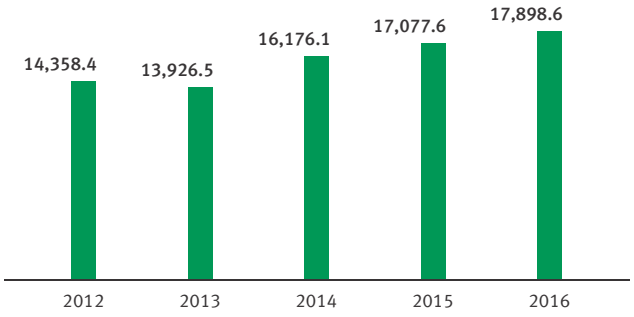
Year	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
SOURCES OF FUNDS										
Share Capital	166.2	166.2	166.2	166.2	166.2	166.2	166.2	166.2	166.2	166.2
Reserves*	14,340.4	12,707.0	10,888.9	9,708.9	8,607.8	7,112.6	5,546.1	4,428.3	3,860.4	2,990.7
Net-Worth*	14,506.6	12,873.2	11,055.1	9,875.1	8,774.0	7,278.8	5,712.3	4,594.5	4,026.6	3,156.9
Borrowings - Long-term	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Funds Employed	14,506.6	12,873.2	11,055.1	9,875.1	8,774.0	7,278.8	5,712.3	4,594.5	4,026.6	3,156.9
INCOME AND PROFITS										
Sales (Net)	17,898.6	17,077.6	16,176.1	14,202.4	14,358.4	12,993.3	10,400.8	7,976.9	7,444.1	6,413.0
Gross Operating Profit	3,643.1	3,614.4	2,826.9	2,294.5	2,650.4	2,848.1	2,054.4	1,318.8	1,728.0	1,412.5
Profit Before Tax	2,984.5	2,938.1	2,323.7	1,854.4	2,334.7	2,609.6	1,818.8	995.8	1,473.5	1,244.8
Tax	1,039.5	963.3	794.9	636.1	742.9	849.9	603.8	340.4	516.3	449.5
Profit After Tax	1,945.0	1,974.8	1,528.8	1,218.3	1,591.8	1,759.7	1,215.0	655.4	957.2	795.3
Dividend Per Share (₹)**	12.0	10.0	7.5	6.0	5.0	10.0	5.0	4.5	4.5	4.0
Retained Earnings	1,703.9	1,768.9	1,383.0	1,101.0	1,495.2	1,566.5	1,117.8	567.9	869.7	715.5
OTHER DATA										
Gross Fixed Assets	9,100.4	8,372.7	7,594.8	7,554.5	7,148.5	5,320.7	4,275.9	4,200.4	4,152.7	3,741.1
Net Worth Per Equity (₹)	873.0	774.7	665.3	594.3	528.0	438.0	343.8	276.5	242.3	190.0
Debt Equity Ratio	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Current Ratio	3.5	3.6	3.4	2.4	2.9	2.7	3.1	3.2	2.8	2.5
Production (Nos. in million)	125.7	116.9	112.3	91.6	80.7	78.3	67.7	47.7	46.4	45.1
Sales (Nos. in million)	125.5	118.1	112.7	92.9	81.5	77.4	66.3	49.2	45.4	44.6
Employees (Nos.)#	1,525	1,560	1,477	1,495	1,580	1,456	1,343	1,334	1,375	1,282
Shareholders (Nos.)#	10,430	9,771	8,701	7,808	8,465	8,205	7,876	7,276	7,623	7,439

**Excluding revaluation reserve **Proposed # As on December 31*

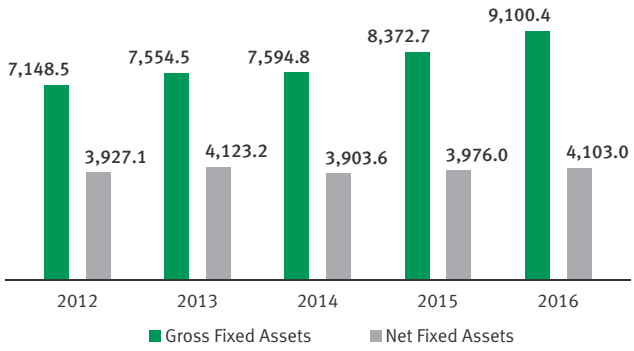
PERFORMANCE HIGHLIGHTS: 5 YEARS

(₹ in million)

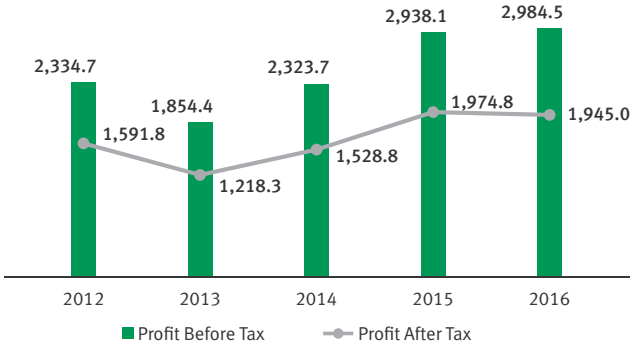
Net Sales



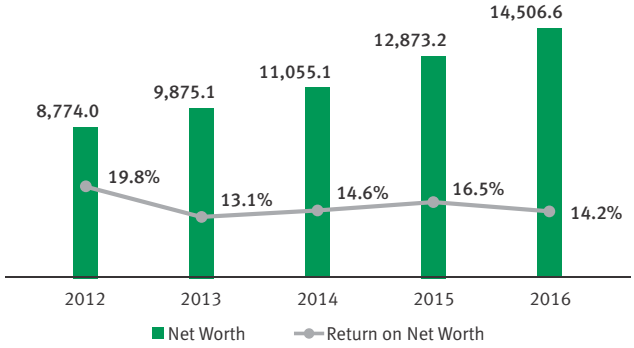
Gross and Net Fixed Assets



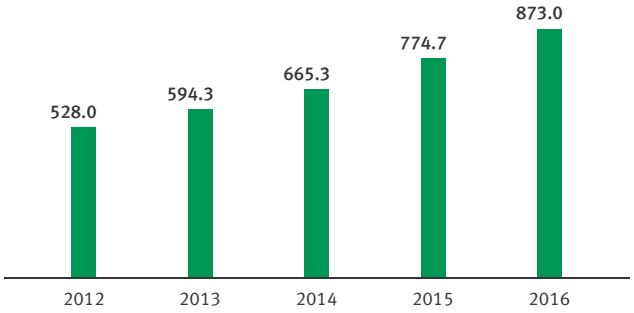
Profit Before Tax and Profit After Tax



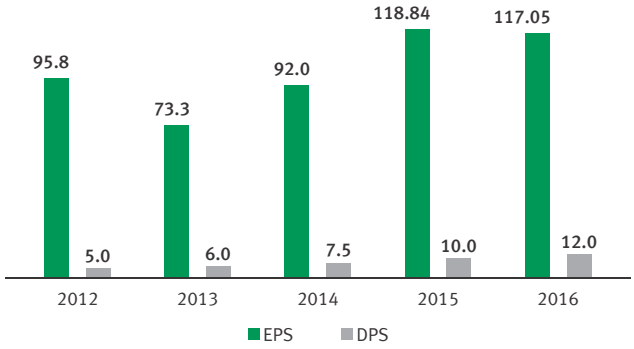
Net Worth and Return on Net Worth (%)



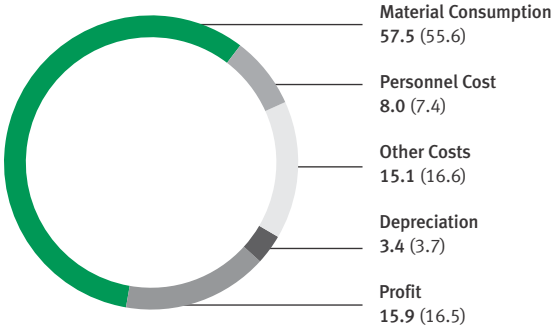
Book Value per Share (In ₹)



Earnings per Share and Dividend per Share (In ₹)

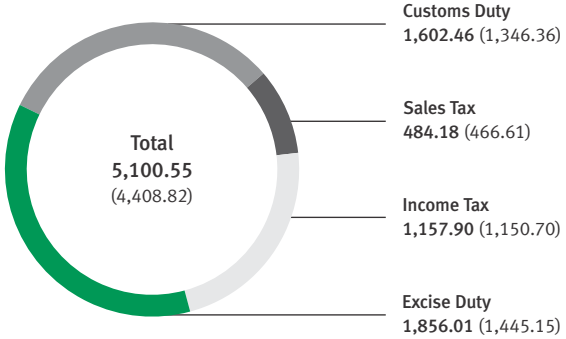


Distribution of Income (%)



Bracket denotes previous year's figures

Contribution to Exchequer (₹ in million)



MOBILITY FOR TOMORROW

Mission

"Guided by the values of a global family business, we work closely together with our customers as true partners to deliver a compelling value proposition through our best-in-class expertise in manufacturing technology and systems know-how. In doing so, we contribute to the success of our customers, the advancement of our employees, and the prosperity of our society."

Vision

"As a leader in technology, we combine a passion for innovation with the highest standards of quality to shape the future of mobility – for a world that will be cleaner, safer, and smarter."



"We have used 2016 to fine-tune our strategic concept with its 4 focus areas. In doing so, we have been guided by the following fundamental principle: We will only be successful in the long run if we combine long-term thinking and the success factors that have proven themselves over the years – Quality, Technology, and Innovation – with a systematic orientation towards the future."

- Klaus Rosenfeld
Chief Executive Officer - Schaeffler AG

SCHAEFFLER



Eco-friendly drives

- Optimised combustion engine
- Electric cars
- Industrial drives



Urban mobility

- Two-wheelers
- Innercity railways
- Micro mobiles



Interurban mobility

- Rail vehicles
- Aircraft
- Off -highway



Energy chain

- Wind power
- Solar power
- Conventional power generation

4 FOCUS AREAS

Schaeffler Strategic Direction

STEPS INTO THE FUTURE

If success is a journey, the steps that one takes in the right direction are perhaps more important than mere distance covered.

It is good to remember 2016 for some path-breaking steps that our country undertook during the year. ISRO's success in launch of multiple satellites, progress towards GST implementation and demonstration of India's commitment towards climate change by signing of Paris treaty, are some steps that will undoubtedly have strong impact on the future of our nation.

During 2016 Schaeffler fine-tuned its strategic concept 'Mobility for tomorrow'. Besides articulating the 4 Focus areas, 8 Strategic Pillars and 16 initiatives under an Excellence program, the Group clearly defined its vision & mission statement together with its 4 core values. In summary, a blueprint and a roadmap of where the Group is heading in its journey to create a profitable enterprise with sustainable value has been laid out.

Here at FAG, your Company not only aligned its approach with the Group's strategy, it also took some concrete steps to strengthen its long-term competitiveness. We strengthened our presence in focus sectors, and consistently pursued localisation goal to expand our manufacturing and engineering footprint. By aligning and involving our people in the organisational renewal process, together we took some solid steps into the future...





HIGH VOLUME FOCUS

Generation C Low Friction Ball Bearings

C stands for change. FAG Gen C ball bearings have redefined quality. For our customers, it means low friction, quiet running, better sealing and long life.

Dedicated ball bearings lines at Savli have set up a new global benchmark in terms of quality and productivity. During the year under review, we commissioned two new manufacturing lines at Savli.

Gen C ball bearings have found great acceptance from our customers in sectors such as two-wheelers, e-motors and production machinery, to name a few.

Advanced Wheel Bearing Solutions

Wheel bearings of Gen 3 are highly integrated units with a mounting flange, brake disc, wheel mounts and integrated speed encoders. Our customers in Passenger Car and Utility sectors prefer FAG advanced wheeler bearing solutions as these offer high reliability, low weight and maintenance-free long performance under demanding conditions.

During the year, FAG acquired nominations for wheel bearings on new car/SUV platforms under development with our top customer accounts. With these projects on hand, we have set basis for further expansion of our business in automotive sector.

High volumes offer economies of scale. When you combine high volume with high innovation, result is sustainable competitive advantage. Market sectors like two-wheeler, automotive and off-highway offer opportunities for high volume and high growth. During the year, your Company leveraged its strengths in technology, quality and innovation to acquire new businesses in these markets