

Directors' Report

Dear Shareholders,

Your Directors are pleased to present the 58th Annual Report of the Company together with the audited financial statements of the Company for the year ended December 31, 2020.

Financial Highlights

Particulars	₹ in million)	
	2020	2019
REVENUES	37,618.4	43,606.3
EBITDA*	5,401.3	6,460.8
Less: Depreciation	1,939.7	1,587.1
Less: Finance cost	52.4	34.7
Add: Interest Income	562.9	507.2
PROFIT BEFORE TAX (before exceptional items)	3,972.1	5,346.2
Provision for Tax	1062.4	1,666.4
PROFIT AFTER TAX	2,909.7	3,676.4

* Earnings before Interest, Tax, Depreciation and Amortisation

Financial and Operational Performance

Performance of the Company and State of Company's Affairs

Your Company's Revenues was ₹ **37,618.4** million in year 2020 (Year 2019: ₹ 43,606.3 million) which is lower by 13.7%. Profit before tax (before exceptional items) was placed at ₹ **3,972.1 million** (Year 2019: ₹ 5,346.2 million) down by 25.7%. Your Company recorded profit after tax of ₹ **2,909.7 million** (Year 2019: ₹ 3,676.4 million) which represent a decline of 20.9%.

Outlook

Recovery in global growth will largely be a function of how countries contain the pandemic and bounce back from its negative impact. In this scenario, global economic growth is expected to touch 5.5% in 2021 and 4.2% in 2022. This is 0.3 percentage points higher than the forecast made in October 2020, reflecting expectations of a vaccine-powered strengthening of activity later in the year and additional policy support in a few large economies. Emergence of renewed waves and new variants of the virus are key risks to economic recovery.

India Outlook

In FY21, India's GDP is estimated to contract by 7.7% (Source: Economic survey 2020-21s) owing to the hit from the pandemic. Manufacturing and services segments are likely to decline by 9.6% and 8.8%, respectively. On the other hand, agriculture segment is likely to grow 3.4% providing some support to the economy. Signs of uptick were visible in the second half of the year due to consumption growth.

Material Changes and Commitments and Change in Nature of Business

There have been no material changes and commitments affecting the financial position of your Company from the end of the Financial Year 2020 up to the date of this report.

There has been no change in the nature of business of your Company.

Dividend and Transfer to Reserves

Your Company has a steady dividend payment history and considering the financial performance of the year 2020, your Directors recommend dividend for the year ended December 31, 2020 at the rate of ₹ 38 (2019: ₹ 35/-) per equity share amounting to ₹ 1,187.9 million (2019: ₹ 1,094.1 million). Considering sufficiency of balance, your Directors do not propose to transfer any amount to General Reserves for the year under review.

The details of the Dividend for the years 2020 and 2019 are as follows:

Dividend	2020	2019
Month and Year of Declaration	April 2021	June 2020
Amount of Dividend Per Equity Share of ₹ 10 each (In ₹)	38	35
% of Dividend	380	350
Total Dividend (Amt. in ₹ mn)	1,187.9	1,094.1

Dividend Distribution Policy

Your Company has adopted the Dividend Distribution Policy to determine the distribution of dividends in accordance with the provisions of applicable laws and the same has been uploaded on the website at

https://www.schaeffler.co.in/remotemedien/media/_shared_media_rwd/03_worldwide_1/websites_worldwide/india_3/investor_relations/corporate_governance_1/codes_and_policies/dividend_distribution_policy_schaeffler_india.pdf

Corporate Governance

A separate section on Corporate Governance forms integral part of the Annual Report and a compliance certificate from M/s. Samdani Kabra & Associates, Company Secretaries, the Company's Secretarial Auditors confirming the compliance of conditions of Corporate Governance is annexed thereto.

Management Discussion and Analysis

Pursuant to Regulation 34 read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing

Regulations'), detailed review of operations, performance and future outlook of the Company is covered under Management Discussion & Analysis section of the Annual Report.

Business Responsibility Report

Pursuant to Regulation 34 read with Schedule V of the SEBI Listing Regulations, detailed initiatives taken by the Management from an environmental, social and governance perspective is covered under Business Responsibility Report section of the Annual Report.

Board of Directors

Board's Composition and Independence

Board Composition

Your Company's Board consists of leaders and visionaries who provide strategic direction and guidance to the organisation. As on December 31, 2020, the Board comprised of 2 (Two) Executive Directors, 5 (Five) Non-executive Independent Directors and 3 (Three) Non-executive Non-independent Directors. At present, your Company has 8 (Eight) Non-Executive Directors out of which 5 (Five) are Independent Directors. Pursuant to the provision of Regulation 17(1)(a) of the Listing Regulations, the Board of Directors of the top 1,000 listed entities are required to have at least one Independent Woman Director. Further, as per the Regulation 17(1)(b) of the Listing Regulations, every listed company is required to have at least one-third of its total strength of the Board of Directors as Independent Directors where Chairman is a Non-executive Director. Your Company complies with these requirements.

Independent Directors' Declaration

Definition of 'Independence' of Directors is derived from Regulation 16 of the SEBI Listing Regulations and Section 149(6) of the Companies Act, 2013. The Company has received necessary declarations under Section 149(7) of the Companies Act, 2013 and Regulation 25(8) of the SEBI Listing Regulations, from the Independent Directors stating that they meet the prescribed criteria for independence. All Independent Directors have affirmed compliance to the code of conduct for Independent Directors as prescribed in Schedule IV to the Companies Act, 2013. List of key skills, expertise and core competencies of the Board forms part of this Annual Report.

Based on the declarations received from the Independent Directors, your Board of Directors confirm the independence, integrity, expertise and experience (including the proficiency) of the Independent Directors of the Company.

As per regulatory requirements, all the Independent Directors have registered their names in the Independent Directors' Databank, pursuant to provisions of the Companies Act, 2013 and rules made thereunder. Further, they are exempted from the requirement of passing the online proficiency self-assessment test.

Directors

In accordance with the provisions of Section 152 of the Companies Act, 2013, Mr. Satish Patel [DIN: 00690869] and Mr. Dharmesh Arora [DIN: 05350121] will retire by rotation at the ensuing Annual General Meeting ('AGM') and being eligible offer themselves for reappointment. Mr. Patel and Mr. Arora have confirmed their eligibility and willingness to accept the office of the Director of your Company, if confirmed by the Members at the ensuing AGM. In the opinion of your Directors, Mr. Patel and Mr. Arora possess requisite qualifications and experience and therefore, your Directors recommend that the proposed resolutions relating to the re-appointment of Mr. Patel and Mr. Arora be passed with the requisite majority.

The Members of your Company in 57th Annual General Meeting confirmed the appointment/re-appointment as follows:

- Confirmation of appointment of Mr. Harsha Kadam (DIN: 07736005) as Managing Director for a term of five consecutive years up to September 30, 2024.
- Confirmation of appointment of Mr. Arvind Balaji (DIN: 00557711) as an Independent Director for a term of five consecutive years up to November 5, 2024.
- Confirmation of appointment of Mr. Amit Kalyani (DIN: 00089430) as an Independent Director for a term of five consecutive years up to February 10, 2025.
- Reappointment of Mr. Jürgen Ziegler, who was liable to retire by rotation and being eligible had offered himself for re-appointment.
- Reappointment of Mr. Klaus Rosenfeld, who was liable to retire by rotation and being eligible had offered himself for re-appointment.

Pursuant to Rule 8(5)(iii) of the Companies (Accounts) Rules, 2014, the following changes occurred in the directors during the year ended December 31, 2020 –

Mr. Rakesh Jinsi [DIN: 00182187] completed his term of appointment as Independent Director on February 10, 2020. Mr. R Sampath Kumar [DIN: 00495192] resigned from the Directorship effective May 30, 2020. Your Directors express their gratitude for the contribution made by Mr. Jinsi and Mr. Kumar during their tenure as Director.

During the year under report and till the date of this report, the Board has appointed Ms. Eranti V. Sumithasri effective from July 15, 2020 as Independent Director for a term of five years subject to the approval of Shareholders, and therefore, she is not liable to retire by rotation.

A brief resume of the Directors seeking appointment or reappointment at the ensuing Annual General Meeting, nature of their expertise in specific functional areas and details

regarding the companies in which they hold directorship, membership/chairmanship of committees of the Board is annexed to the Notice convening 58th Annual General Meeting of the Company.

There is no inter-se relationship between the Directors.

In terms of the SEBI Listing Regulations, your Company conducts the Familiarisation Program for Independent Directors about their roles, rights and responsibilities in your Company, nature of the industry in which your Company operates, business model of your Company etc., through various initiatives. The details of the same can be found at

https://www.schaeffler.co.in/remotemedien/media/_shared_media_rwd/03_worldwide_1/websites_worldwide/india_3/investor_relations/corporate_governance_1/familiarisation_programmes_id_details_schaeffler_india.pdf

Key Managerial Personnel (KMP)

Pursuant to provisions of Section 2(51) and 203 of Companies Act, 2013 read with Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 following persons are acting as Key Managerial Personnel of the Company:

1. Managing Director & Chief Executive Officer: Mr. Harsha Kadam
2. Director-Finance & Chief Financial Officer: Mr. Satish Patel
3. Company Secretary: Mr. Ashish Tiwari

Pursuant to Rule 8(5)(iii) of the Companies (Accounts) Rules, 2014, the following changes occurred in KMP during the year ended December 31, 2020 –

During the year, Mr. Chirag K. Shukla resigned from the position of the Company Secretary effective February 28, 2020 and Mr. Ashish Tiwari, VP - Legal has been appointed as the Company Secretary of the Company effective February 29, 2020 and designated as Vice President - Legal & Company Secretary.

Meetings of Board of Directors

During the year under review, four meetings of the Board of Directors were held in compliance with the Companies Act, 2013 and Listing Regulations on –

Sr. No.	Quarter ended	Date of Meeting
1.	December 2019	February 12, 2020
2.	March 2020	May 13, 2020
3.	June 2020	July 24, 2020
4.	September 2020	October 28, 2020

The details of attendance of each Director at these meetings are provided in the Corporate Governance Report.

Policy on Nomination and Remuneration

The Company's Policy on Nomination and Remuneration is framed with the objectives as under:

1. To formulate criteria and advise the Board in matters of determining qualifications, competencies, positive attributes and independence of Directors and policies relating to their appointment and removal;
2. To review corporate goals and objectives, to set norms of performance evaluation and to lay out remuneration principles for Directors, KMP and Senior Management linked to their effort, performance and contribution towards achievement of organisational goals;
3. To evaluate performance and give recommendations to the Board on remuneration payable to the Directors, KMP and Senior Management; and
4. To review and recommend to the Board measures to retain and motivate talent including KMP and Senior Management Personnel with a view to ensuring long-term sustainability and competitiveness of the organisation.

In addition to above, the NRC may take up any other matters related to talent management in general upon the advice of the Board.

Nomination and Appointment of Directors and Senior Management

Criteria and Qualification

A person to be appointed as Director, KMP or at Senior Management level should possess adequate relevant qualification, expertise and experience for the position that he/she is being considered. The Nomination and Remuneration Committee (NRC) evaluates whether qualification, expertise and experience possessed by a person is sufficient/satisfactory for the concerned position and makes appropriate recommendations to the Board of Directors.

Policy on Remuneration

1. The remuneration (including revisions) of Directors is recommended by NRC to the Board for its approval. The remuneration (including revisions) of the Directors, so recommended by NRC to the Board, should be within the limits specified under the Companies Act, 2013 read with the Rules thereunder and as approved by the Shareholders of the Company.
2. None of the Directors (including Independent Directors) shall be entitled to any stock option of the Company.
3. The remuneration to be paid to KMP and Senior Management is recommended by NRC to the Board for its approval.

The Nomination and Remuneration Policy of the Company is disclosed on the website at

https://www.schaeffler.co.in/remotemedien/media/_shared_media_rwd/03_worldwide_1/websites_worldwide/india_3/investor_relations/corporate_governance_1/codes_and_policies/nomination_and_remuneration_policy_schaeffler_india.pdf

Formal Annual Evaluation

Your Company believes that systematic evaluation contributes significantly to improved performance at three levels; Organisational, Board and Individual Board Member. It encourages the leadership, teamwork, accountability, decision-making, communication and efficiency of the Board. Evaluation also ensures teamwork by creating better understanding of Board dynamics, board-management relations and thinking as a group within the board.

Methodology

The evaluation is done as per the process and criteria of performance evaluation recommended by the Nomination and Remuneration Committee (NRC) and approved by the Board of Directors. Separate evaluation questionnaire for each category of evaluation viz. the Board, Committees of the Board and Directors (including Executive Directors, Non-executive Non-independent Directors and Non-executive Independent Directors) have been prepared as per the process and criteria approved by the Board.

Process

Separate sets of questions (questionnaire) for each of the evaluations i.e. for evaluation of (a) Board; (b) Each of the Committees of the Board; (c) Independent Director; (d) Non-Independent Director and (e) Chairman of the Board, are defined in the Policy for Performance Evaluation.

The questionnaire for each category of evaluation are circulated to all the Directors. Each question has four rating options i.e. 1 to 4. 1 denotes 'Need Improvement', 2: 'Fair', 3: 'Good' and 4: 'Excellent'.

The ratings of every question are averaged ('averaged ratings') based on feedbacks received from each Director. Further, average of all 'averaged ratings' are considered as the rating for a particular questionnaire. Based on the outcomes of questionnaire, the Board carries out evaluation of its own performance, each of the Committees and that of all Directors.

For the year 2020, the Board has carried out an annual performance evaluation of its own and that of each of the Committees and all Directors including the Chairman of the Company.

Qualitative comments received during the Board evaluation were as follows:

- a. The Board is diverse and forward looking.
- b. The Meeting agenda and proceedings are well structured and focused and Board Member's participation is of high quality.
- c. The year saw most of the Board Meetings to be conducted in virtual manner. Meetings were as effective and this format could potentially be considered for occasional meetings, even after the current travel restrictions are no longer applicable, subject to the approval of the virtual meetings by the legal authorities in India. There is scope

to align the agenda, content and meeting times in a better manner.

- d. It is recommended to have an additional Board Meeting i.e., 5th Board Meeting in a year exclusively focusing on strategy, risk management and Environmental, Social and Corporate Governance (ESG).

Conclusion

The evaluation for the year 2020 of Directors, each of the Committees and that of the Board have received ratings near excellent.

The Board has taken note of the feedback received from Directors to further improve the performance of the Directors, the Board itself and Committees of the Board.

Meeting of Independent Directors

As per provisions of Schedule IV to the Companies Act, 2013, the Independent Directors are required to hold at least one meeting in a financial year, without the attendance of Non-independent Directors and members of management. During the financial year 2020, the Independent Directors have held one separate meeting on October 27, 2020.

Audit Committee

The Audit Committee consists of seven Directors including five Independent Directors. Mrs. Renu Challu is the Chairperson of the Committee. The other members of the Audit Committee are Mr. Avinash Gandhi, Mr. Arvind Balaji, Mr. Amit Kalyani, Ms. Eranti V. Sumithasri, Mr. Jürgen Ziegler and Mr. Satish Patel. The Committee met four times during the year. The terms of reference of the Audit Committee, details of meetings held during the year and attendance of members are disclosed in the Report on Corporate Governance.

There was no instance where the recommendation by the Committee was not accepted by the Board.

Whistle-Blower Policy/Vigil Mechanism

Your Company has a well-defined 'Whistle-Blower Policy' and established vigil mechanism to provide for adequate safeguard against victimisation of Directors and employees who use the mechanism. The mechanism also provides for direct access to the Chairperson of Audit Committee in appropriate cases. The Whistle-Blower/Vigil Mechanism Policy can be accessed on the Company's Website at -

https://www.schaeffler.co.in/remotemedien/media/_shared_media_rwd/03_worldwide_1/websites_worldwide/india_3/investor_relations/corporate_governance_1/codes_and_policies/vigil_mechanism_or_whistle_blower__policy_schaeffler_india_2019.pdf

Risk Management

Your Company has established comprehensive Risk Management System to ensure that risks to the Company's continued existence as a going concern and to its growth are identified and addressed on timely basis. Report on Risk Management forms an integral part of this Annual Report.

Constitution of Risk Management Committee

The Board of Directors of the Company has constituted the Risk Management Committee which comprises of Mr. Dharmesh Arora as Chairman, Mr. Harsha Kadam, Mr. Satish Patel, Ms. Eranti V. Sumithasri, Mr. Sameer Mathur (Chief Operations Officer) and Mr. Santanu Ghoshal (Vice President – Human Resources) as Members.

Auditors

Statutory Auditors

The Statutory Auditors, M/s. B S R & Co. LLP, Chartered Accountants, Mumbai, (Firm Registration Number: 101248 W/W-100022) were appointed as Statutory Auditors of the Company at the 52nd Annual General Meeting ('AGM') of the Company held on April 24, 2015 for a period of five consecutive years and were reappointed for a period of one year from the conclusion of the 57th AGM of the Company up to conclusion of the 58th AGM. They complete their term at the conclusion of the ensuing AGM of the Company.

There is no qualification, reservation, adverse remark or disclaimer by the Statutory Auditors in their Report. The observations made in the Auditor's Report, read together with relevant notes thereon, are self-explanatory and hence do not call for any comments.

The Board, on the recommendation of the Audit Committee, recommended for the approval of the Shareholders, the appointment of M/s. Walker Chandiook & Co LLP, Chartered Accountants, (Firm Registration Number: 001076N/N500013) as the Statutory Auditors of the Company for a period of five years from the conclusion of the ensuing 58th AGM till the conclusion of the 63rd AGM. On the recommendation of the Audit Committee, the Board also recommended for the approval of the Shareholders, the remuneration of the Statutory Auditors. The appropriate resolution seeking your approval for the appointment and remuneration of M/s. Walker Chandiook & Co LLP as the Statutory Auditors forms part of the Notice convening the 58th AGM of the Company.

Reporting of Fraud

The Auditor of the Company have not reported any instances of fraud committed against the Company by its officers or employees as specified under Section 143(12) of the Companies Act, 2013.

Secretarial Auditors

M/s. Samdani Kabra & Associates, a firm of Company Secretaries in Practice was appointed as 'Secretarial Auditors' to carry out Secretarial Audit of the Company. In terms of provisions of Section 204 of the Companies Act, 2013, and in terms of regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI's circular CIR/CFD/CMD1/27/2019 dated February 8, 2019, a Secretarial Audit Report has been annexed to this Report. (Annexure - A)

There is no qualification, reservation, adverse remark or disclaimer by the Secretarial Auditors in their Secretarial Audit Report.

Cost Records and Cost Audit

Maintenance of Cost Records

The Company is required to maintain cost records under Section 148(1) of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014. Accordingly, cost records have been maintained by the Company.

Cost Audit

M/s. Y. S. Thakar & Co., Cost Accountants, were appointed as Cost Auditors to conduct the audit of the cost records of the Company for the financial year ended December 31, 2020. Based upon the declaration on their eligibility, consent and terms of engagement, your Directors have reappointed M/s. Y. S. Thakar & Co., Cost Accountants to conduct Audit of Cost records for the financial year 2021.

As required under the provisions of the Companies Act, 2013, the remuneration of Cost Auditors as approved by the Board of Directors is subject to ratification by the Shareholders at the ensuing Annual General Meeting.

Corporate Social Responsibility (CSR)

Being a responsible Corporate Citizen, your Company is committed in fulfilling its social responsibilities. Guided by the prevailing regulatory requirements, the Company has constituted a 'Corporate Social Responsibility (CSR) Committee' and framed a Policy on CSR. The policy is available on the website of the Company at

https://www.schaeffler.co.in/remotemedien/media/_shared_media_rwd/03_worldwide_1/websites_worldwide/india_3/investor_relations/corporate_governance_1/codes_and_policies/policy_on_corporate_social_responsibility_schaeffler_india.pdf

Your Company's CSR expenditure was ₹ 101.6 million i.e. nearly 2% of the Average Net Profits of your Company made during three immediately preceding financial years. A summary of CSR Policy together with details of CSR activities undertaken by the Company during the year 2020 have been covered in the Annual Report on CSR activities, which is annexed to this Report. (Annexure - B)

Contracts and Arrangements with Related Parties

During the year, all transactions with the Related Parties have been carried out in normal course of business and based upon well set principles of arm's length.

Prior omnibus approval of the Audit Committee is obtained for the transactions which are of a foreseeable and repetitive nature. The details of all transactions executed with Related Parties are placed before the Audit Committee on a quarterly basis for its review or ratification as the case may be and are also placed before the Board for its information.

The Related Party Transaction Policy of the Company is available on the website of the Company at

https://www.schaeffler.co.in/remotemedien/media/_shared_media_rwd/03_worldwide_1/websites_worldwide/india_3/investor_relations/corporate_governance_1/codes_and_policies/policy_on_related_party_transactions_schaeffler_india.pdf

A separate Report containing details of Material Related Party Transactions carried out during the year is annexed to this Report in prescribed form AOC-2. (Annexure - C)

Particulars of Employees and Related Disclosures

The disclosures pertaining to remuneration and other details of employees as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1), 5(2) and 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, have been annexed to this report. (Annexure – D)

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The particulars as prescribed under Section 134(3)(m) of the Companies Act, 2013 read with rule 8 of the Companies (Accounts) Rules, 2014 have been annexed to this report. (Annexure – E)

Annual Return and Extract of Annual Return

As per provisions of Section 92(3) of the Companies Act, 2013 and rules made thereunder, an Extract of Annual Return in the form MGT-9 for the financial year 2020 has been annexed to this report. (Annexure - F)

A copy of Annual Return of the Company for the financial year 2019 in the form MGT-7 has also been placed on the website of the Company at

https://www.schaeffler.co.in/remotemedien/media/_shared_media_rwd/03_worldwide_1/websites_worldwide/india_3/investor_relations/shareholders_information/annual_return/2019_Annual_Return.pdf

Particulars of Loans, Investments, Guarantees and Securities

The particulars of loans and investments have been disclosed in notes to the Financial Statements. The Company did not give any guarantee or provide any security in connection with any loan and did not acquire any securities during the financial year.

Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Your Company has in place a Policy against Sexual Harassment at workplace in line with the requirement of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Policy is available on the website of the Company at

https://www.schaeffler.co.in/remotemedien/media/_shared_media_rwd/03_worldwide_1/websites_worldwide/india_3/investor_relations/corporate_governance_1/codes_and_policies/policy_against_sexual_harrasment.pdf

Internal Complaints Committee (ICC) has been constituted to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary and trainees) are covered under this policy.

Status of complaints during the year 2020

There were no complaints pending at the beginning of the year 2020 and the Company received one complaint during the year 2020 which was resolved.

Directors' Responsibility Statement

Pursuant to the requirements under Section 134(3)(c) of the Companies Act, 2013, your Directors hereby state that:

- a) In the preparation of the annual accounts, the applicable Indian Accounting Standards (Ind AS) have been followed and there are no material departures from the same;
- b) The accounting policies have been selected and these have been applied consistently and judgements and estimates made thereon are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as at December 31, 2020 and of the profit of the Company for that period;
- c) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) Annual accounts of the Company have been prepared on a 'going concern' basis;
- e) Internal financial controls have been laid down and being followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) Proper systems to ensure compliance with the provisions of all applicable laws have been devised and that such systems are adequate and were operating effectively.

Adequacy of Internal Financial Controls

The Board of your Company has laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively. The Risk Management Framework recognises the Internal Financial Controls as an integral part of its framework and has policies and procedures for addressing the financial and financial reporting risks and ensures orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors and external consultants and the reviews performed by management and the Audit Committee, the Board is of the opinion that during the financial year ended December 31, 2020 had sound internal financial controls. These controls placed by the Company commensurate with the nature and size of the business operations and are adequate and operating effectively with no material weakness.

The key internal financial controls and compliance systems have been documented, automated wherever possible and embedded in the respective business processes.

Compliance of Secretarial Standards

Your Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2).

Investor Education and Protection Fund (IEPF)

Pursuant to the applicable provisions of the Act, read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('the Rules') as amended, all unpaid or unclaimed dividends which were required to be transferred by the Company to the IEPF were transferred to IEPF Authority. The Company has also transferred shares in respect of which dividend amount remained unpaid/unclaimed for a consecutive period of seven years or more to IEPF Authority within stipulated time.

The details of unpaid/unclaimed dividend and the shares transferred to IEPF Authority are available on the Company's website at

<https://www.schaeffler.co.in/content.schaeffler.co.in/en/investor-relations/shareholders-information/unclaimed-unpaid-dividend/index.jsp>

Deposit

During the year, the Company has not accepted any deposits under the Companies Act, 2013.

New Delhi: February 16, 2021

Subsidiaries, Joint Ventures and Associates

The Company does not have any Subsidiary Company, Joint Venture or Associate Companies as defined in the Companies Act, 2013.

Orders Passed by the Regulators or the Courts or the Tribunals

There are no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status of the Company and its operations. However, the Competition Commission of India ('CCI') in a Suo Moto case against the Company and others, about certain anti-competitive practice in industrial and automotive bearings market in India, has on June 5, 2020, passed an Order ('Order') which is uploaded on the website of the CCI. The CCI has not imposed any monetary penalty on Schaeffler or upon any of its employees and directed to cease and desist from the conduct found to be in contravention of the Competition Act. There shall be no impact on the financial position of the Company. As a law-abiding Company, Schaeffler has internally adopted a compliance program and imparted training to its staff in respect of the Competition Act. Schaeffler remains fully committed towards compliance with the laws of India.

Acknowledgements

Your Directors express their gratitude for the continued cooperation and support extended by Schaeffler Group, all the Shareholders, Customers, Suppliers, Distributors, Bankers and all Stakeholders. Your Directors also place on record their appreciation for the employees for their dedication, hard work and efforts.

For and on behalf of the Board

Avinash Gandhi

Chairman

DIN: 00161107

Secretarial Audit Report

For the Financial Year ended December 31, 2020

(Annexure A to the Directors' Report)

[Pursuant to Section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Schaeffler India Limited
Nariman Bhavan, 8th Floor,
227, Backbay Reclamation,
Nariman Point,
Mumbai – 400 021, Maharashtra, India.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Schaeffler India Limited (hereinafter referred to as 'the company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's Books, Papers, Minute Books, Forms and Returns filed, and other records maintained by the company and also the information provided by the company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the company has, during the Audit period covering the Financial Year ended on December 31, 2020, complied with the statutory provisions listed hereunder and also that the company has proper Board-Processes and Compliance-Mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the Books, Papers, Minute Books, Forms and Returns filed and other records maintained by the Company for the period under review, according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- c. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

We report that, there were no actions/events in pursuance of the following regulations requiring compliance thereof by the company during the period of this report:-

- a. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- b. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- c. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- d. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- e. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

We have also examined compliance with the applicable clauses/regulations of the following:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India on Meetings of Board of Directors and General Meetings; and
- ii. The Listing Agreements entered into by the Company with BSE Ltd. and National Stock Exchange of India Ltd. read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:

- A. The Board of Directors of the company is duly constituted with proper balance of Executive Directors, Non-executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review, if any, were carried out in compliance with the provisions of the Act;
- B. Adequate notice is given to all the Directors to schedule the Board Meetings, Agenda and detailed notes on Agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarification on the Agenda items before the meeting and for meaningful participation at the meeting;
- C. As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded;
- D. There are adequate systems and processes in place, whereby the company ensures and monitor compliances of applicable laws, rules, regulations and guidelines.
- E. The Compliance Management Tool/System' is adequate, commensurate with the size and operations of the company and operating effectively;
- F. During the Audit period, there were no specific instances/ actions in pursuance of the above referred laws, rules, regulations, guidelines etc., having a major bearing on the Company's affairs.

Place: Vadodara,
Date: February 16, 2021

Suresh Kumar Kabra
Partner
Samdani Kabra & Asso.
Company Secretaries
ACS No. 9711
CP No. 9927
UDIN: A009711B002986751

This Report is to be read with our letter of even date which is annexed as Appendix A and forms an integral part of this Report.

Appendix A

To,
The Members,
Schaeffler India Limited
Nariman Bhavan, 8th Floor,
227 Backbay Reclamation,
Nariman Point,
Mumbai – 400 021,
Maharashtra, India.

Our Secretarial Audit Report of even date is to be read along with this letter, that:

- i. Maintenance of Secretarial records and compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management of the company. Our examination was limited to the verification and Audit of procedures and records on test basis. Our responsibility is to express an opinion on these secretarial records and compliances based on such verification and Audit.
- ii. We have followed the Audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
- iii. Wherever required, we have obtained the management representation about the Compliance of laws, rules and regulations and happening of events etc.
- iv. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Vadodara,
Date: February 16, 2021

Suresh Kumar Kabra
Partner
Samdani Kabra & Asso.
Company Secretaries
ACS No. 9711
CP No. 9927
UDIN: A009711B002986751

Annual Report on Corporate Social Responsibility Activities

(Annexure B to the Directors' Report)

1. Brief outline of Company's CSR Policy:

At Schaeffler India, we believe that science and technology are synonymous with economic and human development as both aim to drive progress and improve standard of living while preserving environment and supporting sustainability.

Being a part of the Schaeffler Group and a leading industrial and automotive supplier in the country, we find numerous opportunities to contribute to human progress through our innovative technologies and thus touch lives of people. At the same time, being an Indian Company, we are equally motivated by Indian ethos of Dharma as a key plank for organisational self-realisation. We constantly strive to contribute in our humble way to the motto 'सर्वे भवन्तु सुखिनः' (May everyone be happy) and take up the cause of welfare amongst communities in which we operate.

Delineating our responsibility as a Corporate Citizen, we at Schaeffler India are committed to operate our business in an economically, socially & environmentally sustainable manner. At the same time, we endeavour to reach out to different sections of the society, with socially relevant projects, that benefit these communities and in small ways enhance the quality of their lives. These initiatives are independent of the normal operations of our Company's business. Programmes, projects and activities (collectively "CSR Programmes") as framed within the purview of Schedule VII of the Companies Act, 2013 as amended from time to time and are the subject matter of this Policy.

The Company's CSR Policy is made available at below link:

https://www.schaeffler.co.in/remotemedien/media/_shared_media_rwd/03_worldwide_1/websites_worldwide/india_3/investor_relations/corporate_governance_1/codes_and_policies/policy_on_corporate_social_responsibility_schaeffler_india.pdf

Objectives:

We aim to constantly identify and implement unique initiatives which are scalable and sustainable, and which have capacity to create a positive impact on the lives of people especially the weaker and underserved or marginalised sections. By contributing to development of health, science and culture, we wish to further all round progress. With a view to extending the reach of CSR initiatives and leveraging collective expertise, Schaeffler India will explore opportunities of partnerships with like-minded stakeholders.

This Policy lays a framework to identify and implement different CSR initiatives of the Company within the context of this Policy and in alignment with relevant provisions of

the Companies Act, 2013 while following high standards of Corporate Governance.

CSR Committee of the Board of Schaeffler India reviews, improves, directs and monitors effective implementation of the Company's CSR Policy.

2. Composition of the CSR Committee:

The Committee comprises of the following members:

Sr. No.	Name of Committee Members	Role in the Committee	Category
1.	Mr. Arvind Balaji	Chairman	Non-executive & Independent
2.	Mr. Harsha Kadam	Member	Executive & Non-Independent
3.	Mr. Amit Kalyani ¹	Member	Non-executive & Independent

¹ Effective February 11, 2020, Mr. Rakesh Jinsi ceased to be a member of the CSR Committee and Mr. Amit Kalyani has been appointed as a member of the CSR Committee effective February 11, 2020.

3. Average net profit for past three financial years:

₹ 5,239 million

4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above):

₹ 104.8 million

5. Details of CSR Spent during the Financial Year:

- (A) Total amount to be spent for the Financial Year:
₹ 101.6 million
- (B) Amount unspent, if any: ₹ 3.2 million
- (C) Manner in which the amount was spent during the financial year is detailed in this report.

6. Reasons for the amount unspent:

The Corona Pandemic hugely affected the CSR projects, due to prolonged lockdown and unavailability of manpower either to run the programmes or to reach out to beneficiaries.

However due to sustained monitoring and collaboration with the implementation partner we have been able to judiciously consume 97% of the allocated budget as on December 31, 2020.

7. Details of the CSR Initiatives and Projects:

Introduction:

At Schaeffler India, social and relationship capital is a paradigm of value creation and is operationalised through its Corporate Social Responsibility policy and projects.

At Schaeffler India, we believe that for an organisation to truly progress, its community must progress with it. For us inclusive development has never been an add on to philanthropy, but an integral part of our business strategy. The Company is committed to creating holistic value and drive inclusive growth for communities in its project areas.

A structured approach towards CSR management has enabled us to design community development initiatives that deliver high impact results in our focus areas of education, healthcare and community development. Since COVID-19 emerged in December 2019, it has spread around the world at an exponential rate, becoming one of the most significant crises in recent history. The primary objective of our response has been to ensure the safety and well-being of our beneficiaries and partners. We responded swiftly to serve the community needs with supply of essentials.

Our role has progressively grown from being just a resource provider to a facilitator and now an enabler for driving positive change. Schaeffler India is grateful to all internal and external stakeholders for their consistent support and encouragement.

Operational Highlights of the CSR Initiatives during 2020:

A. Health Care: Mobi-Health Units

MHU was launched by Schaeffler India in 2014 at Vadodara and 2017 at Talegaon, Pune, in partnership with Deepak Foundation. The project of Mobi-Health Unit was initiated to facilitate access to public health care particularly to people living in remote, difficult, under-served, and unreachable areas. The objective was to take healthcare to the doorstep of the under-served communities thus making healthcare reach to the last mile.

In the Current Covid-19 pandemic, the units have adapted quickly and continued with consistent and committed healthcare services in the communities. From awareness generation regarding COVID-19 to newer initiatives in the form of telemedicine have been successfully implemented under the Mobi-Health units.

Key Achievements

1. Vadodara (Cumulative Coverage 2014- 2020)

- Since inception **3.20 lakh** health consultations have been provided to the patients through two Mobile Healthcare Units under Schaeffler, covering 1.56 lakh population of 49 villages in Vadodara, Gujarat
- Over **6389** adolescent girls screened for anemia, of which more than 2968 girls received follow-up

treatment. A total of **950** adolescent girls have been treated completely since inception

- Over **7555** children (under 5 years) screened for malnutrition, and more than 3222 children received follow-up treatment. A total of **627** children were treated completely since inception

Highlights of 2020

Over **47,684** beneficiaries have been covered through various interventions in the MHUs of Vadodara.

- OPD coverage: Over 32,589 beneficiaries treated under OPDs
- Counseling & Awareness coverage: Over 13,316 beneficiaries counseled during regular OPD, events and awareness sessions on various topics like adolescent anemia, breast cancer, diabetes
- Adolescent Anemia Clinic: Over **2429** adolescent girls were screened for anemia, of which 815 adolescent girls were diagnosed as anemic and received treatment for it. A total of **171** adolescent girls were treated completely from January to November 2020
- Underweight Child Clinic: Over **2458** children were screened for malnutrition and of these more than 734 children were found malnourished and followed up for treatment. A total of **43** children were treated completely from January to November 2020
- 1000 days intervention (MIYCN Programme): **1662** pregnant women, lactating mothers, and caretakers of 0-23 months children covered under first 1000 days intervention

2. Talegaon (Cumulative Coverage 2017-2020)

- Since inception **74,120** health consultations have been provided to the patients through one Mobile Healthcare Unit under Schaeffler India, covering 14 thousand population of 29 villages in Talegaon, Pune, Maharashtra
- Over **490** adolescent girls screened for anemia, of which more than 291 girls received follow-up treatment. A total of **48** adolescent girls have been treated completely since inception
- Over **990** children (under 5 years) screened, and more than 339 children received follow-up treatment

Highlights of 2020

- Over **12,966** beneficiaries have been covered through various interventions in the MHU.

- OPD Coverage: Over **9,340** beneficiaries treated under OPDs
- Counselling & Awareness coverage: Over **3,626** beneficiaries counseled during regular OPD, events and awareness sessions on various topics like adolescent anemia, skin disease, non-communicable disease, diabetes, infant and young child feeding
- Adolescent Anemia Clinic: Over 115 adolescent girls were screened for anemia, of which 46 adolescent girls were diagnosed as anemic and received treatment for it from January to November 2020
- Underweight Child Clinic: Over 311 children were screened for malnutrition and of these more than 69 children were found malnourished and followed up for treatment from January to November 2020

B. Occupational Skill for Employability:

1. STEP Centers

Schaeffler Technical Enhancement Program (STEP) was launched under the CSR banner of HOPE. The initiative was launched in 2018 at Chakan, Pune in partnership with Don Bosco and riding on its success Schaeffler India launched second center at Chinchwad, Pune and then at Hosur with Skill Sonics in the year 2019. The objectives for these skilling centers are as following:

- To empower youth by imparting industry aligned skills in 2 trade domains
- To set up a sustainable skill development center model
- To develop a cadre of skilled workforce who can be readily employed across various industries and contribute in their productivity
- To develop economic empowerment across the Hosur region impacting the youth and their families
- To offer social good for the community residing in the region.

Key Achievements

STEP, Pune (Chakan & Chinchwad):

During 2018 at Chakan center, Schaeffler India has set up 3 technical labs viz. CNC Programming, CNC Simulation, Hydraulic and Pneumatic lab.

- Till date **142** students (**130 boys & 12 girls**) from the adjoining areas of Chakan have been trained on CNC course.
- Total 20 organisations in Chakan industrial belt has recruited, **134** students (**122 boys and 12 girls**) (which is a remarkable 94% placement)

Taking note from this successful venture with Chakan center, Schaeffler India inaugurated Autotronics Lab in their Chinchwad center in June 2019.

- Last year 19 students (17 boys and 2 girls) have been trained.

- **17** students (**15 boys and 2 girls**) got placed till now (89.5% and is quite an achievement to begin with)

In the current year **21** students have enrolled at our Chakan Centre and **23** students in Chinchwad

STEP, Hosur

STEP center, Hosur was inaugurated in 2019 in partnership Skill Sonics and provide trainings in CNC Machinist and Mechatronics

- Till date **188** students have successfully completed their training (**168 boys and 20 girls**)
- Total of **161** students got placed (**153 boys & 8 girls**) with an average salary of ₹ **15k-20k per month (86% placement record maintained)**

2. Schaeffler India Engineering Scholarship Program

Schaeffler India Engineering Scholarship program is a flagship programme under the banner of HOPE, for inspiring bright scholars from underprivileged background to take up **Engineering & Technology** as profession by sponsoring their education fee, hostel fees and all study related expense.

- **38%** of scholars are budding female engineers.
- In 2019 out of **1729** applications received, **563** were qualified for screening process, **236** applicants were shortlisted basis on merit criterion and **32** students were supported with ₹ **75,000 per year**.
- Total **12** girls were provided scholarship out of all shortlisted
- In the year 2020, **28** scholars found eligible from 2019 batch, **63** new applicants were shortlisted, **33** were interviewed and **20** were selected for the Scholarship.

3. Nitara

Established in August 2017, the 'Nitara Beauty Academy & Salon' in the city of Vadodara, has been the pillar of 'Livelihood Enablement', particularly for the marginalised and differently-abled candidates.

Key Achievements

- The Academy since inception, has graduated **265** beauty professionals. **250** of them are marginalised and differently-abled.
- More than **200** of the certified candidates have been placed, post certification in various parlors and beauty organisations.
- 38 differently abled to become professional beauticians by following their passion and hand holding support over the years.

Achievement in 2020

- In 2020, 60 enrolments were targeted and achieved despite challenges posed by COVID19 for most of the year. Out of 60, 18 of them are differently abled. During the year, we placed 57 against 60 enrolled (95% placement).

National University Student's Skill Development (NUSSD) Project

Schaeffler India signs MoU with Tata Institute of Social Science (TISS) in 2020, to implement a National University Student's Skill Development (NUSSD) - recognised project, aimed at providing skills training to the youth.

The objective behind this programme is to provide skill training to graduating college students to enable them to better understand and enhance their job-related skills.

Total **4** colleges across the region has been roped in to impart diploma courses in **8 subjects** like Banking/Export/Digital Marketing/Hospitality/Pharma Sales/Tourism/Retail.

A total of **406** students have been registered against a target of 350 students with **58% female enrollment**. Priority has been given to students from economically backward sections of the society

C. Empowerment of Society

1. Construction and management support to Lok Vidhyalaya School:

As uncertainty continues over the reopening of schools which have been shut since March due to Covid-19 pandemic. Though the online classes had started for the students of Lok Vidhalaya, both the teachers and students are facing several challenges for conducting virtual classes as most of the students do not have access to digital gadget. Considering the students poor access, we have introduced a new initiative "Learning Moves on to Every Doorstep". This initiative started keeping in mind that each child deserved to be educated even when the situation is not favorable, the teachers of Lok Vidhalaya personally visited villages to teach their students, educating them and building a sense of motivation in them is nothing but a selfless act by all these teachers.

Key Achievements in 2020:

- In September 2020, availed permission from Government to start primary section class 6 to 8 on highly subsidised fees model.
- Construction work of boys' hostel completed in December 2020, which will accommodate 156 tribal children.

Key metrics improved since Schaeffler India's adoption of School:

- **373** under privileged and tribal students enrolled 2019-2020
- **55%** enrolment each year, **91%** retention
- **40%** female population
- **98%** of students from backward communities.
- HSC board results improved to **66.8%** in **2019-20**
- **93%** students belong to BPL family

2. Comprehensive Community Development

The project was started in 2020, with a focus on rural area around Talegaon facility focusing community improvement and women empowerment. These villages are in the radius of 20-50 kms from the Talegaon plant and covers 10 villages and 2,500 households.

In this project we intend to cover 10 schools across these villages and benefit approx. 650 students in the std 1-5. All these are government aided schools.

Key Achievements:

- Under the mobile science lab 10 schools are being covered and 655 students in the age group of 9-14 years have been enrolled, 397 children reached so far, class wise (4th-7th std.) sessions are being conducted, 105 sessions conducted so far on topics related to science and maths including hands on activity with the syllabus based variety of STEM material.
- Several Libraries were created with provision of appropriate level wise reading material and storage facility, 103 sessions on storytelling, read aloud sessions etc. have been conducted, 384 children have been reached.
- Under the Bala project 10 schools are being covered and 909 students (6-14 years) have benefitted so far. 2 schools designed as per Bala concept covering various available spaces like classroom wall, corridors, compound wall to act as learning aids.
- 25 students selected for Jawahar Navodaya Vidhyalaya exam provided with regular coaching, 34 classes conducted so far.

3. Support towards Corona Pandemic

- Our employees donated whole-heartedly as part of company's contribution ₹ **1.3 cr to PM CARES Fund**.
- Additionally, we contributed ₹ **60 lakh to buy Ventilator & medical equipments to build ICU at District Hospital, Aundh, Pune**.
- ₹ **10 lakh donated to ESIC Hospital in Krishnagiri**, for procuring medical instruments.
- ₹ **5 lakh was donated to District Health Department** in form of PPE kits, masks, medicines.
- Based on the State government guidelines 22 villages around Schaeffler Talegaon plant were provided with Arsenic Album tablets as prophylactic measure against Covid-19 pandemic in June 2020.

CSR Spent for 2020:

The Corona Pandemic hugely affected the CSR projects, due to prolonged lockdown and unavailability of manpower either to run the programmes or to reach out to beneficiaries.

However due to sustained monitoring and collaboration with the implementation partner we have been able to judiciously consume **97% of the allocated budget** as on **December 31, 2020**.

Total spend stands at **₹101.6 million**.

Manner in which the amount was spent during the financial year is detailed below:

(₹ in million)							
Sr. No.	CSR Project or activity identified	Sector in which the project is covered	Projects/Programmes (1) Local Area/Other (2) Specify the state and district where projects or programmes was undertaken	Amount Outlay (Budget) Project or Programme wise	Amount Spent on the Projects or programme Sub-heads: 1. Direct Expenditure on Projects or Programmes 2. Overheads	Cumulative Expenditure upto the reporting period	Amount Spent: Direct or through implementing agency
1	Mobi-Health Unit	Health Care	Vadodara, Gujarat	7.4	7.6 0.2 7.8	49.5	Deepak Foundation
2	Lok Vidhyalaya: Construction of secondary School and providing holistic quality educational support	Education	Vadodara, Gujarat	6.3	5.2 0.2 5.4	106.5	Direct Implementation
3	Construction of Girls Hostel in Lok Vidhyalaya School	Education	Vadodara, Gujarat	-	-	16.2	Direct Implementation
4	Nitara project: Promoting livelihood for differently abled	Skill Training and Development	Vadodara, Gujarat	3.8	3.3 0.2 3.5	29.5	Sambhav Foundation
5	Quest on wheels: Heritage and Educational Trips	Art, Heritage and Culture	Vadodara, Gujarat	2.7	1.1 0.1 1.2	19.7	Creations
6	Construction of Boys Hostel	Education	Vadodara, Gujarat	15.0	22.2 0.4 22.6	29.7	Direct Implementation
7	Construction of Girls Hostel in Mook Dhvani School	Education	Vadodara, Gujarat	-	-	15.5	Direct Implementation
8	Infrastructure support to School in Koitewasti	Education	Pune, Maharashtra	-	-	2.1	Direct Implementation
9	Support to Mook Dhvani School	Special Education	Karelibaug, Vadodara, Gujarat	4.3	2.5 0.2 2.7	12.6	Direct Implementation
10	Clean & Green Maneja	Community Development	Vadodara, Gujarat	2.0	2.5 0.2 2.7	10.3	Direct Implementation
11	National University Students' Skill Development Programme (NUSSD)	Skill Training and Development	Vadodara, Gujarat	3.8	4.4 0.1 4.5	4.5	Tata Institute of Social Sciences
12	Jal Sahara	Rural Development	Pune, Maharashtra	8.1	8.1 0.4 8.5	11.2	BAIF
13	STEP Autotronic Center	Skill Training & Development	Pune, Maharashtra	10.9	11.0 0.3 11.3	28.4	Don Bosco

(₹ in million)

Sr. No.	CSR Project or activity identified	Sector in which the project is covered	Projects/Programmes (1) Local Area/Other (2) Specify the state and district where projects or programmes was undertaken	Amount Outlay (Budget) Project or Programme wise	Amount Spent on the Projects or programme Sub-heads: 1. Direct Expenditure on Projects or Programmes 2. Overheads	Cumulative Expenditure upto the reporting period	Amount Spent: Direct or through implementing agency
14	Animation and Networking courses for differently abled	Skill Training & Development	Vadodara, Gujarat	-	-	2.2	Arena Animation & CMS
15	Mobile Health Unit	Health Care	Pune, Maharashtra	3.2	2.7 0.3 3.0	7.6	Deepak Foundation
16	Jagriti Project	Health Care	Vadodara, Gujarat	0	0	1.7	Vatsalya Foundation
17	Schaeffler Engineering Scholarship	Education	Gujarat, Maharashtra & Tamil Nadu	5.2	1.9 0.4 2.3	5.4	Buddy4study India Foundation
18	Comprehensive Community Development	Education	Pune, Maharashtra	9.0	9.2 0.2 9.4	9.4	Deepak Foundation & Chirag Foundation
19	Corporate Volunteering	Community Development	Pune, Maharashtra	1.0	0.5 0.3 0.8	0.8	Mitra Technology Foundation
20	Mechatronics Skill Development Center	Skill Training & Development	Hosur, Tamil Nadu	8.1	3.6 0.2 3.8	29.0	Skill Sonics
21	Support towards Corona pandemic		Gujarat, Maharashtra & Tamil Nadu	14.0	12.1 0.0 12.1	12.1	Direct Implementation
22	Support towards Banaskantha Floods		Vadodara, Gujarat	-	-	2.8	Government of Gujarat
23	Support towards Kerala Floods		Kerala	-	-	2.7	Government of Kerala
24	Rainwater Harvesting project		Vadodara, Gujarat	-	-	2.4	Direct Implementation
25	Sanitation Facility in Govt. School		Hosur, Tamil Nadu	-	-	3.8	Direct Implementation
TOTAL				104.8	101.6	415.6	

The CSR Committee of the Company hereby confirms that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and CSR Policy of the Company

For Schaeffler India Limited

Arvind Balaji
Chairman of CSR Committee
(DIN: 00557711)

Harsha Kadam
Managing Director
(DIN: 07736005)

New Delhi: February 16, 2021

Report on Related Party Transactions: Form AOC-2

(Annexure C to the Directors' Report)

[Pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014]

[A] Details of contracts or arrangements or transactions not at arm's length basis: Nil

[B] Details of material contracts or arrangements or transactions at arm's length basis:

Name(s) of related party & nature of relationship	Schaeffler Technologies AG & Co. KG, Germany, Fellow Subsidiary		
Nature of contracts/arrangements/ transactions	Sale, Purchase or Supply of Goods, Materials and Services including Sale and Purchase of tangible fixed assets		
	Summary of Transactions carried out with Schaeffler Technologies AG & Co. KG	2020 (₹ in million)	
		Actual	Cumulative
	1. Purchase of Finished Goods	4,920.8	
	2. Purchase of Raw materials and Components and Spares	2,037.3	
	3. Fees for use of technology/trademark	743.3	
	4. Purchase of tangible assets	203.0	
	5. SAP, other IT systems and connectivity cost	334.1	
	6. Expat Cost	8.8	9,458.3
	7. Travelling, Training, Testing, Support Fee & Other Cost	43.2	
	8. Sale of Finished Goods	1,138.0	
	9. Service Income received	18.8	
	10. Reimbursement of Expenses	11.0	
Duration of contracts/arrangements/ transactions	Ongoing		
Salient terms of the contracts/ arrangements/transactions including the value, if any	As per transfer pricing guidelines		
Date(s) of approval by the Board	Approval of the Board is not required as transactions with Schaeffler Technologies AG & Co. KG are in the ordinary course of business and at arm's length basis. However, requisite approval of the Audit Committee has been obtained from time to time. The transactions with Schaeffler Technologies AG & Co. KG, being 'material' in nature, have been approved by the Shareholders at their 56 th Annual General Meeting held on April 30, 2019.		
Amount paid as advance, if any	—		

For and on behalf of the Board

Avinash Gandhi
Chairman
DIN: 00161107

New Delhi: February 16, 2021

Particulars of Employees

(Annexure D to the Directors' Report)

Information as per Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- The Ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2020 and percentage increase in remuneration of each director, Chief Executive Officer, Chief Financial Officer, Company Secretary in the financial year 2020.

Sr. No.	Name of Director/Key Managerial Personnel	Designation/Category	Ratio of Remuneration of Directors to Median Remuneration	% of increase in Remuneration in Financial Year 2020
I Executive Directors				
1	Mr. Harsha Kadam	Managing Director & CEO	55.9	-
2	Mr. Satish Patel	Director – Finance & CFO	25.1	7.0
II Non-executive Directors				
3	Mr. Avinash Gandhi	Chairman & Independent	2.9	-
4	Mr. Klaus Rosenfeld	Non-independent	-	-
5	Mr. Jürgen Ziegler	Non-independent	1.9	-
6	Mr. Dharmesh Arora	Non-independent (effective October 1, 2019)	1.9	-
7	Mrs. Renu Challu	Independent	1.9	-
8	Mr. Amit Kalyani	Independent (effective February 11, 2020)	NA	-
9	Mr. Arvind Balaji	Independent (effective November 6, 2019)	NA	-
10	Ms. Eranti V. Sumithasri	Independent (effective July 15, 2020)	NA	-
11	Mr. Rakesh Jinsi	Independent (up to February 10, 2020)	1.9	-
12	Mr. R. Sampath Kumar	Non-independent (up to May 29, 2020)	1.9	-
III Key Managerial Personnel				
13	Mr. Ashish Tiwari	VP-Legal & Company Secretary (effective February 29, 2020)	13.4	-
14	Mr. Chirag K. Shukla	Company Secretary (up to February 28, 2020)	0.9	19.6

- The percentage increase in the median remuneration of employees in the financial year:
The median remuneration of employees of the Company was increased by 10% during 2020.
- The number of permanent employees on the rolls of Company as on December 31, 2020: 2,794
- Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.

Internally, performance ratings of all employees are always spread across a normal distribution curve. The rating obtained by an employee is used as an input to determine his variable and merit pay increases. Variable and merit pay increases are calculated using a combination of individual performance and Company performance.

Average percentile increase already made in the salaries of employees other than Managerial Personnel: 6.7 compared to average percentile increase in Managerial Remuneration: 7.0

There are no exceptional circumstances for increase in Managerial Remuneration.

5. Affirmation that the remuneration is as per the remuneration policy of the Company

We affirm that remuneration paid to the Employees & Directors is as per the remuneration policy of the Company.

Information pursuant to rule 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

a) Details of top ten employees in terms of gross remuneration drawn during the year 2020

Sr. No.	Name	Designation	Remuneration during the year 2020 [₹]	Nature of Employment [Contractual/Regular]	Qualifications	Experience (in Completed years)	Date of Commencement of employment with Schaeffler India	Age in years	Last Employment	% of Equity Shares held in the Company
1	Harsha Kadam	Managing Director & CEO	31,068,528	Regular	BE(MECH)	32	12-Mar-18	55	HSIL Limited	Nil
2	Sanjeev Saxena	President - Automotive	28,299,180	Regular	BE(MECH)	30	15-Oct-19	54	Minda Corporation Limited	Nil
3	Satish Patel	Director - Finance & CFO	13,912,824	Regular	M.COM, ACMA	30	07-Jan-92	56	Elecon Engineering Co. Limited	Nil
4	Santanu Ghoshal	Vice President - Corporate HR	13,418,412	Regular	BE(MINING ENGG.), PGDPM & IR	27	01-Sep-10	54	General Motors	Nil
5	Sameer Mathur	Chief Operations Officer	11,379,744	Regular	BE(MECH)	29	21-May-92	52	-	Nil
6	Alok Dave	Vice President - Corporate Purchase	9,713,568	Regular	BE(MECH), E MBA	35	07-Nov-11	55	Lear Automotive	Nil
7	Biswa Mandal	Vice President - Technology	9,651,090	Regular	BE, EX-MBA	26	28-Dec-17	53	Mahindra & Mahindra	Nil
8	Debasish Satpathy	Vice President - BD Automotive Aftermarket	9,145,068	Regular	BE(ELECTRICAL), DIPLOMA IN MA	23	02-Apr-18	47	Schaeffler UK	Nil
9	Amitabh Anand	Vice President - Manufacturing	8,947,651	Regular	BE(MECH), PGDBM	25	01-Jan-13	48	GKN Sinter Metal Pvt. Ltd.	Nil
10	Ashish Tiwari	Vice President	8,689,893	Regular	CS, LLB	22	01-Mar-19	48	Thyssenkrupp Group	Nil

e) Details of employees posted and working in a country outside India, not being directors or their relatives, drawing more than Sixty Lakh Rupees per financial year or Five Lakh Rupees per month, as the case may be during the year 2020

Sr. No.	Name	Designation	Remuneration during the year 2020 [₹]	Nature of Employment [Contractual/Regular]	Qualifications	Experience (in Completed years)	Date of Commencement of employment with Schaeffler India	Age in years	Last Employment	% of Equity Shares held in the Company
1	Hardevi Vazirani	Vice President	65,98,632	Regular	BCOM, DIP.CS, DBM	31	11.09.1992	52	Sigma Sys	Nil

Note:

1 None of the employees disclosed in the above statements is a relative of any director of the Company.

For and on behalf of the Board

Avinash Gandhi

Chairman

DIN: 00161107

New Delhi: February 16, 2021

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

(Annexure E to the Directors' Report)

With increasing focus on sustainable development goals, the Company has constantly focused on the key aspect of Social & Environment Impacts. Talking about environment impacts, conservation of energy has been a major focus in Schaeffler for the past year and the same rigor was seen in 2020, with initiatives and right investments in advance technologies.

Small steps have been initiated to maintain & reduce carbon footprints with an aspiration to be carbon neutral in future.

A. Conservation of Energy

1. Steps taken or impact on conservation of energy

Various steps are taken at all the plants of the Company, some examples are here from plants

- Third Party renewable Energy Power purchase as a Green Energy (Solar) with low cost started from March 2020 in terms of 600000kwh per month which will neutralise 492 tons of CO₂ Emission
- Day light harvesting with improved version provided at new central warehouse which will optimise w.r.t ambient light
- Shopfloors lighting systems are replaced with LED lightings for better efficiency and illumination
- Replacement of Compressed Air Panel AC with Water cooled Panel AC for better efficiency
- CFL normal light replace with LED light and done energy saving 15,550 KWH/year & improve lux level in Segment -3
- Central Coolant supply pump replaced with IE3 class Motor pump with VFD & Pressure Transducer in closed loop & DONE Energy Saving 275 MWH/year
- Thermography analysis is being conducted for early detection of potential problem in energised components
- Installation of new high efficiency HVAC system with climate control system and high efficiency water cooled chiller at New SMB area

2. The steps taken by the Company for utilisation of alternate sources of energy

- Hosur Plant purchased 5 MW Third Party solar power 600000kwh per month
- SOLAR roof panels installed for Savli plant, yet to start production
- Skylights on roof to use natural light of New roofs (Savli and Hosur)

3. The Capital investment on energy conservation equipment in the Company

- SIL Hosur installed 500 CFM Atlas Capco VFD based compressor constant outlet pressure with 60-90% of load according to the plant demand
- Installed HVLS (High Velocity Low Speed) Fan at Hall-2 Assembly line to eliminate the independent 10nos. of Man coolers
- Additional 6000 KVA transformer (3x2000) are installed for Capacity Enhancement

4. Environment Health & Safety

- Dust collector incorporated with automatic water sprinkler system at DISA Shot Peening machine, Q burst system also provided with the dust collector
- KUKA Robot with complete safety system installed at Truck Pressure Plate line to eliminate Ergonomic issues
- Complete Health monitoring Protocol system implemented to protect from COVID-19
- Fire Detection and Suppression system installed at LPG LOT storage, new central warehouse and at security building at Hall-1 of Hosur and in new hall of Savli (VSD camera, Beam Detection and sprinklers)
- Solar Snake Repellers installed at various location to prevent snake entry inside the plant
- Battery Sale discarded and Buy back initiated fetching @ 2.0 lakh to Schaeffler Maneja Plant
- Integrity test and Hydro tests done for Exssol D95 Underground Tank and DGBB62 Air Receiver
- Crisis management team formulated plant & region level
- Upgraded the fire pump room with new electrical pump
- New substance storage systems as per the group guideline at Savli plant
- New machines are equipped with the camera detection system and auto CO₂ flooding system in the plant
- Introduction of new STP of 80KL/Day
- Green belt development is being done continuously at plants to increase the biodiversity ratio
- The emission controls are done at plants with machines fixed with exhaust system air purifiers

B. Technology Absorption

1. The efforts made towards technology absorption

- Synchroniser ring line capacity enhancement – 2nd Grinding line
- Heavy duty rings production line
- Hydraulic lash adjuster and roller finger follower assembly automation
- New Technology and Capacity Expansion in plastic injection molding
- Jung surface grinder for Tool shop
- Face Grinding machine for SRB inner ring
- JR KM90 Honing Machine, DGGB140

- Grinding and Honing machines for cylindrical roller bearings
- Hard Turning machine for cylindrical roller bearings
- Cutting Machine for Quick centre
- Roller face grinder for tapered roller bearings
- Roller Hearth furnace
- Pittler hard turning machine for cylindrical, tapered and spherical roller bearings
- Cylindrical roller bearings line
- Robot Automation for Truck Pressure Plate line
- EK17 line for Cover Assembly
- Shot peening machine for car line

2. Benefits derived like product improvement, cost reduction, product development or import substitution

The Product reliability with customer-oriented Productivity and Schaeffler global Quality level is ensured with empowered technology of Schaeffler group with introduction of new Technology, better working condition, improved metrology and Global standards of Quality of our products with meeting all compliance level of health and safety as per OHSAS standards for local and Global customers.

3. Details of Imported Technology (Imported during the last three years reckoned from the beginning of the year)

Technology	Year of import	Whether technology is fully absorbed?	if not fully absorbed, areas where absorption has not taken place, and the reasons thereof
Face Grinding Machine	2019	Yes	
Centerless Grinding Machine	2018, 2019	Yes	
Honing Line for SRB E1 Rollers	2019	Yes	
Assembly lines for DGGB <90	2018	Yes	
Capacity Enhancement in Hydraulic Lash Adjustor	2019	Yes	
Capacity Enhancement in Roller Finger Follower	2019	Yes	
New Technology and Capacity Expansion in Plastic injection molding	2018, 2019, 2020	Yes	
Assembly lines for DGGB > 90	2017,2018	Yes	
Track grinding machines for DGGB/SRB/CRB	2017,2018	Yes	
Roller grinding line for TRB	2018	Yes	
Vertical honing machines for CRB	2018	Yes	
Investment Realisation in Mechanical Tappets	2018, 2019	Yes	
Capacity Expansion in Clutch release molding	2018	Yes	
Capacity Expansion in Pressure plate machining	2018	Yes	
Hwacheon	2019	Yes	
Fanuc Robo drill	2019	Yes	
EK17 line for passenger car clutches	2020	Yes	
Grinding and honing line for CRB 120	2020	Yes	
BU drawn cup assembly machine	2020	Yes	
RNN Line	2020	Yes	

The details of Expenditure incurred on Research and Development

Particulars	₹ in million)	
	2020	2019
Capital	34.3	28.5
Revenue	723.4	553.9
Total	757.7	582.4

4. Foreign Exchange Earnings and Outgo

Particulars	(₹ in million)	
	2020	2019
Earning:		
Earning in foreign exchange		
Service Income	1.8	5.1
FOB value of exports	3,961.7	4,722.6
Other	54.5	38.3
Total foreign exchange earned	4,018.0	4,766.0
Outgo:		
CIF value of Imports:		
Raw materials, Components, Products purchased for Sale, Stores & Spares, Capital goods and intangible assets	13,928.9	16,100.6
Expenditure in foreign currency		
Interest on foreign currency loans, Fees for use of technology/trademark	743.7	831.9
Dividend paid to Shareholders (net of tax)	811.0	695.2
Total foreign exchange used	15,483.6	17,627.7

For Schaeffler India Limited

Avinash Gandhi

Chairman

DIN: 00161107

New Delhi: February 16, 2021

Category of shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	23,172,647	-	23,172,647	74.13	23,172,647	-	23,172,647	74.13	-
d) Banks/Fl	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A)(2)	23,172,647	-	23,172,647	74.13	23,172,647	-	23,172,647	74.13	-
Total shareholding of Promoter (A) = (A)(1) + (A)(2)	23,172,647	-	23,172,647	74.13	23,172,647	-	23,172,647	74.13	-
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds	4,248,653	-	4,248,653	13.59	3,852,256	-	3,852,256	12.32	(1.27)
b) Banks/Fl	1,575	360	1,935	0.01	135	350	485	0.00	(0.00)
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	645,539	50	645,589	2.07	715,201	50	715,251	2.29	0.22
g) Foreign Institutional Investors (FIIs)	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)									
Foreign Portfolio Investor	1,174,139	-	1,174,139	3.76	1,510,470	-	1,510,470	4.83	1.08
Unit Trust of India	-	-	-	-	-	-	-	-	-
Foreign Financial Institutions	-	100	100	0.00	-	-	-	-	(0.00)
Alternate Investment Funds	773	-	773	0.00	14,579	-	14,579	0.05	0.04
Sub-total (B)(1)	6,070,679	510	6,071,189	19.42	6,092,641	400	6,093,041	19.49	0.07
(2) Non-Institutions									
a) Bodies Corporate									
i) Indian	481,946	3,720	485,666	1.55	517,455	3,295	520,750	1.67	0.11
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	996,030	94,262	1,090,292	3.49	1,035,011	78,890	1,113,901	3.56	0.08
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	267,105	-	267,105	0.85	171,947	-	171,947	0.55	(0.30)
c) Others (specify)									
Trusts	275	-	275	0.00	907	-	907	0.00	0.00
Hindu Undivided Family	73,271	-	73,271	0.23	87,334	750	88,084	0.28	0.05
Non Resident Individuals (Repatriable)	30,861	-	30,861	0.10	24,134	-	24,134	0.08	(0.02)

Category of shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Non Resident Individuals (Non - Repatriable)	22,469	150	22,619	0.07	19,503	-	19,503	0.06	(0.01)
Clearing Member	8,165	-	8,165	0.03	3,513	-	3,513	0.01	(0.01)
Unclaimed Shares	3,380	-	3,380	0.01	2,785	-	2,785	0.01	(0.00)
IEPF Authority	34,681	-	34,681	0.11	48,888	-	48,888	0.16	0.05
Directors/Realtives	533	-	533	0.00	524	-	524	0.00	-
NBFCs registered with RBI	20	-	20	0.00	20	-	20	0.00	-
Trust (Employees)	30	-	30	0.00	-	-	-	-	(0.00)
Sub-total (B)(2)	1,918,766	98,132	2,016,898	6.45	1,912,021	82,935	1,994,956	6.38	(0.07)
Total Public Shareholding (B)=(B)(1)+ (B)(2)	7,989,445	98,642	8,088,087	25.87	8,004,662	83,335	8,087,997	25.87	(0.00)
C. SHARES HELD BY CUSTODIAN FOR GDRS & ADRS	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	31,162,092	98,642	31,260,734	100.00	31,177,309	83,335	31,260,644	100.00	(0.00)

ii) Shareholding of Promoter

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in Shareholding during the year
		No. of Shares	% of Total Shares of the company	% of Shares pledged/ encumbered to Total Shares	No. of Shares	% of Total Shares of the company	% of Shares pledged/ encumbered to Total Shares	
1	Schaeffler Schweinfurt Beteiligungs GmbH (Formerly FAG Kugelfischer GmbH)	8,529,183	27.28	-	8,529,183	27.28	-	-
2	Schaeffler Bühl Verwaltungs GmbH	6,428,573	20.56	-	6,428,573	20.56	-	-
3	Schaeffler Verwaltungsholding Sechs GmbH	4,692,451	15.01	-	4,692,451	15.01	-	-
4	Industriewerk Schaeffler INA-Ingenieurdienst GmbH	3,522,440	11.27	-	3,522,440	11.27	-	-
5	Schaeffler Beteiligungsgesellschaft mbH	-	-	-	-	-	-	-
6	Schaeffler Bühl Beteiligungs GmbH	-	-	-	-	-	-	-

iii) Change in Promoters' Shareholding

Name of the Shareholder	Date	Reason	Shareholding at the beginning of the year		Increase/ (Decrease) in No. of Shares	Cumulative Shareholding During the year	
			No. of Shares	% of Total Shares of the company		No. of Shares	% of Total Shares of the company
Schaeffler Schweinfurt Beteiligungs GmbH (Formerly known as FAG Kugelfischer GmbH)	At the beginning of the Year Jan 01, 2020		8,529,183	27.28			
	At the end of the Year Dec 31, 2020				-	-	8,529,183
Schaeffler Bühl Verwaltungs GmbH	At the beginning of the Year Jan 01, 2020		6,428,573	20.56			
	At the end of the Year Dec 31, 2020						6,428,573
Schaeffler Verwaltungsholding Sechs GmbH	At the beginning of the Year Jan 01, 2020		4,692,451	15.01			
	At the end of the Year Dec 31, 2020				-	-	4,692,451
Industriewerk Schaeffler INA-Ingenieurdienst GmbH	At the beginning of the Year Jan 01, 2020		3,522,440	11.27			
	At the end of the Year Dec 31, 2020						3,522,440
Schaeffler Beteiligungsgesellschaft mbH	At the beginning of the Year Jan 01, 2019		-	-			
	At the end of the Year Dec 31, 2020						-
Schaeffler Bühl Beteiligungs GmbH	At the beginning of the Year Jan 01, 2020		-	-			
	At the end of the Year Dec 31, 2020						-

iv) Shareholding Pattern of Top Ten Shareholders: (Other than Directors, Promoters and Holders of GDRs and ADRs)

Sr. No.	Name of the Shareholder 1	Date	Reason	Shareholding at the beginning of the year		Increase/ (Decrease) in No. of Shares	Cumulative Shareholding During the year	
				No. of Shares	% of total Shares of the Company		No. of Shares	% of total Shares of the Company
1	KOTAK EMERGING EQUITY SCHEME	At the beginning of the Year Jan 01, 2020		700,743	2.24		700,743	2.24
		24-Jan-20	Transfer			22,768	723,511	2.31
		31-Jan-20	Transfer			937	724,448	2.32
		7-Feb-20	Transfer			7,767	732,215	2.34
		14-Feb-20	Transfer			17,800	750,015	2.40
		21-Feb-20	Transfer			12,840	762,855	2.44
		28-Feb-20	Transfer			6,019	768,874	2.46
		6-Mar-20	Transfer			9,439	778,313	2.49
		13-Mar-20	Transfer			1,449	779,762	2.49
		20-Mar-20	Transfer			25,710	805,472	2.58
		27-Mar-20	Transfer			9,634	815,106	2.61
		10-Apr-20	Transfer			5,000	820,106	2.62
		17-Apr-20	Transfer			6,815	826,921	2.65
		24-Apr-20	Transfer			5,500	832,421	2.66
		22-May-20	Transfer			5,000	837,421	2.68
		29-May-20	Transfer			50,000	887,421	2.84
		5-Jun-20	Transfer			9,359	896,780	2.87
		12-Jun-20	Transfer			10,000	906,780	2.90
		19-Jun-20	Transfer			14,195	920,975	2.95
		26-Jun-20	Transfer			3,267	924,242	2.96
		30-Jun-20	Transfer			7,545	931,787	2.98
		3-Jul-20	Transfer			9,753	941,540	3.01
		10-Jul-20	Transfer			1,294	942,834	3.02
		17-Jul-20	Transfer			27,000	969,834	3.10
		24-Jul-20	Transfer			6,000	975,834	3.12
		31-Jul-20	Transfer			5,673	981,507	3.14
		14-Aug-20	Transfer			8,722	990,229	3.17
		28-Aug-20	Transfer			8,844	999,073	3.20
		4-Sep-20	Transfer			(1,257)	997,816	3.19
		11-Sep-20	Transfer			6,436	1,004,252	3.21
		25-Sep-20	Transfer			12,991	1,017,243	3.25
		30-Sep-20	Transfer			4,953	1,022,196	3.27
		9-Oct-20	Transfer			6,016	1,028,212	3.29
		6-Nov-20	Transfer			6,242	1,034,454	3.31
13-Nov-20	Transfer			5,000	1,039,454	3.33		
11-Dec-20	Transfer			2,538	1,041,992	3.33		
18-Dec-20	Transfer			5,000	1,046,992	3.35		
31-Dec-20	Transfer			(1,590)	1,045,402	3.34		
		At the end of the year Dec 31, 2020					1,045,402	3.34
2	UTI - EQUITY FUND	At the beginning of the Year Jan 01, 2020		522,805	1.67		522,805	1.67
		3-Jan-20	Transfer			10,503	533,308	1.71
		24-Jan-20	Transfer			4,500	537,808	1.72
		31-Jan-20	Transfer			2,200	540,008	1.73
		14-Feb-20	Transfer			215	540,223	1.73
		28-Feb-20	Transfer			(892)	539,331	1.73
		6-Mar-20	Transfer			(169)	539,162	1.72
		13-Mar-20	Transfer			4,800	543,962	1.74
		20-Mar-20	Transfer			1,447	545,409	1.74
		27-Mar-20	Transfer			1,500	546,909	1.75

Sr. No.	Name of the Shareholder 1	Date	Reason	Shareholding at the beginning of the year		Increase/ (Decrease) in No. of Shares	Cumulative Shareholding During the year		
				No. of Shares	% of total Shares of the Company		No. of Shares	% of total Shares of the Company	
		10-Apr-20	Transfer			2,000	548,909	1.76	
		17-Apr-20	Transfer			2,500	551,409	1.76	
		24-Apr-20	Transfer			10,000	561,409	1.80	
		1-May-20	Transfer			17,000	578,409	1.85	
		8-May-20	Transfer			6,500	584,909	1.87	
		15-May-20	Transfer			10,500	595,409	1.90	
		22-May-20	Transfer			2,000	597,409	1.91	
		29-May-20	Transfer			60,500	657,909	2.10	
		5-Jun-20	Transfer			10,769	668,678	2.14	
		12-Jun-20	Transfer			3,000	671,678	2.15	
		19-Jun-20	Transfer			10,068	681,746	2.18	
		24-Jul-20	Transfer			(5,000)	676,746	2.16	
		14-Aug-20	Transfer			2,425	679,171	2.17	
		21-Aug-20	Transfer			(1,022)	678,149	2.17	
		11-Sep-20	Transfer			5,718	683,867	2.19	
		18-Sep-20	Transfer			2,480	686,347	2.20	
		25-Sep-20	Transfer			1,500	687,847	2.20	
		9-Oct-20	Transfer			(2,200)	685,647	2.19	
		16-Oct-20	Transfer			(800)	684,847	2.19	
		23-Oct-20	Transfer			(1,300)	683,547	2.19	
		6-Nov-20	Transfer			4,249	687,796	2.20	
		13-Nov-20	Transfer			42,852	730,648	2.34	
		20-Nov-20	Transfer			9,183	739,831	2.37	
		04-Dec-20	Transfer			2,273	742,104	2.37	
		11-Dec-20	Transfer			(5,008)	737,096	2.36	
		18-Dec-20	Transfer			(305)	736,791	2.36	
		25-Dec-20	Transfer			(2,122)	734,669	2.35	
		31-Dec-20	Transfer			(6,103)	728,566	2.33	
		At the end of the year Dec 31, 2020						728,566	2.33
3	SBI MAGNUM GLOBAL FUND	At the beginning of the Year Jan 01, 2020		663,360	2.12		663,360		
		10-Apr-20	Transfer			(1,460)	661,900	2.12	
		24-Apr-20	Transfer			(940)	660,960	2.11	
		At the end of the year Dec 31, 2020						660,960	2.11
4	HDFC LIFE INSURANCE COMPANY LIMITED	At the beginning of the Year Jan 01, 2020		378,598	1.21		378,598		
		7-Feb-20	Transfer			(211)	378,387	1.21	
		14-Feb-20	Transfer			(83)	378,304	1.21	
		28-Feb-20	Transfer			(160)	378,144	1.21	
		6-Mar-20	Transfer			(59)	378,085	1.21	
		3-Apr-20	Transfer			(206)	377,879	1.21	
		19-Jun-20	Transfer			(5,894)	371,985	1.19	
		26-Jun-20	Transfer			(5,927)	366,058	1.17	
		24-Jul-20	Transfer			(50,000)	316,058	1.01	
		28-Aug-20	Transfer			911	316,969	1.01	
		11-Sep-20	Transfer			1,426	318,395	1.02	
		9-Oct-20	Transfer			206	318,601	1.02	
		6-Nov-20	Transfer			(81)	318,520	1.02	
		20-Nov-20	Transfer			25,000	343,520	1.10	
		27-Nov-20	Transfer			7,500	351,020	1.12	
		4-Dec-20	Transfer			3,055	354,075	1.13	
		11-Dec-20	Transfer			58,663	412,738	1.32	
		At the end of the year Dec 31, 2020						412,738	1.32

Directors' Report

Sr. No.	Name of the Shareholder 1	Date	Reason	Shareholding at the beginning of the year		Increase/ (Decrease) in No. of Shares	Cumulative Shareholding During the year	
				No. of Shares	% of total Shares of the Company		No. of Shares	% of total Shares of the Company
5	HDFC TRUSTEE COMPANY LTD - A/C HDFC MID - CAPOPPORTUNITIES FUND	At the beginning of the Year Jan 01, 2020		467,581	1.50		467,581	1.50
		31-Jan-20	Transfer			(4,460)	463,121	1.48
		7-Feb-20	Transfer			(17,200)	445,921	1.43
		21-Feb-20	Transfer			(4,796)	441,125	1.41
		28-Feb-20	Transfer			(2,482)	438,643	1.40
		13-Mar-20	Transfer			(3,561)	435,082	1.39
		20-Mar-20	Transfer			(206)	434,876	1.39
		27-Mar-20	Transfer			(931)	433,945	1.39
		31-Mar-20	Transfer			(622)	433,323	1.39
		3-Apr-20	Transfer			(245)	433,078	1.39
		10-Apr-20	Transfer			(86)	432,992	1.39
		17-Apr-20	Transfer			(5,880)	427,112	1.37
		24-Apr-20	Transfer			(2,582)	424,530	1.36
		1-May-20	Transfer			(13,662)	410,868	1.31
		28-Aug-20	Transfer			(16,334)	394,534	1.26
		4-Sep-20	Transfer			(12,157)	382,377	1.22
		11-Sep-20	Transfer			(10,200)	372,177	1.19
		18-Sep-20	Transfer			(1,600)	370,577	1.19
		4-Dec-20	Transfer			(600)	369,977	1.18
		11-Dec-20	Transfer			(14,477)	355,500	1.14
		18-Dec-20	Transfer			(10,500)	345,000	1.10
		At the end of the year Dec 31, 2020					345,000	1.10
6	SUNDARAM MUTUAL FUND A/C SUNDARAM MID CAP FUND	At the beginning of the Year Jan 01, 2020		412,308	1.32		412,308	1.32
		3-Jan-20	Transfer			(160)	412,148	1.32
		10-Jan-20	Transfer			(4,965)	407,183	1.30
		7-Feb-20	Transfer			(20,628)	386,555	1.24
		14-Feb-20	Transfer			(4,314)	382,241	1.22
		17-Jul-20	Transfer			(16,932)	365,309	1.17
		24-Jul-20	Transfer			(293)	365,016	1.17
		31-Jul-20	Transfer			(999)	364,017	1.16
		7-Aug-20	Transfer			(6,945)	357,072	1.14
		28-Aug-20	Transfer			(9,152)	347,920	1.11
		25-Sep-20	Transfer			(6,090)	341,830	1.09
		30-Sep-20	Transfer			(1,728)	340,102	1.09
		2-Oct-20	Transfer			(1,123)	338,979	1.08
		16-Oct-20	Transfer			(9,915)	329,064	1.05
		30-Oct-20	Transfer			(2)	329,062	1.05
		06-Nov-20	Transfer			(2,621)	326,441	1.04
		13-Nov-20	Transfer			10,500	336,941	1.08
		20-Nov-20	Transfer			3,723	340,664	1.09
		4-Dec-20	Transfer			(7,456)	333,208	1.07
		11-Dec-20	Transfer			(12,666)	320,542	1.03
		18-Dec-20	Transfer			(10,000)	310,542	0.99
31-Dec-20	Transfer			(984)	309,558	0.99		
		At the end of the year Dec 31, 2020					309,558	0.99
7	SHREE CAPITAL SERVICES LTD	At the beginning of the Year Jan 01, 2020					285,722	0.91
		At the end of the year Dec 31, 2020					285,722	0.91

Sr. No.	Name of the Shareholder 1	Date	Reason	Shareholding at the beginning of the year		Increase/ (Decrease) in No. of Shares	Cumulative Shareholding During the year	
				No. of Shares	% of total Shares of the Company		No. of Shares	% of total Shares of the Company
8	FRANKLIN INDIA PRIMA FUND	At the beginning of the Year Jan 01, 2020		664,797	2.13		664,797	2.13
		7-Feb-20	Transfer			(2,619)	662,178	2.12
		31-Mar-20	Transfer			(706)	661,472	2.12
		3-Apr-20	Transfer			(102)	661,370	2.12
		24-Apr-20	Transfer			(31,554)	629,816	2.01
		22-May-20	Transfer			(29,545)	600,271	1.92
		29-May-20	Transfer			(24,738)	575,533	1.84
		5-Jun-20	Transfer			(736)	574,797	1.84
		17-Jul-20	Transfer			(15,988)	558,809	1.79
		24-Jul-20	Transfer			(9,012)	549,797	1.76
		11-Sep-20	Transfer			(7,408)	542,389	1.74
		18-Sep-20	Transfer			(42,145)	500,244	1.60
		25-Sep-20	Transfer			(20,162)	480,082	1.54
		9-Oct-20	Transfer			(80,285)	399,797	1.28
		20-Nov-20	Transfer			(50,000)	349,797	1.12
		27-Nov-20	Transfer			(15,206)	334,591	1.07
		4-Dec-20	Transfer			(22,651)	311,940	1.00
11-Dec-20	Transfer			(57,248)	254,692	0.81		
		At the end of the year Dec 31, 2020					254,692	0.81
9	INDIA MIDCAP (MAURITIUS) LTD.	At the beginning of the Year Jan 01, 2020					177,371	0.57
		At the end of the year Dec 31, 2020					177,371	0.57
10	THE NEW INDIA ASSURANCE COMPANY LIMITED	At the beginning of the Year Jan 01, 2020					169,944	0.54
		At the end of the year Dec 31, 2020					169,944	0.54

1 Shareholding details of top 10 Shareholders as on December 31, 2020, have been clubbed based on unique Permanent Account Number.

v) Shareholding of Directors and Key Managerial Personnel

SN	Shareholding of Directors and Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Increase/ Decrease in No. of Shares	Cumulative Shareholding during the year	
				No. of Shares	% of Total Shares of the Company		No. of Shares	% of Total Shares of the Company
DIRECTOR(S)								
1	Mrs. Renu Challu	At the beginning of the Year Jan 01, 2020		408	-			
		At the end of the year Dec 31, 2020		408	-		408	-
2	Ms. Eranti V. Sumithasri	At the beginning of the Year Jan 01, 2020		NA	-			
		At the end of the year Dec 31, 2020		10	-		10	-
DIRECTOR AND KEY MANAGERIAL PERSONNEL								
3	Mr. Harsha Kadam	At the beginning of the Year Jan 01, 2020		25	-	(25)		
		At the end of the year Dec 31, 2020		-	-		-	-

5. Indebtedness

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Amount in ₹)

Indebtedness of the Company including interest outstanding/accrued but not due for payment				
Particulars	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year				
Addition	-	-	-	-
Reduction	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-

6. Remuneration of Directors and Key Managerial Personnel

A. Remuneration to Managing Director, Whole-time Directors and/or Manager

(Amount in ₹)

Sr. No.	Particulars of Remuneration paid to the Managing Director and Whole-time Director	Mr. Harsha Kadam, Managing Director & CEO	Mr. Satish Patel, Director-Finance & CFO
1	Gross salary:		
	(a) Salary as per provisions contained in section 17(1) of the Income-Tax Act, 1961	21,215,701	11,850,701
	(b) Value of perquisites u/s 17(2) of the Income-Tax Act, 1961	452,976	596,576
	(c) Profits in lieu of salary under section 17(3) of the Income-Tax Act, 1961		
2	Stock Option		
3	Sweat Equity		
4	Commission		
	- as % of profit		
	- others, specify		
5	Others, please specify		
Total		21,668,677	12,447,277
Ceiling as per the Companies Act, 2013		₹ 401.3 million	

B. Remuneration to other Directors

Sr. No.	Particulars of Remuneration	Name of Directors						Total	
		Mr. Avinash Gandhi	Mrs. Renu Challu	Mr. Arvind Balaji ¹	Mr. Amit Kalyani ²	Ms. Eranti V. Sumithasri ³	Dr. Sanak Mishra ⁴		Mr. Rakesh Jinsi ⁵
1	Independent Directors								
	Fee for attending Board/ Committee Meetings	390,000	420,000	420,000	450,000	210,000	NA	NA	1,890,000
	Commission	1,600,000	1,050,000	NA	NA	NA	1,050,000	1,050,000	4,750,000
	Others, please specify	-	-	-	-	-	-	-	-
	Total (1)	1,990,000	1,470,000	420,000	450,000	210,000	1,050,000	1,050,000	6,640,000
2	Other Non-executive Directors								
	Fee for attending Board/ Committee Meetings	100,000	-	360,000	260,000	-	-	-	720,000
	Commission	1,050,000	-	1,050,000	262,500	-	-	-	2,362,500
	Others, please specify	-	-	-	-	-	-	-	-
	Total (2)	1,150,000	-	1,410,000	522,500	-	-	-	3,082,500
	Total (B) = (1) +(2)	3,140,000	1,470,000	1,830,000	972,500	210,000	1,050,000	1,050,000	9,722,500
	Total Managerial Remuneration								41,241,331
	Overall Ceiling as per the Companies Act, 2013								₹ 441.5 million

- 1 Mr. Arvind Balaji has been appointed as Independent Director effective November 6, 2019.
- 2 Mr. Amit Kalyani appointed as Independent Director effective February 11, 2020.
- 3 Ms. Eranti V. Sumithasri has been appointed as Independent Director effective July 15, 2020.
- 4 Mr. Sanak Mishra ceased to be a Director effective November 6, 2019.
- 5 Mr. Rakesh Jinsi ceased to be a Director effective February 11, 2020.
- 6 Mr. R Sampath Kumar ceased to be a Director effective May 30, 2020.
- 7 Mr. Klaus Rosenfeld has refunded the sitting fees and commission paid during FY20.

Notes:

- a) Managerial Remuneration includes Remuneration paid to Managing Director(s), Whole-time Director and 'Profit Related Commission' paid to other Directors during 2020.
- b) Effective April 1, 2019, sitting fees for attending meetings of Board and Committees thereof are paid to the Non-executive Directors who are in whole-time employment of the Schaeffler Group.

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

Sr. No.	Particulars of Remuneration	(Amount in ₹)	
		Chirag Shukla, CS up to Feb 28, 2020	Ashish Tiwari, CS effective from Feb 29, 2020
1	Gross salary:		
	(a) Salary as per provisions contained in section 17(1) of the Income-Tax Act, 1961	514,447	7,462,930
	(b) Value of perquisites u/s 17(2) of the Income-Tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income-Tax Act, 1961		
2	Stock Option		
3	Sweat Equity		
4	Commission		
	- as % of profit		
	- others, specify		
5	Others, please specify		
	Total	514,447	7,462,930

- 1 Mr. Chirag Shukla ceased to be the Company Secretary effective February 28, 2020.
- 2 Mr. Ashish Tiwari appointed as the Company Secretary effective February 29, 2020.

7. Penalties/Punishment/Compounding of Offences

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/Compounding fees imposed	Authority [RD/NCLT/COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty					
Punishment			Nil		
Compounding					
B. DIRECTORS					
Penalty					
Punishment			Nil		
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment			Nil		
Compounding					

For and on behalf of the Board

Avinash Gandhi

Chairman

DIN: 00161107

New Delhi: February 16, 2021