



# Directors' Report

Dear Shareholders,

Your Directors are pleased to present the 59<sup>th</sup> Annual Report of the Company together with the audited financial statements of the Company for the year ended December 31, 2021.

## Financial Highlights

Particulars	₹ in million	
	2021	2020
Net revenue	55,605	37,619
EBITDA*	9,950	5,402
Less: Depreciation/Amortisation	1,971	1,940
Less: Finance cost	37	53
Add: Interest income	489	563
Profit before tax	8,431	3,972
Provision for tax	2,140	1,062
Profit after tax	6,291	2,910

\* 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 ₹ 55,605.1 million in year 2021 (Year 2020: ₹ 37,618.4 million) which is higher by 47.8%. Profit before tax was placed at ₹ 8,431.4 million (Year 2020: ₹ 3,972.1 million) representing a growth of 112.3%. Your Company recorded profit after tax of ₹ 6,291.2 million (Year 2020: ₹ 2,909.7 million) which represent a growth of 116.2%.

### Global Outlook

After a long period, the global growth reached to an estimated 5.5 percent in 2021 owing to the pent-up demand. The continued COVID-19 flare-ups, diminished fiscal support, and lingering supply bottlenecks makes for a bleak outlook for 2022. Persistent labour market challenges, frail supply-chain and inflation concerns were already softening the growth outlook, which further deepened with recent geopolitical crisis. Soaring energy and commodity prices are likely to derail the momentum and create divergent growth trajectories for countries. This may lead to tightening of fiscal and monetary policies which will further decelerate the growth momentum, particularly in emerging and fragile markets.

### India Outlook

India continues to remain among the fastest-growing economies in the world. The pandemic caused disruptions in the economic and healthcare activities, but we see the economy recovering gradually. Growth is projected at 9.5% for FY 22 and at 8.5% for FY 23. The economic outlook remains clouded due to pandemic related uncertainties on investments, human capital and other growth drivers. This could have a medium-term impact on the growth rate. However, the announcement of the Union Budget highlights that rapid pace of vaccination and long-term benefits of supply side reforms could aid growth. Major policy

changes with a thrust on clean mobility, green energy and investment offer long-term growth opportunities. Successful implementation of the announced wide-ranging structural reforms could increase India's growth potential.

## Share Capital Structure

There has been no increase / decrease in the Authorised Share Capital of your Company during the year under review.

To encourage wider participation of investors and improve the liquidity of the Equity Shares in the stock market, the Board of Directors at its meeting held on October 28, 2021 had considered and recommended the Sub-division / Stock split of 1 (One) Equity Share of the Company of face value of ₹ 10/- (Rupees Ten Only) each into 5 (Five) Equity Shares of the Company of face value of ₹ 2/- (Rupees Two only) each fully paid up subject to approval of the Members and other statutory and regulatory approvals, as applicable.

Subsequently, the Shareholders of the Company approved the Sub-division / Stock split of 1 (One) Equity Share of face value of ₹ 10/- (Rupees Ten Only) each in to 5 (Five) Equity Shares of face value of ₹ 2/- (Rupees Two only) each on December 19, 2021 through remote e-voting Postal Ballot process. Old ISIN of the Company has been deactivated and in place new ISIN: INE513A01022 was activated by the depositories for the equity shares of the Company. Equity Shares have been successfully credited into the respective demat accounts of Shareholders holding shares as on record date (February 9, 2022) and Shareholders holding shares in physical form were issued fresh share certificates with new distinctive numbers with their old share certificates duly cancelled.

## Alteration of 'Capital Clause' of Memorandum of Association

Pursuant to the Sub-division / Stock split of face value of equity shares of your Company, as mentioned above, the Capital Clause of the Memorandum of Association of the Company was altered and substituted with a new Clause V to reflect the corresponding changes in the Authorised Share Capital. Members of the Company had approved such alteration in the Capital Clause of Memorandum of Association through remote e-voting Postal Ballot on December 19, 2021.

## 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 2021 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 2021,

your Directors recommend dividend for the year ended December 31, 2021 at the rate of ₹ 16/- per share of ₹ 2/- (2020: ₹ 38/- dividend per share of ₹ 10/-) per equity share amounting to ₹ 2,500.8 million (2020: ₹ 1,187.9 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 Financial Years 2021 and 2020 are as follows:

Dividend	2021	2020
Month and Year of Declaration	April 2022	April 2021
Amount of Dividend Per Equity Share of ₹ 2 each (in ₹)*	16	NA
Amount of Dividend Per Equity Share of ₹ 10 each (in ₹)*	NA	38
% of Dividend	800	380
Total Dividend (Amt. in ₹ million)	2,500.8	1,187.9

\* Sub-division / Stock split of 1 (One) Equity Share of the Company of face value of ₹ 10/- (Rupees Ten Only) each into 5 (Five) Equity Shares of the Company of face value of ₹ 2/- (Rupees Two only) each.

## 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 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/Annexure\\_8b\\_Dividend\\_Distribution\\_Policy.pdf](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/Annexure_8b_Dividend_Distribution_Policy.pdf)

The Dividend Distribution Policy also forms part of this Annual Report 2021.

## Dividend Payout Ratio

To meet Shareholders' expectations and as a good governance practice, the Board of Directors of your Company has approved the target dividend payout ratio of 30% to 50% of the annual standalone profits after tax (PAT) as announced by the Company from time to time, subject to the applicable rules and regulations and amended the Dividend Distribution Policy accordingly.

Your Company has adopted a progressive Dividend Policy, intending to sustain or raise the dividend each year, in conjunction with the financial performance and free cash profit generation each year.

## 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

## Directors' Report

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 Company. As on December 31, 2021, 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 SEBI Listing Regulations, the Board of Directors of the top 1,000 listed entities are required to have at least one Independent Woman Director. The Company has 3 (Three) Women Directors comprising of 2 (Two) Independent Women Directors and 1 (One) Non-Executive Non-Independent Woman Director. Further, as per the Regulation 17(1)(b) of the SEBI 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

**Directors' Report**

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.

During the year under report, the Members of your Company in 58<sup>th</sup> Annual General Meeting confirmed the appointment/re-appointment as follows:

- Confirmation of appointment of Ms. Eranti V. Sumithasri [DIN: 07087197] as an Independent Director for a term of five consecutive years up to July 14, 2025.
- Reappointment of Mr. Satish Patel [DIN: 00690869], who was liable to retire by rotation and being eligible had offered himself for re-appointment.
- Reappointment of Mr. Dharmesh Arora [DIN: 05350121], 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, 2021 –

Mr. Jürgen Ziegler [DIN: 07092477] resigned from the Directorship effective July 22, 2021 and Mr. Klaus Rosenfeld [DIN: 07087975] resigned from the Directorship effective October 29, 2021. Your Directors express their gratitude for the contribution made by Mr. Ziegler and Mr. Rosenfeld during their tenure as Director.

During the year under report and till the date of this report, the Board has appointed Ms. Corinna Schittenhelm effective from September 12, 2021 and Mr. Andreas Schick effective from October 28, 2021 as Non-Executive Non-Independent Director, 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 59<sup>th</sup> 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\\_Programs-2021.pdf](https://www.schaeffler.co.in/remotemedien/media/shared_media_rwd/03_worldwide_1/websites_worldwide/india_3/investor_relations/corporate_governance_1/Familiarisation_Programs-2021.pdf)

**Key Managerial Personnel (KMP)**

Pursuant to provisions of Sections 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 (KMP) of the Company:

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

Pursuant to Rule 8(5)(iii) of the Companies (Accounts) Rules, 2014, no change occurred in KMP during the year ended December 31, 2021.

**Meetings of Board of Directors**

During the year under review, 4 (Four) meetings of the Board of Directors were held in compliance with the Companies Act, 2013 and SEBI Listing Regulations on –

Sr. No.	Quarter ended	Date of Meeting
1.	December 2020	February 16, 2021
2.	March 2021	April 26, 2021
3.	June 2021	July 21, 2021
4.	September 2021	October 28, 2021

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:

- 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;
- 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;
- To evaluate performance and give recommendations to the Board on remuneration payable to the Directors, KMP and Senior Management; and
- 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 Nomination and Remuneration Committee (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 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**

- 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.
- None of the Directors (including Independent Directors) shall be entitled to any stock option of the Company.
- 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](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 Performance Evaluation**

Your Company believes that systematic evaluation contributes significantly to improved performance at 3 (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 annual performance evaluation recommended by the 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 Annual Performance Evaluation.

The questionnaire for each category of evaluation is 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 NRC carries out evaluation of all the Directors including Independent Directors and the Board carries out the evaluation of its own performance, each of the Committees and that of all Directors.

For the year 2021, 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. The NRC has also carried out evaluation of all the Directors including Independent Directors.

Qualitative comments received during the Board evaluation were as follows:

- The Company is transparent, follows good corporate governance practices,
- All significant issues are brought to the Board. Agenda and proceedings are well structured and focused,
- The Board is balanced, forward looking and heterogeneous, diverse views are expressed freely,
- Each Board member brings a different skill set and competence to the discussions,
- Appreciation to the management team for their knowledge, maturity, diligence and sincerity,
- Appreciation for the quality, quantity and timeliness of the flow of information between the management and the Board. The management responds to all queries and requests speedily,
- Increased frequency of the RMC meetings helped to bring rightful attention to the important topics of risk,
- Appreciation for the working of CSR, Audit and NRC Committees. Excellent job done by Company Secretary.

**Conclusion**

The evaluation for the year 2021 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 2021, the Independent Directors have held one separate meeting on October 29, 2021.



### Audit Committee

The Audit Committee consists of 7 (Seven) Directors including 5 (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. Andreas Schick and Mr. Satish Patel. The Committee met 4 (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](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 development 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 5 (Five) Directors and 2 (Two) Senior Management employees of the Company. Mr. Dharmesh Arora is the Chairman of the Committee. The other members of the Committee are Ms. Eranti V. Sumithasri, Mr. Andreas Schick, Mr. Harsha Kadam, Mr. Satish Patel, Mr. Sameer Mathur (Chief Operating Officer) and Mr. Santanu Ghoshal (Head of Human Resources).

### Auditors

#### Statutory Auditors

The Statutory Auditors, M/s. Walker Chandio & Co LLP, Chartered Accountants, (Firm Registration Number: 001076N/ N500013) were appointed as Statutory Auditors of the Company at the 58<sup>th</sup> Annual General Meeting ('AGM') of the Company held on April 27, 2021 for a period of 5 (Five) consecutive years from the conclusion of the 58<sup>th</sup> AGM till the conclusion of the 63<sup>rd</sup> 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.

### Reporting of Fraud

The Auditor of the Company have not reported any instances of fraud 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 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, as Cost Auditors were appointed to conduct the audit of the cost records of the Company for the financial year ended December 31, 2021. 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 2022.

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/Annexure\\_14\\_-\\_CSR\\_Policy.pdf](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/Annexure_14_-_CSR_Policy.pdf)

Your Company was required to make CSR expenditure of ₹ 107.1 million i.e., 2% of the Average Net Profits of your Company made during 3 (Three) immediately preceding financial years. Your Company CSR expenditure was ₹ 88.3 million and ₹ 13.6 million was transferred to Unspent CSR Bank Account on February 14, 2022 for the ongoing CSR projects to be spent in the next 3 years and ₹ 5.2 million is the unspent amount in relation to other than ongoing CSR

projects which will be transferred to PM CARES Fund by June 30, 2022. A summary of CSR Policy together with details of CSR activities undertaken by the Company during the year 2021 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 the 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/Amended\\_RPT\\_Policy\\_SIL\\_01-04-2022pdf.pdf](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/Amended_RPT_Policy_SIL_01-04-2022pdf.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

As per provisions of Section 92(3) of the Companies Act, 2013, a copy of draft Annual Return of the Company for the financial year 2021 in the prescribed form MGT-7 has 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/1.pdf](https://www.schaeffler.co.in/remotemedien/media/_shared_media_rwd/03_worldwide_1/websites_worldwide/india_3/investor_relations/shareholders_information/annual_return/1.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 for Women 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](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 2021

There were no complaints pending at the beginning of the year 2021 and the Company received no complaint during the year 2021.

### Directors' Responsibility Statement

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

- In preparation of the annual accounts, the applicable Indian Accounting Standards (Ind AS) have been followed and there are no material departures from the same;
- The accounting policies have been selected and these have been applied consistently and made judgements and estimates that 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, 2021 and of the profit of the Company for that period;
- 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;
- Annual accounts of the Company have been prepared on a 'going concern' basis;
- 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
- 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. Your Company has also implemented FACTS (Financial Accounting and Controlling Tools) project for integrating accounting



and controlling system. 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 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 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, 2021 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)

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

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 7 (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.

#### 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.

#### 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

New Delhi: February 16, 2022

# Secretarial Audit Report

For the Financial Year ended December 31, 2021

(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 and Regulation 24A SEBI (Listing Obligations and Disclosure Requirements), 2015]

To,  
The Members,  
**Schaeffler India Limited**  
15<sup>th</sup> Floor,  
ASTP (Amar Sadanand Tech Park),  
Baner Pune, Pune - 411045  
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 authorized representatives during the conduct of Secretarial Audit and considering the relaxations granted by the Ministry of Corporate Affairs (MCA) and Securities and Exchange Board of India (SEBI) warranted due to the spread of the COVID – 19 pandemic, we hereby report that in our opinion, the company has, during the audit period covering the Financial Year ended on December 31, 2021 ("period under review"), 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, 2021;
- 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.

**Suresh Kumar Kabra**  
Partner

**Samdani Kabra & Asso.**  
Company Secretaries  
PR No. 884/2020  
ACS No. 9711  
CP No. 9927  
UDIN: A009711C002522111

Place: Vadodara,  
Date: February 16, 2022

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**  
15<sup>th</sup> Floor,  
ASTP (Amar Sadanand Tech Park),  
Baner Pune, Pune - 411045  
Maharashtra, India.

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

- i. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- ii. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the 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. We have conducted online verification and examination of records, as facilitated by the Company, due to COVID 19 pandemic situation and relied on the same for the purpose of issuing the report.

- iv. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
- v. Wherever required, we have obtained the management representation about the Compliance of laws, rules and regulations and happening of events etc.
- vi. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
- vii. 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.

**Suresh Kumar Kabra**  
Partner

**Samdani Kabra & Asso.**  
Company Secretaries  
PR No. 884/2020  
ACS No. 9711  
CP No. 9927  
UDIN: A009711C002522111

Place: Vadodara,  
Date: February 16, 2022



# CSR Report

(Annexure B to the Directors' Report)

## 1. Brief outline on CSR Policy of the Company.

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 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 organizational self-realization. We constantly strive to contribute in our humble way to the motto – (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 endeavor 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.

## 2. Composition of CSR Committee:

Sl. No	Name of the Director	Designation /Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Arvind Balaji	Chairman	2	2
2.	Mr. Harsha Kadam	Member	2	2
3.	Mr. Amit Kalyani	Member	2	0
4.	Ms. Corinna Schittenhelm <sup>1</sup>	Member	2	NA

<sup>1</sup>Ms. Corinna Schittenhelm has been appointed as member of the CSR Committee effective October 29, 2021

3. Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company:

### CSR Committee

<https://www.schaeffler.co.in/content.schaeffler.co.in/en/investor-relations/corporate-governance/committees-board-of-directors/index.jsp>

### CSR Policy

[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/Annexure\\_14\\_-\\_CSR\\_Policy.pdf](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/Annexure_14_-_CSR_Policy.pdf)

## CSR Projects

[https://www.schaeffler.co.in/remotemedien/media/shared\\_media\\_rwd/03\\_worldwide\\_1/websites\\_worldwide/india\\_3/investor\\_relations/corporate\\_governance\\_1/2022\\_CSR\\_Projects.pdf](https://www.schaeffler.co.in/remotemedien/media/shared_media_rwd/03_worldwide_1/websites_worldwide/india_3/investor_relations/corporate_governance_1/2022_CSR_Projects.pdf)

4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of Rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014:

The Impact Assessment of the 'Jalsahara program' in Maharashtra is undertaken by Sattva Consulting Pvt. Ltd. and commissioned by the Company.

The Impact Assessment study was exercised at Satara where the Jalsahara Program has been executed by Schaeffler India in collaboration with BAIF Development Research Foundation with an aim to enable better natural resource management and livelihood enhancement of the communities.

[https://www.schaeffler.co.in/remotemedien/media/shared\\_media\\_rwd/03\\_worldwide\\_1/websites\\_worldwide/india\\_3/investor\\_relations/corporate\\_governance\\_1/2021\\_Impact\\_Assesment\\_Report\\_JalSahara\\_Schaeffler\\_India.pdf](https://www.schaeffler.co.in/remotemedien/media/shared_media_rwd/03_worldwide_1/websites_worldwide/india_3/investor_relations/corporate_governance_1/2021_Impact_Assesment_Report_JalSahara_Schaeffler_India.pdf)

5. Details of the amount available for set off in pursuance of sub-rule (3) of Rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
1	2018	NIL	NIL
2	2019	NIL	NIL
3	2020	NIL	NIL

6. Average net profit of the company as per section 135(5)

Year	Net Profit (₹ in million)
2018	6,749
2019	5,346
2020	3,972
<b>Average Net Profit</b>	<b>5,356</b>

7. (a) Two percent of average net profit of the company as per section 135(5)
- | Year                     | ₹ in million |
|--------------------------|--------------|
| 2% of Average Net Profit | 107.1        |
- (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. - NA
- (c) Amount required to be set off for the financial year, if any - NIL
- (d) Total CSR obligation for the financial year (7a+7b-7c) – The Company is required to spend an amount of ₹ 107.1 million as CSR expenditure during the financial year 2021.

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (₹ in million)	Total Amount transferred to Unspent CSR Account as per section 135(6) (₹ in million)	Amount Unspent (₹ in million)	
		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5) (₹ in million)	Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5) (₹ in million)
88.3	13.6	5.2	To be transfer before June 30, 2022 for other than ongoing projects

- (b) Details of CSR amount spent against ongoing projects for the financial year:

Sl. No	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	Location of the project		Project Duration	Amount allocated for the project (₹ in million)	Amount spent in the current financial year (₹ in million)	Amount transferred to Unspent CSR Account for the project as per section 135(5) (₹ in million)	Mode of Implementation - (Yes/No)	Mode of Implementation - Through Implementing Agency
				State	District						
1	Mobi-Health Unit	Promoting Health Care (i)	Yes	Gujarat	Vadodara	36 Months	9.5	9.2	0.0	No	Deepak Foundation
2	Lok Vidyalaya: Construction of secondary School & providing holistic quality educational support	Promoting Education (ii)	Yes	Gujarat	Vadodara	60 Months	2.8	2.7	0.0	Yes	Direct
3	Nitara project: Promoting livelihood for differently abled	Skill Development	Yes	Gujarat	Vadodara	24 Months	3.4	3.3	0.0	No	Sambhav Foundation
4	Quest on wheels: Heritage & Educational Trips	Promoting Education (ii)	Yes	Gujarat	Vadodara	17 Months	1.6	1.3	0.3	No	Creation Foundation
5	Support to Mook Dhvani School	Promoting Education (i)	Yes	Gujarat	Vadodara	48 Months	1.9	2.0	0.0	Yes	Direct
6	National University Skill Development Program -Vadodara	Skills & Livelihood Enhancement (ii)	Yes	Gujarat	Vadodara	12 Months	4.0	4.0	0.0	No	Tata Institute of Social Sciences
7	Jal Sahara	Rural Development (x)	Yes	Maharashtra	Satara	32 Months	11.6	11.6	0.0	No	BAIF Development Research Foundation
8	Mobile Health Unit	Promoting Health Care (i)	Yes	Maharashtra	Pune	36 Months	3.1	2.8	0.3	No	Deepak Foundation
9	Comprehensive Community Development	Promoting Education (ii)	Yes	Maharashtra	Pune	12 Months	4.2	4.2	0.0	No	Deepak Foundation
10	Jal Samruddhi	Environment Sustainability (iv)	Yes	Maharashtra	Pune	30 Months	4.1	2.9	1.2	No	BAIF Development Research Foundation
11	National University Skill Development Program -Tategaon	Skills & Livelihood Enhancement (ii)	Yes	Maharashtra	Pune	12 Months	3.0	2.3	0.7	No	Tata Institute of Social Sciences

**Directors' Report**

1	2	3	4	5	6	7	8	9	10	11	
Sl. No	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	Location of the project	Project Duration	Amount allocated for the project (₹ in million)	Amount spent in the current financial year (₹ in million)	Amount transferred to Unspent CSR Account for the project as	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency Name	Mode of Implementation - Through Implementing Agency CSR Registration number
12	Schaeffler Engineering Scholarship	Promoting Education (ii)	No	Gujarat, Maharashtra District Locations	12 Months	5.5	5.4	0.1	No	Buddy4Study India Foundation	CSR00000121
13	Schaeffler Skill Development Center	Skills & Livelihood Enhancement (ii)	Yes	Tamil Nadu Krishnagiri	12 Months	7.7	8.1	0.0	No	The Sacred Heart College Society	CSR00000575
14	Learning Outcome Improvement Project	Promoting Education (ii)	Yes	Tamil Nadu Krishnagiri	36 Months	11.8	4.2	7.6	No	The Sacred Heart College Society	CSR00000575
15	Schaeffler Social Innovation Fellowship Program	Rural Development (x)	No	Pan India	12 Months	4.0	0.6	3.4	No	Buddy4Study India Foundation	CSR00000121
<b>Total</b>						<b>78.2</b>	<b>64.6</b>	<b>13.6</b>			

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

1	2	3	4	5	6	7	8	9	10	11
Sl. No	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project	State	District	Amount spent for the project (in ₹)	Mode of Implementation - Direct (Yes/No)	Name	Mode of Implementation - Through Implementing Agency CSR Registration number
1	Oxygen supply for Covid-19 patient in Maharashtra	Promoting Health Care (i) & Disaster Management (xii)	Yes	Maharashtra	Pune	Pune	4.0	Yes	NA	NA
2	COVID 19 vaccination drive_ Maharashtra	Promoting Health Care (i) & Disaster Management (xii)	Yes	Maharashtra	Pune	Pune	0.5	No	Deepak Foundation	CSR00000353
3	Oxygen supply to patient in Mohkhada in Maharashtra	Promoting Health Care (i) & Disaster Management (xii)	Yes	Maharashtra	Pune	Pune	1.0	No	Deepak Foundation	CSR00000353
4	COVID-19 Care Support to Primary Health Care Center, Hosur	Promoting Health Care (i) & Disaster Management (xii)	Yes	Tamil Nadu	Krishnagiri	Krishnagiri	0.3	Yes	NA	NA
5	COVID19 PPEs Support to District administration Hosur	Promoting Health Care (i) & Disaster Management (xii)	Yes	Tamil Nadu	Krishnagiri	Krishnagiri	0.1	Yes	NA	NA
6	COVID-19 Vaccination Support Public_Hosur	Promoting Health Care (i) and Disaster Management (xii)	Yes	Tamil Nadu	Krishnagiri	Krishnagiri	0.8	Yes	NA	NA
7	COVID-19 Care Support at Vadodara Region	Promoting Health Care (i) & Disaster Management (xii)	Yes	Gujarat	Vadodara	Vadodara	0.6	Yes	NA	NA
8	Clean & Green Maneja	Environment Sustainability (iv)	Yes	Gujarat	Vadodara	Vadodara	5.2	Yes	NA	NA
9	INA Safety Circle	Environment Sustainability (iv) & Rural Development (x)	Yes	Maharashtra	Pune	Pune	5.9	Yes	NA	NA
<b>Total</b>							<b>18.4</b>			

(d) Amount spent in Administrative Overheads -4.8 (₹ in million)

(e) Amount spent on Impact Assessment, if applicable – 0.5 (₹ in million)

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) – 88.3 (₹ in million)

(g) Excess amount for set off if any

Sl. No	Particular	Amount (₹ in million)
(i)	Two percent of average net profit of the company as per section 135(5)	107.1
(ii)	Total amount spent for the Financial Year	88.3
(iii)	Excess amount spent for the financial year [(i)-(ii)]	NIL
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NA
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	NA

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any		Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the Fund	Date of transfer	
1	2020	NA	NA	PM Cares Funds	30/06/2021	NIL
2						
3						
<b>Total</b>						

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)		Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the project - Completed/Ongoing
					6	7		
1								
2								
3								
<b>Total</b>								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).

(a) Date of creation or acquisition of the capital asset(s) – 10/08/2021

(b) Amount of CSR spent for creation or acquisition of capital asset – ₹ 23,63,756

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. – Schaeffler India Limited\*, PO Maneja, Maneja Road, Vadodara Gujarat

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset) - Schaeffler India Limited\*, PO Maneja, Maneja Road, Vadodara Gujarat

\*Capital asset (Vehicle) – The donation deed for transferring the Mobile ambulance for community health program has been entered and the process for transferring the asset in the name of Deepak Foundation (Regn no E3122 -Baroda) (CSR Form 1- CSR00000353) is under process.

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).

The Corona Pandemic hugely affected the CSR projects, due to prolonged lockdown and unavailability of manpower either to run the programs or to reach out to beneficiaries. However due to sustained monitoring and collaboration with the implementation partner we have been able to judiciously spend 82% of the allocated budget as on December 31, 2021

For Schaeffler India Limited

**Arvind Balaji**

Chairman of CSR Committee  
(DIN: 00557711)

**Harsha Kadam**

Managing Director  
(DIN: 07736005)



# 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	<b>2021 (₹ in million)</b>	
		<b>Actual</b>	<b>Cumulative</b>
	1. Purchase of Finished Goods	8,385.0	15,757.1
	2. Purchase of Raw materials and Components and Spares	3,203.0	
	3. Fees for use of technology /trademark	1,064.1	
	4. Purchase of tangible fixed Assets	301.1	
	5. Sale of Finished Goods	2,277.0	
	6. Others <sup>1</sup> ( <sup>1</sup> Includes SAP, IT systems and connectivity cost, Travelling, Training, Testing, Support Fee & Other Cost, Expat Cost, Reimbursement of expenses, Commission on guarantee and Service Income)	526.9	
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	Transactions with Schaeffler Technologies AG & Co. KG are in the ordinary course of business and at arm's length basis. As a good governance practice, the Company has taken requisite approvals of the Audit Committee and Board of Directors 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 <sup>th</sup> Annual General Meeting held on April 30, 2019, for the year 2018 and for a period up to year 2022. Approval of Shareholders has been obtained for material Related Party Transactions [i.e., Transactions pertaining to sale, purchase or supply of goods, materials & services, purchase of tangible fixed assets, etc.] with Schaeffler Technologies AG & Co. KG, Germany, in 58 <sup>th</sup> Annual General Meeting held on April 27, 2021, for the year 2021. Approval of Shareholders has been obtained for material Related Party Transactions [i.e., Transactions pertaining to sale, purchase or supply of goods, materials & services, purchase of tangible fixed assets, etc.] with Schaeffler Technologies AG & Co. KG, Germany, through Postal Ballot on December 19, 2021, for the year 2021.		
Amount paid as advance, if any	—		

For and on behalf of the Board

**Avinash Gandhi**  
Chairman  
DIN: 00161107

New Delhi: February 16, 2022

# 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 2021 and percentage increase in remuneration of each director, Chief Executive Officer, Chief Financial Officer, Company Secretary in the financial year 2021.

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 2021
<b>I Executive Directors</b>				
1	Harsha Kadam	Managing Director & CEO	39.12	7.5%
2	Satish Patel	Director-Finance & CFO	17.76	9.0%
<b>II Non-executive Directors</b>				
3	Mr. Avinash Gandhi	Chairman & Independent	1.87	-
4	Mr. Klaus Rosenfeld	Non-Independent (up to October 28, 2021)	NA	-
5	Mr. Jürgen Ziegler	Non-Independent (up to July 21, 2021)	NA	-
6	Mr. Dharmesh Arora	Non-Independent	1.23	-
7	Mr. Andreas Schick	Non-Independent	NA	-
8	Ms. Corinna Schittenhelm	Non-Independent	NA	-
9	Mrs. Renu Challu	Independent	1.23	-
10	Mr. Arvind Balaji	Independent	1.23	-
11	Mr. Amit Kalyani	Independent	1.23	-
12	Ms. Eranti V. Sumithasri	Independent	1.23	-
<b>III Key Managerial Personnel</b>				
13	Ashish Tiwari	Vice President-Legal & Company Secretary	10.79	6.0%

Details of top ten employees in terms of gross remuneration drawn during the year 2021

Sr. No.	Name	Designation	Remuneration during the year 2021 [₹]	Nature of Employment [Contractual / Regular]	Qualifications	Experience (in Completed years)	Date of Commencement of employment with Schaeffler India	Age in yrs.	Last Employment	Shares held in the Company
1	Harsha Kadam	Managing Director & CEO	33,398,664	Regular	BE (MECH)	33	12-Mar-18	56	HSIL Limited	100
2	Sanjeev Saxena	President - Automotive	30,846,096	Regular	BE (MECH)	31	15-Oct-19	55	Minda Corporation Limited	Nil
3	Satish Patel	Chief Financial Officer	15,164,978	Regular	M.COM, AICWA	31	07-Jan-92	57	Elecon Engineering Co. Limited	Nil
4	Santanu Ghoshal	Vice President - Corporate HR	14,626,068	Regular	BE (MINING ENGG.), PGDPM & IR	28	01-Sep-10	55	General Motors	Nil
5	Sameer Mathur	Chief Operating Officer	12,403,920	Regular	B.E.(MECH)	30	21-May-92	53	-	Nil
6	Debasish Satpathy	PRESIDENT - BD Automotive Aftermarket	10,621,740	Regular	BE (ELECTRICAL), DIPLOMA IN MA	24	02-Apr-18	48	Schaeffler UK	Nil
7	Alok Dave	Vice President - Corporate Purchase	10,490,676	Regular	BE (MECH), E MBA	36	07-Nov-11	56	Lear Automotive	Nil
8	Amitabh Anand	Vice President - Manufacturing	9,573,996	Regular	BE (MECH), PGDBM	26	01-Jan-13	49	GKN Sinter Metal Pvt. Ltd.	Nil
9	Ashish Tiwari	Vice President - Legal & Company Secretary	9,211,296	Regular	CS, LLB	23	01-Mar-19	49	Thyssenkrupp Group	Nil
10	Devkumar Davesar	Head of Regional Business Units & Fields Industrial Asia Pacific	8,270,508	Regular	B.E.(PRD.ENG) MBA	30	21-May-92	53	-	Nil



Details of every employee, who was employed throughout the financial year, was in receipt of gross remuneration for that year which, in the aggregate, was not less than One crore two lakhs rupees during the year 2021

Sr. No.	Name	Designation	Remuneration during the year 2021 [₹]	Nature of Employment [Contactual / Regular]	Qualifications	Experience (in Completed years)	Date of Commencement of employment with Schaeffler India	Age in yrs.	Last Employment	Shares held in the Company
1	Harsha Kadam	Managing Director & CEO	33,398,664	Regular	BE (MECH)	33	12-Mar-18	56	HSIL Limited	100
2	Sanjeev Saxena	President - Automotive	30,846,096	Regular	BE (MECH)	31	15-Oct-19	55	Minda Corporation Limited	Nil
3	Satish Patel	Chief Financial Officer	15,164,978	Regular	M.COM, AICWA	31	07-Jan-92	57	Elecon Engineering Co. Limited	Nil
4	Santanu Ghoshal	Vice President - Corporate HR	14,626,068	Regular	BE (MINING ENGG.), PGDPM & IR	28	01-Sep-10	55	General Motors	Nil
5	Sameer Mathur	Chief Operating Officer	12,403,920	Regular	B.E.(MECH)	30	21-May-92	53	-	Nil
6	Debasish Satpathy	President - BD Automotive Aftermarket	10,621,740	Regular	BE (ELECTRICAL), DIPLOMA IN MA	24	02-Apr-18	48	Schaeffler UK	Nil
7	Alok Dave	Vice President - Corporate Purchase	10,490,676	Regular	BE (MECH), E MBA	36	07-Nov-11	56	Lear Automotive	Nil

Details of every employee, who was employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than Eight lakhs fifty thousand rupees per month during the year 2021

Sr. No.	Name	Designation	Remuneration during the year 2021 [₹]	Nature of Employment [Contactual / Regular]	Qualifications	Experience (in Completed years)	Date of Commencement of employment with Schaeffler India	Age in yrs.	Last Employment	Shares held in the Company
Nil	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

Details of every employee, who was employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the Company during the year 2021

Sr. No.	Name	Designation	Remuneration during the year 2021 [₹]	Nature of Employment [Contactual / Regular]	Qualifications	Experience (in Completed years)	Date of Commencement of employment with Schaeffler India	Age in yrs.	Last Employment	Shares held in the Company
Nil	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

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 2021

Sr. No.	Name	Designation	Remuneration during the year 2021 [₹]	Nature of Employment [Contactual / Regular]	Qualifications	Experience (in Completed years)	Date of Commencement of employment with Schaeffler India	Age in yrs.	Last Employment	Shares held in the Company
1	Hardevi Vazirani	Vice President	12,067,777	Regular	BCOM, DIP. CS,DBM	32	11-Sep-92	53	Sigma Sys	Nil
2	Ramamoorthy Pachaiappan	General Manager	8,011,407	Regular	DME	33	01-Aug-89	53	Ganesh Engg Works	Nil

For and on behalf of the Board

**Avinash Gandhi**  
Chairman  
DIN: 00161107

New Delhi: February 16, 2022

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

(Annexure E to the Directors' Report)

With increasing focus on sustainable development goals, your Company has constantly focused on the key aspect of Social & Environment Impacts. Talking about environment impacts, conservation of energy, increase the share of renewable energy, energy efficiency, increase the percentage of recycling of waste has been a major focus in the Company for the past year and the same rigor has been seen since 2018, with initiatives and right investments in advance technologies. The focus of your Company is on increasing the percentage of renewable energy to 50% by 2022-23.

Small steps have been initiated to maintain & improve 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 have been taken at all the Plants of the Company for conservation of energy:

- Replaced MH Medium Bay light with LED light in old RHF area 25,625 kWh / annum energy savings at savli location
- Insulation jacket to ITF washing machines 6,391kWh energy savings at Pune location
- Lighting changes from 250W Sodium vapor to 80W LED (Outer Periphery) for Hosur with energy savings of 59,331 kWh / year
- BB 10 Machine GW Wheel 22 KW motor replace with 18.5 KW Motor 13,749 kWh / annum energy saving at Pune location
- DALI Light System for Hall 1 for Pune location with 1,26,950 kWh / annum energy saving at Pune location
- Heater Less Vaporizer for LPG bank replacing electrical heater base vaporizer at Hosur with energy saving of 75,440 kWh / annum

#### 2. The Steps taken by the Company for utilization of alternate sources of energy

- Schaeffler India Maneja signed power purchase agreement for Hybrid Energy of about 2.75MW
- SOLAR roof panels installed for Savli Plant and the power generation started from June 2021 which produced 170 MWh so far and neutralized 140 tons of CO<sub>2</sub> emission from scope 2
- Skylights on roof to use natural light of New roofs (Savli and hosur).

#### 3. The Capital investment on energy conservation equipment in Schaeffler India

- LED lights replacing CFL – Maneja Plant
- Emulsion pump with inverter – Maneja Plant
- DALI lights in shop floor – Pune Plant
- Replacement of Sodium vapor light by LED – Hosur Plant

#### 4. Environment Health & Safety Hosur

1. VNA Truck operation started in New Central warehouse
2. Water sprinkler system provided at HSD/Methanol yard fencing to prevent outside fire

3. Automatic water sprinkler system and Beam detectors are installed at new Central warehouse
4. Corona guard 3 no's fixed at CRS, Canteen and Wash room in Hall 2
5. New Non IBR Boiler with complete PRS system installed for canteen
6. Biometric access control system introduced for Two Tow Truck and Two Battery operated Stackers
7. Heat Treatment Coining Press completely equipped with PLC system
8. Front and rear cameras with access control device introduced for P/S Forklift
9. Remote control mechanism introduced for Gantry Crane at Press shop
10. Safety mat installed at new Induction hardening Machine at M/C shop Forging as an additional safety measure
11. On Site Emergency Plan submitted and approval received from Directorate of Industrial Safety & Health
12. Automatic Fire Dampers are fitted with dust extraction system in both halls
13. A new Air cushion tank installed at Fire pump room
14. Heater less vaporizer installed and certified by HQ as an energy saving project
15. Fire sniper system installed at UBS Cabins at both Halls
16. Campaign conducted on Plastic Ban
17. Female employees included and new ERT formed.
18. Fire pump room Jockey pump and motor replaced newly
19. Semiautomatic water sprinkler system at LPG Bank is converted into Fully automated
20. New Durbo ventilators fixed at Heat Treatment roof to improve ventilation
21. Variable speed Air compressor installed at Power house as an Energy saving project
22. ATFT (Agitated Thin Film Drier) is being installed at ETP

#### Pune

1. Waste segregation system introduced so that waste can be separated at source.
2. ETP upgraded by enhancing the capacity and quality of treated water. BOD, COD and Particulate matter reduced by 15%.
3. Water consumption reduced by modifying the wash basin taps.
4. Wastewater is being treated and used in house.
5. Dust and fumes in the work area reduced by replacing the more efficient fume killers.



Directors' Report

6. Operator fatigue reduced by providing addition bin lifters.
7. Health awareness topics communicated through short audio clips by company doctor
8. LOTO system enhanced. Training and awareness given to maintenance team.
9. Guard railing provided to work platforms
10. Fixed guard provide to bin lifters
11. Daily safety audit system introduced.
12. Daily safety briefing at the entrance of the Plant.
13. Daily Energy and EHS review by Plant head started which enhanced safety culture in the Plant.
14. Safety training with new topics conducted for all TLs and PV managers.
15. Qualified fire men appointed in security in order to respond immediately in case of fire

**Maneja**

1. Fire Water sprinkler System installed (Manual Type) in Export Bearing Store.
2. Special Room has been created for Fire Equipment Storage.
3. "Drive Towards Zero Accident" has been started & Rolling trophy has been given to best performing segments/dept. in terms of EnEHS.
4. Installation of Convex Mirror in blind spot areas of the Plant.
5. Evacuation Layout fixing at 35 Location of the Plant area.
6. Access to Assembly Point with Dept. bifurcation has been created for people gathering in garden.
7. Special Safety drive /training in Maintenance Dept. for reduction of accident.
8. Vaccination Drive in Plant for All Employee on COVID-19.
9. Installation of Piezometer to measure the ground water level.
10. 3 Big trees & 2 Small trees has been replanted with watering facility to increase CO<sub>2</sub>.
11. Green Belt Development in Hall-6 area Phase-2 work has been completed, more then 200 trees have been planted.
12. Fruit plants have been planted as a part of sustainable development & Block fixing work Infront of Hall-4 has been completed.
13. New Line 4.1 area installation work has been completed with all machine evaluation in terms of interlocks & guarding.
14. Risk Assessment Kick off Started at segment level.
15. Guarding Arrangement on Electrical Stacker for Battery.
16. Passive Fire Protection cable coating to avoid any kind of cable fire.
17. Rack stability testing certificate with the help of third party received at plant level.
18. Fire Suppression System (FM200 Clean agent) installation In fire Pump house Electrical Panel.

19. Installation of Illuminated Wind indicator at TTC Training Center & New SMB Building.
20. Blood Donation camp has been arranged in Plant area.
21. Environment week & safety week celebration in Plant to create awareness.

**Savli**

1. Introducing Safety training module for Contractors and employees with different job-related safety trainings
2. EHS information board in each area with necessary information and emergency steps displayed
3. Different types of fire nozzles to upgrade the fire system
4. Zero back pressure pistol type fire system for firefighting introduced
5. Roof top protection system in both the hall terrace installed (from2020)
6. Electrical kit and LOTO kit introduced in plant
7. Exhaust blower during emergency to vent out air or to supply air – both, multipurpose introduced
8. 365 degree rotational fire monitor introduced near propane yard
9. Update the software of fire detection and gas detection system
10. Ambulance for emergency purpose introduced in plant
11. New scrap area with all type of waste bifurcation and with fire protection and drain facility introduced
12. Two numbers of SCBA (self-contained breathing apparatus) suit introduced in central facilities
13. All the washing media machines have mechanized filtration system introduced
14. Video prepared for introduction of Plant safety for new joiners
15. Heat treatment area equipped with 2 blowers, 3 HVS, 20 turbo ventilators to maintain temperature and air exchange ratio in area for employee safety
16. New ladders and material handling equipment introduced in store area to avoid human manual handling
17. Barrels handling equipment also introduced for handling of barrels
18. New auto wrapping machine introduced in large size bearing area to avoid human manual handling

**B. Technology Absorption**

**1. The efforts made towards technology absorption**

- Synchronizer ring line capacity enhancement – 2<sup>nd</sup> 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, DGBB140

- Grinding and Honing machines for Cylindrical roller bearings
- Hard Turing 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	2019	Yes	
Honing Line for SRB E1 Rollers	2019	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	2019, 2020	Yes	
Investment Realization in Mechanical Tappets	2019	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	
DGBB 62-170mm line	2021	Yes	
VH honing machines	2021	Yes	
ACBB Line	2021	Yes	
Synchronizer line #2	2021	Yes	
Crimping machine – Housing and Guide tube subassembly	2021	Yes	
Roller Hearth Furnace	2021	Yes	
CRB TRB Roller line	2021	Yes	

**The details of Expenditure incurred on Research and Development**

Particulars	₹ in Million	
	2021	2020
Capital	60.7	34.3
Revenue	955.0	723.4
<b>Total</b>	<b>1,015.7</b>	<b>757.7</b>

**4. Foreign Exchange Earnings and Outgo:**

Particulars	₹ in Million	
	2021	2020
<b>Earning:</b>		
<b>Earning in foreign exchange</b>		
Service Income	24.0	1.8
FOB value of exports	6,826.1	3,961.7
Other	84.8	54.5
<b>Total foreign exchange earned</b>	<b>6,934.9</b>	<b>4,018.0</b>
<b>Outgo:</b>		
<b>CIF value of Imports:</b>		
Raw materials, Components, Products purchased for Sale, Stores & Spares, Capital goods and intangible assets	21,649.4	13,928.9
<b>Expenditure in foreign currency</b>		
Interest on foreign currency loans, Fees for use of technology	1,064.3	743.7
Dividend paid to Shareholders (net of tax)	880.5	811.0
<b>Total foreign exchange used</b>	<b>23,594.2</b>	<b>15,483.6</b>

For and on behalf of the Board

**Avinash Gandhi**  
Chairman  
DIN: 00161107

New Delhi: February 16, 2022