

Directors' Report

Dear Shareholders,

Your Directors are pleased to present the 62nd Integrated Annual Report of the Company together with the audited financial statements (Standalone & Consolidated) of the Company for the year ended December 31, 2024.

Standalone Financial Highlights

(₹ in million)		
Particulars	2024	2023
Net revenue	80,763	72,261
EBITDA ¹	14,969	13,528
Less: Depreciation/Amortisation	2,688	2,191
Less: Finance cost	35	42
Add: Interest income	929	989
Profit before exceptional items and tax	13,175	12,284
(Less)/Add: Exceptional items	-	(47)
Provision for tax	3,398	3,147
Profit after tax	9,777	9,090

¹Earnings 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 ₹80,763 million in the year 2024 (Year 2023: ₹72,261 million) which is higher by 11.8%. Growth was broad based across businesses, and was aided by focus on new business wins and excellence in

quality and delivery. Profit before tax (before exceptional items) was ₹13,175 million (Year 2023: ₹12,284 million) representing a growth of 7.3%. Your Company recorded profit after tax of ₹9,777 million (Year 2023: ₹9,090 million) which represent a growth of 7.6%, highlighting focus on prudent financial management over the year.

Global Outlook

In 2024, the global economy showed remarkable resilience, maintaining stability amidst challenges. Early optimism prevailed about curbing inflation and major economies avoiding recession, but this was tested by slowing growth rates, ongoing inflation pressures, and policy uncertainties. The U.S. outperformed other developed economies, with a forecasted 2.8% GDP growth for 2024 and strong consumer spending despite high interest rates. The Eurozone experienced another year of sluggish growth, with high interest rates and increased economic uncertainty significantly impacting capital-intensive industries.

Looking ahead to 2025, global GDP growth is expected to remain stable with notable regional variations. Advanced economies are projected to see a GDP rise of 1.8%, slightly up from 1.7% in 2024. U.S. economic activity should stay robust, backed by strong income and productivity, though growth is expected to slow to 2.2%. In Europe, improved income and falling interest rates are set to boost consumer spending and investment, pushing euro area GDP growth to 1.3%, exceeding 1% for the first time in three years. Japan's GDP is likely to rebound to 1.1%, aided by gradual increases in wages and consumer spending. Emerging markets are anticipated to maintain a 4.1% growth rate, consistent with 2024.

Inflation globally is predicted to decrease from 4.5% in 2024 to 3.5% in 2025, although still higher than 2019's 3.1%. Advanced economies are expected to manage inflation more effectively than emerging markets.

Fiscal policy in 2025 will grapple with the challenges of high public debt and interest rates amid complex economic and political pressures.

India Outlook

India's GDP growth slowed to 6.0% year-over-year in the first half of the fiscal year 2024-2025, falling short of the Reserve Bank of India's (RBI) 6.9% projection. As a result, the central bank revised its annual growth forecast down to 6.6% from 7.2%. Growth remained resilient despite slower GDP growth in the first half of the year. The slowdown was primarily attributed to the elections in the first quarter and weather-related disruptions in the subsequent quarter. Geopolitical issues, notably in the Red Sea, alongside rising global precious metal prices, adversely affected the trade balance. Nonetheless, several sectors, including agriculture, services, and manufacturing exports, maintained positive momentum, indicating areas of strength within the economy.

The India economy is on a steady growth path and looking ahead, India's GDP growth outlook remains between 6.5% and 6.9%. This is mainly supported by government initiatives focusing on capital expenditure, fostering domestic investment, and promoting technological innovation. The fundamentals of the domestic economy remain strong, and backed by implementing targeted policies to enhance capital expenditure and boost household consumption, the government can utilise its fiscal capacity to secure sustainable growth and shield the economy from global uncertainties.

Directors' Report

Share Capital Structure

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

Alteration of 'Capital Clause' of Memorandum of Association

During the year under review, there was no alteration of 'Capital Clause' of Memorandum of Association of the Company.

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 2024 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 2024, your Directors recommend dividend for the year ended December 31, 2024 at the rate of ₹28/- per share of face value ₹2/- (2023: ₹26/- dividend per share of face value ₹2/-) per equity share amounting to ₹4,376.5 million (2023: ₹4,063.9 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 2024 and 2023 are as follows:

Dividend	2024	2023
Month and Year of Declaration	April 2025	April 2024
Amount of Dividend Per Equity Share of ₹2 each (in ₹)	28	26
% of Dividend	1,400	1,300
Total Dividend (Amt. in ₹ million)	4,376.5	4,063.9

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/en/investor-relations/corporate-governance/codes-and-policies/>.

The Dividend Distribution Policy also forms part of this Integrated Annual Report 2024.

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 the Dividend Distribution Policy of the Company.

Your Company has adopted a progressive Dividend Distribution 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 Integrated 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 Integrated Annual Report.

Business Responsibility and Sustainability Report

The Securities and Exchange Board of India (SEBI), through a notification dated May 5, 2021, made certain amendments to the Listing Regulations. One of the key changes is the requirement to submit Business Responsibility and Sustainability Report (BRSR) instead of the existing Business Responsibility Report.

BRSR is a performance-based disclosure on 9 (nine) defined principles of the 'National Guidelines on Responsible Business Conduct', which are intended towards having quantitative and standardised disclosures on ESG parameters. It enables comparability across companies and sectors. This will enable the investors for better investment decision-making. Also, companies are benefited by showcasing their ESG performance in more structured way.

The SEBI, vide its circular dated May 10, 2021, made Business Responsibility and Sustainability Report (BRSR) mandatory for the top 1,000 listed companies (by market capitalisation) from FY2023. The Company has prepared Business Responsibility and Sustainability Report (BRSR) for FY2024 in accordance with the format as prescribed in the SEBI Circular.

Directors' 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, 2024, the Board comprised of 2 (Two) Executive Directors, 4 (Four) Non-Executive Independent Directors and 3 (Three) Non-Executive Non-Independent Directors. As on the date of this Report, your Company has 7 (Seven) Non-Executive Directors out of which 4 (Four) 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 2 (Two) Women Directors comprising of 1 (One) Independent Woman Director and 1 (One) Woman Executive 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 Chairperson 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 Integrated 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. Independent Directors comply with the Code of Conduct for Directors, Senior Management & Employees 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, Andreas Schick [DIN: 09257160] will retire by rotation at the ensuing Annual General Meeting ('AGM') and being eligible offer himself for reappointment. Andreas Schick has confirmed his 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, Andreas Schick possess requisite qualifications and experience and therefore, your Directors recommend that the proposed resolution relating to the re-appointment of Andreas Schick be passed with the requisite majority.

During the year under review, the Members of your Company in 61st Annual General Meeting confirmed the appointment/ re-appointment as follows:

- Re-appointment of Dharmesh Arora [DIN:05350121] as a Non-Executive Non-Independent Director.
- Appointment of Hardevi Vazirani (DIN: 10212814) as Director.
- Appointment of Hardevi Vazirani (DIN: 10212814) as a Whole-Time Director, designated as Director-Finance.

During the year under review, following were the changes in the Board of Directors of the Company:

- Appointment of Jens Schüller (DIN: 10422738) as a Non-Executive Non-Independent Director effective from January 1, 2024.
- Re-appointment of Harsha Kadam (DIN: 07736005) as a Managing Director & CEO for a further period of 3 (Three) years effective from October 1, 2024 up to September 30, 2027.
- Re-appointment of Arvind Balaji (DIN: 00557711) as an Independent Director for a further period of 5 (Five) years effective from November 6, 2024 up to November 5, 2029.
- Renu Challu ceased to be Independent Director on account of completion of second term as an Independent Director effective from November 5, 2024.
- Appointment of N. V. Sivakumar (DIN: 03534101), as an Independent Director for a term of 5 (Five) years effective from November 6, 2024 up to November 5, 2029.
- Re-appointment of Amit Kalyani as Independent Director is for a period of 5 (Five) years effective from February 11, 2025, up to February 10, 2030.

There is no interse relationship between the Directors.

In terms of the SEBI Listing Regulations, your Company conducts the Familiarisation Programme for Independent

Directors' Report

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/en/investor-relations/corporate-governance/independent-directors/>.

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:

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

Pursuant to Rule 8(5)(iii) of the Companies (Accounts) Rules, 2014, during the year ended December 31, 2024, Satish Patel superannuated on February 12, 2024, and ceased to be the Director-Finance & CFO (KMP) after the business hours of February 12, 2024.

Meetings of Board of Directors

During the year under review, 6 (Six) 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 2023	February 16, 2024, March 22, 2024
2.	March 2024	April 25, 2024
3.	June 2024	July 23, 2024
4.	September 2024	October 23, 2024, December 19, 2024

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 of Directors and Senior Management 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 succession planning and remuneration payable to the Directors, KMP, Senior Management, and critical direct reportees to Senior Management as may be determined from time to time; 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 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. The Board independently evaluates the candidate, and if found suitable confirms the appointment.

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/en/investor-relations/corporate-governance/codes-and-policies/>.

Directors' Report

Formal Annual Performance Evaluation

Your Company believes that systematic performance evaluation of the Board, Committees, and the Directors contributes significantly to improve performance at 3 (Three) levels; i.e. Organizational, Board and Individual Board Member.

The Annual Performance Evaluation encourages the leadership, teamwork, accountability, decision-making, communication and efficiency of the Board. It also ensures teamwork by creating better understanding of Board dynamics & Board-management.

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) Committees of the Board; (c) Independent Director; (d) Non-Independent Director and (e) Chairperson 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 4 (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 the Directors. Further, average of all 'averaged ratings' are considered as the rating for a particular question. 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 2024, the Board has carried out an annual performance evaluation of its own and that of each of the Committees and all Directors including the Chairperson 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:

- Discussions in the Board are carried out with complete transparency. All directors are encouraged to express their views, which are duly considered and acted upon by the management.
- Governance practices, risk evaluation and mitigation, succession planning and other such processes are of the high quality and well established in the Company.
- Information as required by the Board from time to time is provided transparently. The Board members are actively invited to participate in discussions regarding business planning.
- Engagement of Board members amongst themselves and with the senior management of the Company has been of high order.

- Good discussion on senior level recruitment's etc. at NRC meetings.
- Board meeting effectiveness has been improved with the well thought through agenda setting. The sufficient time available for appropriate discussion at the Board. Additional meetings as necessary were scheduled.
- Considering the increased complexity of risk universe, Risk Management Committee should remain flexible on the frequency of meetings and time devoted to topics.
- Dedicated strategy session has helped the Board to actively steer the strategic direction for the Company.

Conclusion

The evaluation for the year 2024 of Directors, each of Committees and that of the Board have received ratings near excellent. NRC expressed its satisfaction to the overall process of annual performance evaluation.

Meeting of Independent Directors

As per provisions of Schedule IV to the Companies Act, 2013, the Independent Directors are required to hold at least 1 (One) meeting in a financial year, without the attendance of Non-Independent Directors and members of management.

During the financial year 2024, the Independent Directors have held 1 (One) separate meeting on October 22, 2024.

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Audit Committee

As on December 31, 2024, the Audit Committee consists of 6 (Six) Directors including 4 (Four) Independent Directors. N. V. Sivakumar is the Chairperson of the Audit Committee.

The other members of the Audit Committee were Arvind Balaji, Amit Kalyani, Eranti V. Sumithasri, Andreas Schick and Hardevi Vazirani. The Committee met 5 (Five) 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.

As of the date of this Report, Renu Challu, erstwhile Chairperson and Member of the Audit Committee ceased to be a Chairperson and Member of the Audit Committee effective from November 5, 2024, on account of completion of her second term as an Independent Director the Board of the Company.

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/en/investor-relations/corporate-governance/codes-and-policies/>.

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 Integrated Annual Report.

Risk Management Committee

As on December 31, 2024, the Risk Management Committee comprises of 6 (Six) Directors and 1 (One) Senior Management employee of the Company. Dharmesh Arora is the Chairperson of the Committee. The other members of the Committee are Eranti V. Sumithasri, Andreas Schick, Jens Schöler, Harsha Kadam, Hardevi Vazirani, and Sameer Mathur (Chief Operating Officer).

As on the date of this Report, Santanu Ghoshal (Head of Human Resources) superannuated effective from May 10, 2024 and ceased to be the member of the Risk Management Committee.

Auditors

Statutory Auditors

The Statutory Auditors, M/s. Walker Chandiok & Co. LLP, Chartered Accountants, (Firm Registration Number: 001076N/ N500013) were appointed as Statutory Auditors of the Company at the 58th 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 58th AGM till the conclusion of the 63rd AGM of the Company.

The Audit Committee annually reviews and monitors the performance, independence of the Statutory Auditors and effectiveness of the audit process.

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 Auditors 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.

In terms of Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company proposes to appoint M/s. Samdani Kabra & Associates, a firm of Company Secretaries in Practice, (Firm Registration No.- P2002GJ013100 and Peer review

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No. 884/2020) as the Secretarial Auditors of the Company to hold office for a period of 5 (Five) consecutive years from the conclusion of the 62nd AGM till the conclusion of the 67th AGM of the Company. Your Directors recommend that the proposed resolution relating to the appointment of Secretarial Auditors to be passed by requisite majority in ensuing AGM.

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, 2024. 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 2025.

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/en/investor-relations/corporate-governance/codes-and-policies/>.

Your Company's CSR expenditure was ₹215.6 million i.e. 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 2024 have been covered in the Integrated 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 the 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/en/investor-relations/corporate-governance/codes-and-policies/>.

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 2024 in the prescribed form MGT-7 has been placed on the website of the Company at <https://www.schaeffler.co.in/en/investor-relations/shareholders-information/annual-return/>.

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.

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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 of 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/en/investor-relations/corporate-governance/codes-and-policies/>.

Internal Complaints Committee (ICC) is in place to redress complaints received regarding sexual harassment. The Company is committed to provide protection against sexual harassment of women at workplace (including employee or any other women visiting worksite for any other purpose).

Status of complaints during the year 2024

There was 1 (One) complaint pending at the beginning of the year 2024, which was resolved in 2024. The Company received 1 (One) complaint during the year 2024, which was resolved in November 2024.

Directors' Responsibility Statement

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

- (a) 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;
- (b) 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, 2024 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 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, 2024 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 the 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

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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/en/investor-relations/shareholders-information/unclaimed-unpaid-dividend/>.

Deposit

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

Subsidiaries, Joint Ventures and Associates

KRSV Innovative Auto Solutions Private Limited ("Koovers") is the wholly owned subsidiary of the Company.

The highlights of performance of subsidiary & its contribution to the overall performance of the Company are provided in the Consolidated Financial Statements which form an integral part of this Integrate Annual Report.

The Company does not have any other 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, 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

Bengaluru: February 27, 2025

E. V. Sumithasri

Chairperson

DIN: 07087197

Directors' Report

Secretarial Audit Report

(Annexure A to the Directors' Report)

For the Financial Year ended December 31, 2024

[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 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members,
Schaeffler India Limited
15th Floor, ASTP (Amar Sadanand Tech Park),
Baner, 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** ("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, we hereby report that, in our opinion, the Company has, during the audit period covering the Financial Year ended on December 31, 2024 ("review period"), 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 review period, according to the provisions of:

- i. The Companies Act, 2013 ("Act") and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 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 ("SEBI") Act, 1992: -
 - a) SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018; However, there were no actions / events pursuant to these regulations, hence not applicable.
 - b) SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - c) SEBI (Buy-back of Securities) Regulations, 2018; However, there were no actions / events pursuant to these regulations, hence not applicable.
 - d) SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; However, there were no actions / events pursuant to these regulations, hence not applicable.
 - e) SEBI (Prohibition of Insider Trading) Regulations, 2015;
 - f) SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Act and dealing with client;
 - g) SEBI (Delisting of Equity Shares) Regulations, 2021; However, there were no actions / events pursuant to these regulations, hence not applicable;
 - h) SEBI (Depositories and Participants) Regulations, 2018;
 - i) SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021; However, there were no actions / events pursuant to these regulations, hence not applicable;

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; and
- ii. Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Directors' Report

During the review period, the Company has complied with the provisions of the applicable Acts, Rules, Regulations, Guidelines, Standards, etc. as mentioned above.

We further report that;

- 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 review period, if any, were carried out in compliance with the provisions of the Act;
- 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;
- 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;
- There are adequate systems and processes in place, whereby the Company ensures and monitor compliances of applicable laws, rules, regulations and guidelines;
- The Compliance Management Tool / System is adequate, commensurate with the size and operations of the Company and operating effectively;
- During the review period, there were no specific instances / actions in the Company in pursuance of the above referred Laws, Rules, Regulations, Guidelines, Standards etc. having major bearing on the Company's affairs.

Suresh Kumar Kabra
Partner

Samdani Kabra & Associates
Company Secretaries
ACS No. 9711 | CP No. 9927

Place: Vadodara
Date: February 27, 2025

ICSI Peer Review # 884/2020
ICSI UDIN: A009711F003979369

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
15th Floor, ASTP (Amar Sadanand Tech Park),
Baner, Pune - 411045
Maharashtra, India.

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

- 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.
- 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 and we believe that the processes and practices we followed provide a reasonable basis for our opinion.
- Wherever required, we have obtained the management representation about the Compliance of Laws, Rules and Regulations, happening of events, etc.
- 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 Company's affairs.

Suresh Kumar Kabra
Partner

Samdani Kabra & Associates
Company Secretaries
ACS No. 9711 | CP No. 9927

Place: Vadodara
Date: February 27, 2025

ICSI Peer Review # 884/2020
ICSI UDIN: A009711F003979369

Directors' Report

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 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 सर्वे भवन्तु सुखिनः Dharma as a key plank for organisational self-realisation. 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 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.

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.	Arvind Balaji	Chairman	3	3
2.	Amit Kalyani	Member	3	2
3.	Harsha Kadam	Member	3	3
4.	Jens Schüler ¹	Member	3	3

¹Inducted as a member on January 29, 2024

3. Provide the web-link(s) where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company.

CSR Committee

[Statutory Committees | Schaeffler India](#)

CSR Policy

<https://www.schaeffler.co.in/en/investor-relations/corporate-governance/codes-and-policies/>

CSR Projects

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

4. Provide the executive summary along with web-link(s) 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, if applicable.

NA

Directors' Report

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 -

Not Applicable

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	2021	NIL	NIL
2	2022	NIL	NIL
3	2023	NIL	NIL

6. Average net profit of the Company as per Section 135(5)

Year	Net Profit (₹ in million)
2021	8,431
2022	11,620
2023	12,284
Average Net Profit	10,779

7. (a) Two percent of average net profit of the Company as per Section 135(5)

Year	(₹ in million)
2% of Average Net Profit	215.6

- (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. - NIL
- (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 ₹ 215.6 million as CSR expenditure during the financial year 2024.

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

Total Amount Spent for the Financial Year. (₹ in million)*	Amount Unspent (₹ in million)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6). (₹ in million)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5) (₹ in million)*		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
215.6	NIL			NIL	

Directors' Report

(b) Details of CSR amount spent against 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		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(6) (₹ in million)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
1	Mobi-Health Unit Phase II	Promoting Health Care (i)	Yes	Gujarat	Vadodara	24 Months	9.2	9.2	-	No	Deepak Foundation	CSR00000353
2	Lok Vidhyalaya: providing holistic quality educational support- Phase II	Promoting Education (i)	Yes	Gujarat	Vadodara	24 Months	2.6	2.6	-	No	Lok Seva Mandal	CSR00001124
3	Nitara project: Promoting livelihood for differently abled	Skills & Livelihood Enhancement (i)	Yes	Gujarat	Vadodara	12 Months	4.5	4.5	-	No	Sambhav Foundation	CSR00000475
4	Quest on wheels: Heritage & Educational Trips	Promoting Education (i)	Yes	Gujarat	Vadodara	12 Months	2.4	2.4	-	No	Creation Foundation	CSR00011685
5	Support to Mook Dhwani School- Phase II	Promoting Education (i)	Yes	Gujarat	Vadodara	24 Months	2.1	2.1	-	No	Mook Dhwani Trust	CSR00000111
6	Jal Jeevika	Environment Sustainability (iv)	Yes	Gujarat	Vadodara	43 Months	14.8	14.8	-	No	BAIF Development Research Foundation	CSR00000308
7	Mobile Science Lab - Vadodara	Promoting Education (ii)	Yes	Gujarat	Vadodara	43 Months	3.9	3.9	-	No	Agastya International Foundation	CSR00003442
8	STEP - Vadodara	Skills & Livelihood Enhancement (ii)	Yes	Gujarat	Vadodara	33 Months	4.5	4.5	-	No	Creation Foundation	CSR00011685
9	Mobile Health Unit - Talegaon	Promoting Health Care (i)	Yes	Maharashtra	Pune	24 Months	5.9	5.9	-	No	Deepak Foundation	CSR00000353
10	Schaeffler Skill Development Center	Skills & Livelihood Enhancement (ii)	Yes	Maharashtra	Pune	36 Months	9.9	9.9	-	No	Don Bosco Vyawasaik Prashikshan Kendra	CSR00000686
11	Wadi - Agro Horti Forestry Project	Environment Sustainability (iv)	Yes	Maharashtra	Pune	48 Months	27.6	27.6	-	No	BAIF Institute for Sustainable livelihood and Development	CSR00000259
12	Energy Efficient Cookstove Project	Environment Sustainability (iv)	Yes	Madhya Pradesh	Chhatarpur	48 Months	30.7	30.7	-	No	Social Action For Rural Development	CSR00002185

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 per Section 135(6) (₹ in million)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
13	Pre-Vocational Education Programme in Govt. Schools	Promoting Education (ii)	Yes	Maharashtra	Pune	36 Months	6.2	6.2	-	No	STARS Forum	CSR00019778
14	Hope Engineering Scholarship	Promoting Education (ii)	No	Pan India	Different District Locations	30 Months	6.8	6.8	-	No	Buddy4Study India Foundation	CSR00000121
15	Schaeffler Skill Development Center- Hosur, Phase II	Skills & Livelihood Enhancement (ii)	Yes	Tamil Nadu	Krishnagiri	36 Months	16.4	16.4	-	No	Creation Foundation	CSR00011685
16	Watershed Project Jal Sanghamam- Hosur	Environment Sustainability (iv)	Yes	Tamil Nadu	Krishnagiri	46 Months	28.4	28.4	-	No	Baif Institute for Sustainable Livelihoods and Development	CSR00000259
17	Schaeffler Social Innovation Fellowship Programme	Promoting Education (ii)	No	Pan India	Pan India	18 Months	8.6	8.5	-	No	Buddy4Study India Foundation	CSR00000121
18	Women Skill Development Programme	Skills & Livelihood Enhancement (ii)	Yes	Tamil Nadu	Krishnagiri	36 Months	4.7	4.7	-	No	Hand In Hand India	CSR00001853
19	Mobile Health Unit - Hosur	Promoting Health Care (i)	Yes	Tamil Nadu	Krishnagiri	33 Months	4.3	4.3	-	No	Smile Foundation	CSR00001634
20	Mobile Science Lab - Hosur	Promoting Education (ii)	Yes	Tamil Nadu	Krishnagiri	33 Months	3.8	3.8	-	No	Agastya International Foundation	CSR00003442
21	Community Development Project	Promoting Education (ii)	Yes	Tamil Nadu	Krishnagiri	16 Months	6	6	-	No	Baif Institute for Sustainable Livelihoods and Development	CSR00000259
22	Disaster Relief	(xii) Disaster Management	No	Pan India	Pan India	12 Months	0.5	0.5	-	No	Creation Foundation	CSR00011685
23	Climate Action- Research & Development	(ix) (b)	No	Pan India	Pan India	25 Months	1.9	1.9	-	No	IIT Roorkee	CSR00003687
							205.7	205.6				

*Rounded off to single decimal

Directors' Report

- (c) Details of CSR amount spent against other than ongoing projects for the financial year: Not Applicable
- (d) Amount spent in Administrative Overheads – ₹ 10 million.
- (e) Amount spent on Impact Assessment, if applicable – Not Applicable
- (f) Total amount spent for the Financial Year (8b+8c+8d+8e) – ₹ 215.6 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)	215.6
(ii)	Total amount spent for the Financial Year	215.6
(iii)	Excess amount spent for the financial year [(ii)-(i)]	NIL
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	NIL

* Rounded off to single decimal.

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 million)	Amount spent in the reporting Financial Year (₹ in million)	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 million)
				Name of the Fund	Amount (₹ in million)	Date of transfer	
1	2021	13.6	NIL	PM Cares Funds	5.2	09/05/2022	NIL
2	2022	11	NIL	NA	NA	NA	NIL
3	2023	NA	NA	NA	NA	NA	NIL

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

1	2	3	4	5	6	7	8	9
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 million)	Amount spent on the project in the reporting Financial Year (₹ in million)	Cumulative amount spent at the end of reporting Financial Year. (₹ in million)	Status of the project - Completed / Ongoing.

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

https://www.schaeffler.co.in/remotemedien/media/shared_media_rwd/03_worldwide_1/websites_worldwide/india_3/investor_relations/corporate_governance_1/List_of_Capital_Assets_2024.pdf

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).

NA

For **Schaeffler India Limited**

Arvind Balaji
Chairperson of CSR Committee
(DIN: 00557711)

Harsha Kadam
Managing Director & CEO
(DIN: 07736005)

Directors' Report

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	2024 (₹ in million)	
		Actual	Cumulative
	Purchases – Finished Goods, Raw materials, Components and spares	16,380.1	23,691.2
	Fees for use of technology/trademark	1,555.6	-
	Purchase of Machines and Equipment	1,008.1	-
	Sale of Finished Goods	3,798.1	-
	Others services ¹	949.3	
	¹ Includes SAP, other IT systems and connectivity cost, Travelling, Training, Testing, Support Fee & Other Cost, Expat Cost, Reimbursement of Expenses and Service Income received.		
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	Shareholders’ approval was obtained for material Related Party Transactions with Schaeffler Technologies AG & Co. KG, Germany from time to time. Shareholders’ approval was obtained at the 59 th AGM held on April 27, 2022 for material Related Party Transactions with Schaeffler Technologies AG & Co. KG, Germany, for the year 2022 and for the years 2023 to 2025. Thereafter, Shareholders’ approval was obtained at the 60 th AGM held on April 18, 2023 for material Related Party Transactions with Schaeffler Technologies AG & Co. KG, Germany, with a year on year increase of 25% on total amount of transaction during the previous year, up to the year 2025		
Amount paid as advance, if any	-		

For and on behalf of the Board

E. V. Sumithasri
Chairperson
DIN: 07087197

Bengaluru: February 27, 2025

Schaeffler India Limited

Integrated Annual Report 2024

Directors' Report

Particulars of Employees

(Annexure D to the Directors' Report)

[Pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

1. The Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2024 and percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary in the financial year 2024.

Sl. No.	Name of Director/ Key Managerial Personnel	Designation/Category	Ratio of Remuneration of Directors to Median Remuneration	% of increase in Remuneration in Financial Year 2024
1	Harsha Kadam	Managing Director & CEO	41.6	10.0%
2	Hardevi Vazirani	Director - Finance & CFO	15.4	--
3	N. V. Sivakumar	Independent Director	0.1	-
4	Dharmesh Arora	Non-Independent Non-Executive Director	5.0	-
5	Andreas Schick	Non-Independent Non-Executive Director	-	-
6	Jens Schüler	Non-Independent Non-Executive Director	-	-
7	Renu Challu	Independent Director	5.6	-
8	Arvind Balaji	Independent Director	5.3	-
9	Amit Kalyani	Independent Director	4.6	-
10	Eranti V. Sumithasri	Chairperson & Independent Director	7.4	-
11	Satish Patel ¹	Director - Finance & CFO	2.4	-
12	Ashish Tiwari	Head-Legal & Company Secretary	10.8	7%

¹Satish Patel superannuated from the Company from end of business hours of February 12, 2024, and Hardevi Vazirani appointed as Director- Finance & CFO of the Company effective from February 13, 2024
CFO Remuneration ratio is based on actuals

2. 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 2024.
3. The number of permanent employees on the rolls of Company as on December 31, 2024: 3,605
4. 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:
Average increase in salary/remuneration of white collar employee was 11% and average increase of KMP was 9%.
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.

Directors' Report

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 2024

Sr. No.	Name	Designation	Remuneration during the year 2024 [₹]	Nature of Employment [Contactual / Regular]	Qualifications	Experience (in Completed years)	Date of Commencement of employment with Schaeffler India	Age in years	Last Employment	Shares held in the Company
1.	Harsha Kadam	Managing Director & CEO	44,066,694	Regular	BE Mech, PGDIM MBA, Executive MBA, NUS Singapore & ISB Hyderabad	35.6	12-Mar-18	59.2	HSIL Limited	500
2.	Aashish Bhatia ¹	Head - Automotive	26,500,008	Regular	Master of Technology	31.4	3-Jul-23	52.5	Visteon India Pvt. Ltd	Nil
3.	Seshan Iyer	Head - Bearings & Industrial Solutions	16,500,012	Regular	Bachelor of Engineering, Master of Business Administration	32	3-Apr-23	51.7	Bonfiglioli Transmission Pvt. Ltd	Nil
4.	Hardevi Vazirani	Director - Finance & CFO	16,252,404	Regular	B.Com, DCS, DBM	34.9	11-Sep-92	56.3	Sigma Sysbase	Nil
5.	Sameer Mathur	Chief Operating Officer	16,062,096	Regular	Bachelor of Engineering	32.7	21-May-92	56.8	--	Nil
6.	Sharad Bhatia	Head - Vehicle Lifetime Solutions	13,000,020	Regular	Bachelor of Engineering	24	02-Dec-24	48.2	MAHLE Service Solutions s.r.l Italy	Nil
7.	Omkar Kulkarni	Head - E-mobility	12,133,824	Regular	MBA, MS- Electrical Engineering, BE-Electronics Engineering	22.8	11-Jul-22	47.8	Hella India	Nil
8.	Viswanathan Sambasivam	Head - Powertrain & Chassis	12,102,744	Regular	Master of Business Administration	27.7	8-May-97	50	--	Nil
9.	Ashish Tiwari	Head - Legal and Company	11,387,736	Regular	Bachelor of Commerce, Bachelor of Legislative Law, Company Secretary	25.6	1-Mar-19	52	Thyssenkrupp India Pvt. Ltd.	Nil
10.	Shibi Mathew	Head - HR & CSR	11,000,004	Regular	Masters in HR	22	04-Nov-24	52	Mahle Holding India Pvt. Ltd	Nil

¹Separated from the Company w.e.f January 8, 2025.

Note: None of the above mentioned Employees are relative of any Director / Manager of the Company.

Directors' Report

(b) 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 2024

Sr. No.	Name	Designation	Remuneration during the year 2024 [₹]	Nature of Employment [Contractual/Regular]	Qualifications	Experience (in completed years)	Date of Commencement of employment with SIL	Age in years	Last Employment	Shares held in the Company
1.	Harsha Kadam	Managing Director & CEO	44,066,694	Regular	BE Mech, PGDIM MBA, Executive MBA, NUS Singapore & ISB Hyderabad	35.6	12-Mar-18	59.2	HSIL Limited	500
2.	Aashish Bhatia ¹	Head - Automotive	26,500,008	Regular	Master of Technology	31.4	3-Jul-23	52.5	Visteon India Pvt. Ltd	Nil
3.	Seshan Iyer	Head - Bearings & Industrial Solutions	16,500,012	Regular	Bachelor of Engineering, Master of Business Administration	32	3-Apr-23	51.7	Bonfiglioli Transmission Pvt. Ltd	Nil
4.	Hardevi Vazirani	Director - Finance & CFO	16,252,404	Regular	B.Com, DCS, DBM	34.9	11-Sep-92	56.3	Sigma Sysbase	Nil
5.	Sameer Mathur	Chief Operating Officer	16,062,096	Regular	Bachelor of Engineering	32.7	21-May-92	56.8	--	Nil
6.	Sharad Bhatia	Head - Vehicle Lifetime Solutions	13,000,020	Regular	Bachelor of Engineering	24	02-Dec-24	48.2	MAHLE Service Solutions s.r.l Italy	Nil
7.	Omkar Kulkarni	Head - E-mobility	12,133,824	Regular	MBA, MS- Electrical Engineering, BE-Electronics Engineering	22.8	11-Jul-22	47.8	Hella India	Nil
8.	Viswanathan Sambasivam	Head - Powertrain & Chassis	12,102,744	Regular	Master of Business Administration	27.7	8-May-97	50	--	Nil
9.	Ashish Tiwari	Head - Legal and Company Secretary	11,387,736	Regular	Bachelor of Commerce, Bachelor of Legislative Law, Company Secretary	25.6	1-Mar-19	52	Thyssenkrupp India Pvt. Ltd.	Nil
10.	Shibi Mathew	Head - HR & CSR	11,000,004	Regular	Masters in HR	22	04-Nov-24	52	Mahle Holding India Pvt. Ltd	Nil

¹Separated from the Company w.e.f. January 8, 2025.

Directors' Report

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 2024

Sr. No.	Name	Designation	Remuneration during the year 2024 [₹]	Nature of Employment [Contractual/Regular]	Qualifications	Experience (in completed years)	Date of Commencement of employment with SIL	Age in years	Last Employment	Shares held in the Company
1.	Satish Patel	Director - Finance & CFO	19,532,508	Regular	M.COM, AICWA	34.9	7-Jan-92	60.7	Elecon Engineering Co. Limited	NIL
2.	Santanu Ghoshal	Vice President - Corporate HR	19,287,108	Regular	BE (MINING ENGG.), PGDPM & IR	32.6	1-Sep-10	58.9	General Motors	NIL
3.	Debasish Satpathy	President - Automotive Aftermarket	15,282,612	Regular	BE (ELECTRICAL), DIPLOMA IN MA	26	2-Apr-18	52.00	Schaeffler UK	NIL

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 2024

Sr. No.	Name	Designation	Remuneration during the year 2024 [₹]	Nature of Employment [Contractual/Regular]	Qualifications	Experience (in completed years)	Date of Commencement of employment with SIL	Age in years	Last Employment	Shares held in the Company
-	-	-	-	-	-	-	-	-	-	-

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 2024

Sr. No.	Name	Designation	Remuneration during the year 2024 [₹]	Nature of Employment [Contractual/Regular]	Qualifications	Experience (in completed years)	Date of Commencement of employment with SIL	Age in years	Last Employment	Shares held in the Company
1.	Santosh Poojari ¹	-	11,891,076	Regular	DME	22.5	10-Aug-02	46.2	ABC Ltd.	-

¹The employee is on international assignment and is not included in total head-count

Directors' Report

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

(Annexure E to the Directors' Report)

With increasing focus on ESG goals, Schaeffler India 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 India for the past years and the same rigor was seen in 2024, with initiatives and right investments in advance technologies.

A. Conservation of Energy

1. Steps taken or impact on conservation of energy

Various steps are taken at all the Plants of Schaeffler India, some examples are listed below. In 2024, Schaeffler India Limited achieved 898.5 MWh energy efficiency with the following projects

1. Energy Saving with Replacement of Old Compressor at Pune and achieved 528.5 MWh savings.
2. Reduce kWh consumption of SRU by processing right concentrated Dipping Basin Water in SBM and SRU Installation of Emulsion pump with Inverter & Pressure Transducer at Savli and achieved 167 MWh savings.
3. Optimization of bell furnace line, Jupiter Machine connected to Low pressure centralised air distribution System at Maneja and achieved 117.4 MWh and 84.7 MWh savings respectively.
4. Energy Optimization of Shop floor lights at hosur location and achieved 7.9 MWh savings.

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

1. The Company has been constantly working on purchasing the green energy and Renewable Energy Certificate to neutralise the emissions.
2. With existing PPA and Own solar power generation at locations Schaeffler india limited consumed 41.49 GWh of green electricity in 2024.
3. With the existing green energy projects in 2024 through the green energy consumption the Company has neutralised ~26,620 metric tons of CO₂ emission.
4. Further all the other emission by conventional energy sources are neutralised by Renewable Energy Certificates with that the Scope 2 emission is neutralised.

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

New buildings or renovation of buildings and facilities:

1. 110KW Compressor DSD 205 at Pune
2. 1000 KVA transformer at Pune
3. New hall 2.1.2 expansion at Pune
4. Pressurised mold temperature controller at Pune
5. Grinding oil filtration plant Pune
6. Improve light intensity at incoming store at Pune

7. Energy Meter each segment machines and technical gases flow meter – Pune
8. Energy efficient motors installation – Pune
9. Heat Recovery Projects in Heat treatment– Pune
10. Insulation jacket at washing machines – Pune
11. Hall 01 air cooled chiller replacement with water cooled chiller – Pune
12. Tempering furnaces convert from Propane gas to Electrical – Pune
13. LPG to Electric heater conversion in phosphating dryer bath – Hosur
14. Gangway LED light modification – Hosur
15. IE2 motor conversion for Hub riveting press – Hosur
16. Utility plant in Hall 2 expansion area Savli
17. 132 KW and 90 KW Compressor at Maneja
18. Shopfloor Lighting converted to LED in Segment 8 and Stores in Maneja
19. Coolant Filtration Plant for TAROL Line in Hall 3 Maneja
20. Excol Filtration plant in Hall 2 in Maneja
21. Water flow and Air Flow meter installed at Powerhouse in Maneja
22. Air Optimiser installed at Powerhouse in Maneja.
23. Propane flow meter installed at Bullet point in Maneja

Directors' Report

Environment Health & Safety, Pune

1. Annual medical checkup conducted in August 2024 total employees covered 1046.
2. TT vaccination camp 12 March to 31 March total employees covered 274.
3. Eye vision test for product inspection employees covered 238.
4. Safety Guard, machine interlock & Light curtain provided Honing machine, R Safe machine, Grinding machines.
5. Bin lifters equipment side guard railing & foot guard provided.
6. ETP STP area digital water meter system installed for better data monitoring & control.
7. ETP STP Filter media changed as per requirement
8. ETP area chemical sludge bed installed for better water quality.
9. MS fabricated tank 25KL installed in STP area for gardening purpose.
10. All machine risk assessment activities done in month of Feb 2024.
11. Hazardous waste grinding dust sent to Preprocessing facility.
12. Pressure vessels, lifting tools tackles, & Press machine.
Testing & certification of 100% compliance with legal requirement.
13. Fire protection system -Adherence to 100% compliance of servicing activities as per schedule
New fire extinguisher added & maintained.
14. New mobile foam trolley provided at scrap yard & Hall 2 area.
15. Machine related fire extinguisher refill & maintained as per requirement.
16. Co2 Flooding system installed in new furnace TC120 machine.
17. SRV testing certification of Propane, Nitrogen tank on time.
18. Propane two bullet tank Hydrotesting done safely.
19. 2 Mock drills conducted in plant.
20. Propane & Nitrogen tank PESO license renewed valid up to 2027.
21. MPCB CTO renewed valid up to 2027.
22. ETP STP area digital water meter system installed for better data monitoring & control.
23. ETP STP Filter media changed as per requirement.
24. National safety week celebration in plant & different activities conducted during safety week like poster competition, Safety slogan, safety poster, Safety quiz, Safety Skit/Drama. Safety oath programme conducted in plant.
25. Environment Day celebration in plant. Environment protection related training given to all employees. Environment Oath Programme conducted in plant.
26. EHS & Workplace safety training given to all employees. Training conducted on various topics such as Road safety, Machine safety, Hazard Identification and Risk assessment, Accident prevention, Fire Protection and Prevention, Environment protection, Waste handling, Material handling, rack safety, Chemical safety, CO₂ flooding system, High noise safety precaution.
27. SCBA training to HT & Maintenance employees.
28. Talegaon Dabhade industrial association celebrating National Safety week programme in association with Directorate of Industrial Safety and Health (DISH). Our employees participated in road safety drama skit. Excellent performance appreciated by DISH team. In poster competition Harshada Gaikwad (HT area) won first prize.
29. Waste material disposal facility audit carried out.
30. EnEHS audit conducted by customer & third party.
31. EnEHS internal audit conducted in month of Oct 2024 & KPMG audit conducted in month of November 2024.
32. RO rejected water reuse in gardening & industrial cooling 963 m³
33. Returnable packaging Implemented for elimination of wood & paper.
34. Replacing office use plastic bottle with Glass bottle for reduction of plastic waste.
35. Sustainability & ESG transformation in the organisation sustainability awareness training conducted for employees.
36. 50 Volunteers from SIL pune planted 400 indigenous plants to promote biodiversity & soil health in Pune Khed area.
37. Certificates of recognition under sustainability category from CII & SKODA VW India Pvt. Ltd.
38. 4.2 MWH PV solar project approved & installation in process.
39. Energy saving measure with replacement of old compressor to energy efficient new compressor.
40. Energy conservation by arresting compressor air leakages.

Directors' Report

Environment Health & Safety, Hosur

1. Occupational Health Center expansion and renovation completed.
2. Audiometric and vision test conducted for MHE and Stamping operators as per the schedule.
3. ESG assessment audit conducted by M&M and Ashok Leyland on 13.09.2024 & 05.11.2024.
4. All LPG Detectors and NH3 Detector are calibrated by Authorised person as per the schedule.
5. All EOT Cranes in Hall1 & 2 load test carried out with competent person and received certificate.
6. 2 Mock drills and 6 Fire drills were conducted.
7. 6 no new Fire Extinguishers 4.5 kg Co2 type, 2 no of 22.5 kg Co2type, 2 no of 6kg ABC and 4 no of Mechanical foam fire extinguishers were installed in Hall 01.
8. 4 Lightning arrestors installed with 107 meter radius were installed in Hall 1 & 2.
9. Ground earth detector installed in Methanol feed pump.
10. New 2000 KVA DG installed in central Powerhouse.
11. Combined storage for Oil & Chemical shifted from Hall 2 and established in Hall 1.
12. Creach facility with all necessary needs is established in Hall 1.
13. Canteen dining hall renovation completed.
14. Battery operated Forklift procured as scope 1.
15. Fire detection system installed in VED Damper location in CRS.

16. GOBO projectors (safety alert) installed in the shopfloor.
17. Co₂ gas suppression system for Rotary furnaces cylinders HP test completed.
18. Facing dust (Hazardous waste) is being sent to coprocessing from 2024.
19. On board solar street light installed in Hall1 as a pilot.
20. Health campaigns on Brest cancer, Tobacco, Dental camp were conducted.

Environment Health & Safety, Savli (Vadodara)

1. New Mechanical Foam 50 kg Fire extinguisher installed in Supply system.
2. All Lifting tools and tackles are certified by competent authorities.
3. New warning lights installed in all Forklift.
4. VOC Detection System installed in Washing central facility.
5. New Manual call point installed at the entrance of Propane and Methanol Yard.
6. Conducted Audit of Hazardous and Non-Hazardous waste handler.
7. Regularly inspection carried out of Power Tools.
8. To aware the employees and to check the competency of emergency handling 2 Mock Drill and 6 Fire Drill were conducted.
9. New Machine Evaluation carried out of new lines installed in Hall 1&2 to identify the initial hazards.

10. Periodical risk assessment conducted for each segment with the risk assessment team and action plan prepared.
11. Third Party Safety Audit carried out by competent person to analyse plant safety features.
12. Total Training Hours achieved for the year 2024 is 2729 hrs. with different shopfloor and classroom trainings.
13. Road safety week celebration with awareness of signal, road safety signages, visual video presentation covers all shift employees.
14. Safety week celebration with fire training programmes, fire equipment usage exhibition, PPE usage exhibition, Shopfloor trainings, video presentation in canteen area, competition for motivation of employees.
15. Celebrated Health and safety day based on theme Finger Injury.
16. Celebrated Environment Day to create awareness among all employees related to Environment & Sustainability. Also total 500 nos. of trees are planted in the premises.
17. First aid training programme for selected employees with certification around 25 employees.
18. External Fire Fighting Training programme conducted around 39 employees.
19. Incident awareness session carried out by sharing of different and own plant incident to shopfloor employees in all shifts.
20. Full Medical Health Checkup and blood donation camp was organised for all the employees' health check.

Directors' Report

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| <p>21. Training for forklift and stacker operator done twice in a year.</p> <p>22. Training regarding Self-contained breathing suit to all maintenance team</p> <p>23. Crane Operator training given to all crane operators.</p> <p>24. Auto fire extinguisher system introduced for new electrical panel as well as old panel is still continue to cover all the panels.</p> <p>25. 5S+2 audit conducted regular bases for the internal safety.</p> <p>26. Digital display signages introduced on the shop floor.</p> <p>27. Noise reduction measures taken in segment 1 with modifying the channels, new sound proof cover as well as removal of air vent from the lines</p> | <p>6. 5S+2 topic training conducted every day from 10:30 to 11:30 to cover all type of employees.</p> <p>7. Tool box talk training has been initiated before issuing the work permit by Supervisor.</p> <p>8. Fall Protection system has been installed on roof of Gen-1 and FBS area.</p> <p>9. CO₂ Suppression system installed in new electrical panel for helps minimise damage to electrical equipment and facilities.</p> <p>10. Procure 5 nos. of fire suit. It helps to firefighters safety in potentially dangerous places where there is a high risk of fire.</p> <p>11. Fire Hydrant system, Water sprinkler system and Fire detection system has been installed in Gen-1 and FBS for the prevention and Extinguishing of fire.</p> <p>12. 252 nos. equipment's QR code and certificates Updated. Testing certificates directly scan through QR code with mobile and see the valid certificates of all equipment's.</p> <p>13. Recharging (Cleaning + Compressor) of rainwater well for facilitating recharge of rain water to underground water.</p> <p>14. Ground water impact assessment report conducted by Ramans Consultant for water saving improvement Points potential and compliance for CGWA NOC.</p> <p>15. Conducted third party safety audit, Fire adequacy audit and QRA study of propane, methanol, ammonia by Third party consultant.</p> <p>16. Applied for CGWA License approval.</p> <p>17. NDT testing has been done of Propane, LPG tank and all air receiver tanks.</p> | <p>18. Testing of Dust fume extraction system has been done.</p> <p>19. Safety committee meeting has been carried as per defined frequency.</p> <p>20. Corroded fire sprinkler line changes in propane tank storage area.</p> <p>21. Fire detection system installed in Operation Hub and purchase, application offices. (above false ceiling and below false ceiling)</p> <p>22. Liquid Nitrogen tank painting work done.</p> <p>23. Provision & installation of creche room in front of admin building garden.</p> <p>24. Audit conducted to Non-hazardous waste collect vendor.</p> <p>25. New Fire extinguishers procurement against the discarded fire extinguishers which was rejected in hydrotest.</p> <p>26. Environment Audit done by the Ramans Enviro service Pvt. Ltd. which was GPCB approved auditor.</p> <p>27. Mr. Rajesh Mandan replaced Mr. Ajay Srivastava(who superannuated) as Plant Manager.</p> <p>28. Mr. Abhishek Srivastava, Segment Manager (Segment 6 - Wheel Bearings), had an additional role, to lead Seg-ment 7 (Face & OD / Heat Treatment) in Place of Mr. Rajesh Mandan</p> <p>29. Mr. Rohit Srivastava, Segment Manager (Segment 3 – Roller), would take over the responsibility of Segment 4 (DGBB 62).</p> <p>30. Mr. Virendra Shah, PV (Segment 8 – SRB), is given the responsibility of Segment 3 (Roller).</p> |
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Maneja (Vadodara)

1. Maneja Plant have reached the milestone of 1092 days with NO LTIR cases since January 3, 2022 until December 31, 2024.
2. Mock drill and Fire drill has been conducted as per defined frequency.
3. 472 employees as well as contract persons are participated in Safety week competitions.
4. Environment Day celebration in Plant to create environment awareness.
8. 100 units of Blood donated to Jalaram blood Bank by employees in Blood donation camps.
5. Calculating carbon sequestration storage and oxygen generation by dominant urban trees for scope 1 emissions.

Directors' Report

31. All LPG, Propane and Methanol Detectors are calibrated by Authorised person as per the schedule.
32. Mr. Vipul Ranpura after his international assignment will take up the position of Industrial Engineering Head of Maneja Plant.
33. ESG assessment audit conducted by Intertek on behalf of M&M.
34. ESG assessment audit conducted by Intertek on behalf of siemens.
35. Rain water harvested to ground water through five rain water wells.

B. Technology Absorption

1. The efforts made towards technology absorption

- Planetary Gear Shaft – Turning, Grinding, Welding, Washing and Assembly – Hosur
- Yadon Press forming Line for SLH housing – Pune
- DRACBB – Industrial 2 Lines – Savli
- TORO line >20 from SM-SWE
- TORO lines <20 from SMB-China
- 2x SRB line as a part of SRB project expansion in Savli
- SRB < 120 Relocation from Maneja – Savli
- CRB <120 KIG KEG Line – Maneja
- Broaching Line in Wheel Bearings Generation 3 – Maneja

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 ISO45001 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 is fully absorbed?	if not fully absorbed, areas where absorption has not taken place, and the reasons thereof
Grinding and honing line for RN-RNN>62	2022	Yes	
Honing machine HM280G1 for cylindrical, taper and spherical rings	2022	Yes	
Face grinding machine for cylindrical and taper rings	2022	Yes	
Outer diameter grinding machines for cylindrical and taper rings	2022	Yes	
Grinding and honing line for DRACBB<62	2022	Yes	
AMS for Hub outer Profile Milling	2022	Yes	
Fanuc Milling for Tractor Pressure Plate	2022	Yes	
Washer Blocking Automation	2022	Yes	
Roller Hearth Furnace	2022	Yes	
Round Table with IH machine for Diaphragm Spring	2022	Yes	
MEG 75 OD Grinding machine for Rollers	2022	Yes	
Agathon Cutting machine for ASGS	2022	Yes	
Honing machine for ASGS	2022	Yes	
Turning machine for ASGS	2022	Yes	
Raceway Grinding machine for ASGS	2022	Yes	
Grinding machine for SRB 120-200 Line	2022	Yes	
One Way clutch line	2022	Yes	
KIG Bore Grinding	2023	Yes	
Jupiter500 OD Grinding machine	2023	Yes	
KEG / KIG Grinding machines for CRB	2023	Yes	
Supfina OD honing for Noro	2023	Yes	
Zenoptic at Instrument Room Hall 2	2023	Yes	
MAS in TRB < 90 Line	2023	Yes	
Hembrug Turning machine	2023	Yes	
Supfina 778/2	2023	Yes	

Directors' Report

Technology	Year of import	Whether is fully absorbed?	if not fully absorbed, areas where absorption has not taken place, and the reasons thereof
SLH forming press	2023	Yes	
Centerless grinder Jupiter for KOT ASEH	2023	Yes	
Junker face grinder for ASEH	2023	Yes	
Heat treatment furnace for SLH localisation	2023	Yes	
One-way clutch machine	2023	Yes	
Injection molding machine	2023	Yes	
MAS_NOVA_SLH	2023	Yes	
Flat Arres relocation from Sternhagen	2023	Yes	
Hwacheon Horizontal Turning machine	2023	Yes	
FANUC Special Spindle for milling of Pressure Plate	2023	Yes	
Broaching Line for Wheel Bearing from FAT	2024	Yes	
New Generation 1 Wheel bearing line from SMX	2024	Yes	
Forming Technology for SLH Housing, IBI Pune	2024	Yes	
5x Meg75s ROL From SMB-SWE, Savli	2024	Yes	
Supfina 778/4 Roller honing from Germany, Savli	2024	Yes	
VS/VH 120 machines from SMB-SWE, Savli	2024	Yes	
VS/VH 460 machines from SMB-SWE, Savli	2024	Yes	
2x Relocated lines from Slovakia, Savli	2024	Yes	
Planetary Gear Shaft Line from Szombathely, Hungary	2024	Yes	

4. Details of Expenditure incurred on R&D are as follows

(₹ in million)		
Particulars	2024	2023
Capital	67.6	73.7
Recurring	1,002.8	921.0
Total	1,070.4	994.7
% of Turnover	1.3%	1.4%

5. Foreign Exchange Earnings and Outgo

(₹ in million)		
Particulars	2024	2023
Earning:		
Earning in foreign exchange		
Sale of Service Income	13.6	164.6
FOB value of exports	10,530.6	9,364.9
Others	235.0	154.6
Total foreign exchange earned	10,779.2	9,684.1
Outgo:		
CIF value of Imports		
Raw materials, Components, Products purchased for Sale, Stores & Spares, Capital goods and intangible assets	32,788.2	27,124.3
Expenditure in foreign currency		
Fees for use of technology	1,555.6	1,410.0
Dividend paid to Shareholders	3,012.1	2,780.4
Total foreign exchange used	37,355.9	31,314.7