

Schaeffler India Limited · Pune · Maharashtra

BSE Limited

Phiroze Jeejeebhoy Towers,
Dalal Street,
MUMBAI- 400 001

Company Code: 505790

National Stock Exchange of India Limited

Exchange Plaza, C - 1, Block G,
Bandra-Kurla Complex, Bandra (E)
MUMBAI- 400 051

Company Code: SCHAEFFLER

05/04/2025

Sub.: Integrated Annual Report 2024 and Notice of 62nd Annual General Meeting.

Dear Sirs,

Pursuant to the provisions of Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith a copy of the Integrated Annual Report for the year ended December 31, 2024, which also includes Notice of 62nd Annual General Meeting of the Company.

Phone: +91 20 6819 8400

Kindly take the same on your records.

Thanking you,

Yours faithfully,

For **Schaeffler India Limited**

Ashish Tiwari

VP – Legal & Company Secretary

Encl.: As above

We pioneer motion

SCHAEFFLER

Schaeffler India Limited
Integrated Annual Report 2024

**THE
MOTION
TECHNOLOGY
COMPANY**

SCHAEFFLER: THE LEADING MOTION TECHNOLOGY COMPANY

Founded in 1946, Schaeffler's history of innovations has shaped motion. With the patenting of the cage-guided needle roller bearing in 1950, we have evolved into a global technology company enhancing how the world moves.

OUR EIGHT PRODUCT FAMILIES

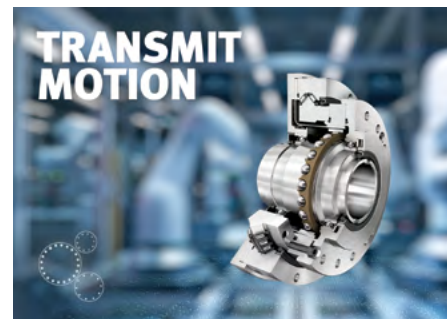
We acquired Vitesco Technologies Group AG in October 2024, allowing us to reorganise our portfolio into eight product families, centred around *Motion*. Our offerings range from simple bearings and complex powertrains to engine control units and smart repair solutions. Guided by our motto, 'We pioneer motion', we aim to become the leading Motion Technology Company.



01

Guide Motion

Bearings and linear guides for moving components in a targeted manner, ensuring high efficiency by reducing friction to a minimum



02

Transmit Motion

Solutions for transmitting mechanical energy such as transmissions, gearboxes, clutches, dampers, and various other products convert torque and speed for a wide range of applications

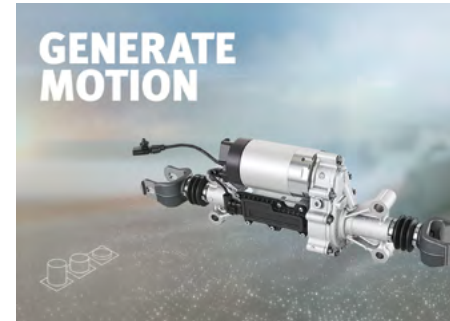
Our eight product families



03

Control Motion

Innovative sensors and intelligent electronic control units for controlling, regulating, and optimising the performance and efficiency of various motion control systems



04

Generate Motion

Actuator systems for converting signals into mechanical movement, force, pressure, or torque for functionality, safety, and efficiency



05

Power Motion

Power electronics for converting electric energy for the traction motor to meet the highest performance requirements - for efficient and comfortable mobility in hybrid and electric powertrains



06

Drive Motion

Electric drive systems – synergy of electric motor, transmission and power electronics in powerful electric axles, and dedicated hybrid systems for sustainable comfort and efficiency



07

Energize Motion

Systems for generating, converting, storing and managing clean energy as the backbone of a sustainable future, with hydrogen and electricity as the main energy carriers for mobile and stationary applications



08

Sustain Motion

Digital services, intelligent condition monitoring systems, as well as repair and maintenance solutions for extending the product life cycle, with diverse applications across all industries

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 On the microsite

Schaeffler Group

We pioneer motion

The Schaeffler Group has been driving forward groundbreaking inventions and developments in motion technology for over 75 years. With innovative technologies, products and services, CO₂-efficient drives, chassis solutions and renewable energies, we are a reliable partner for making motion more efficient, intelligent, and sustainable – over entire product life cycles.

What is our USP?



Innovation
Shaping the way ahead



System Understanding
Optimise complex, individualised solutions



Quality
Highest product quality and outstanding service quality



Manufacturing Excellence
Sophisticated, high precision technologies

2024 highlights

€18,188 mn
Revenue

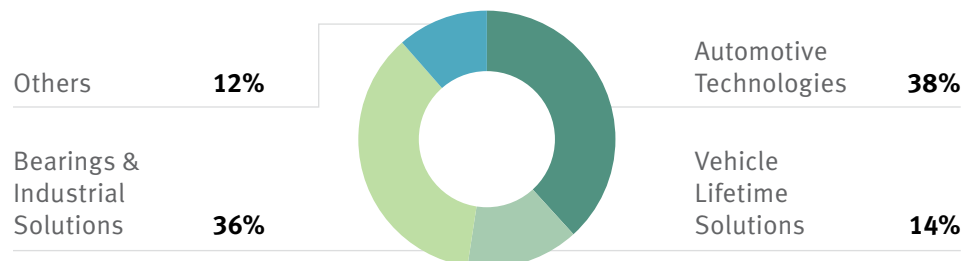
1,040
Patents filed in 2023

€811 mn
EBIT before special items

115,055
Employees

€3,969 mn
Shareholders equity

2024 division-wise revenue for Schaeffler



Sustainability ratings



Climate: Score A
Water: Score A (2024)



BBB on a scale of AAA-CCC (2024)



Platinum status
81/100 points (2024)



Prime Status Rating C+
Performance Score 54.08 (2024)



19.5 'Low risk' – Core framework (Update 2024)



Average of 93% across all rated sites (2024)



STRONGER

TOGETHER

Stronger Together

As a leading Motion Technology Company, Schaeffler AG successfully completed the merger with Vitesco Technologies Group AG, further reiterating our commitment towards innovation and sustainability.

What unites us is our pioneering spirit – the very essence driving the delivery of innovative solutions for keeping the world in motion. The merger will enable us to realise synergies to build a comprehensive motion portfolio with eight product families offering integrated solutions for diverse customers. It has also led to the addition of ‘control’ and ‘power’ motion to our existing motion portfolio and enabled us to bring on board complementary solutions and technologies that ensure exceptional quality, in-depth system knowledge and manufacturing excellence.

Vitesco has a presence in India with its electric powertrain solutions for the Automotive Technologies division. With growing demand for advanced powertrain technologies in the Indian automotive market, Schaeffler’s improved portfolio is anticipated to act as a key enabler of sustainable mobility solutions.



“With the completion of the merger with Vitesco, Schaeffler is entering a new chapter in its corporate history.”

Klaus Rosenfeld,
CEO of Schaeffler AG

**OUR AIM IS TO PROVIDE
PRODUCTS AND TECHNOLOGIES
TO CUSTOMERS THAT
MAKE MOTION SMARTER,
CLEANER AND SAFER.**

We develop innovative products and solutions that keep the world moving efficiently and sustainably.

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2024 at a glance

Financial

Through every opportunity and challenge, we fuel our sustainable growth journey

₹80,763 mn

Revenue |  11.8%

₹14,969 mn

EBITDA |  10.7%

₹9,777 mn

PAT |  7.6%

₹6,911 mn

Capital expenditure |  24.9%

₹28

Dividend per share |  7.7%

23.8%

ROCE |  3.1%

As of December 31, 2024

EBITDA: Earnings Before Interest, Taxes, Depreciation, and Amortisation

PAT: Profit After Tax

RoCE: Return on Capital Employed

 Increased |  Decreased

We are aligned with our parent's ambitious target of climate neutral production by 2030 and climate neutral supply chain by 2040.

31,060 tCO₂e

GHG emissions averted

14,782 m³/year

Water conserved through waste water recycling

Environment

Our people, customers, suppliers and communities matter.

62%

Sustainable sourcing

118,804

CSR beneficiaries

Social

For us, integrity and accountability is a foremost priority.

30%

Women in leadership team

44.4%

Independent Directors

Governance

About the report

Our integrated approach

At Schaeffler India, we align our business strategy with ESG priorities unique to India's mobility and industrial landscape. By offering energy efficient automotive and industrial solutions, we aim to drive meaningful change and deliver lasting value to our customers.

Our commitment extends through localised manufacturing excellence and targeted skill development initiatives that address India's unique opportunities and challenges. We are actively shaping India's sustainable development while building long-term business value for our stakeholders.



Purpose

We pioneer motion to advance how the world moves.



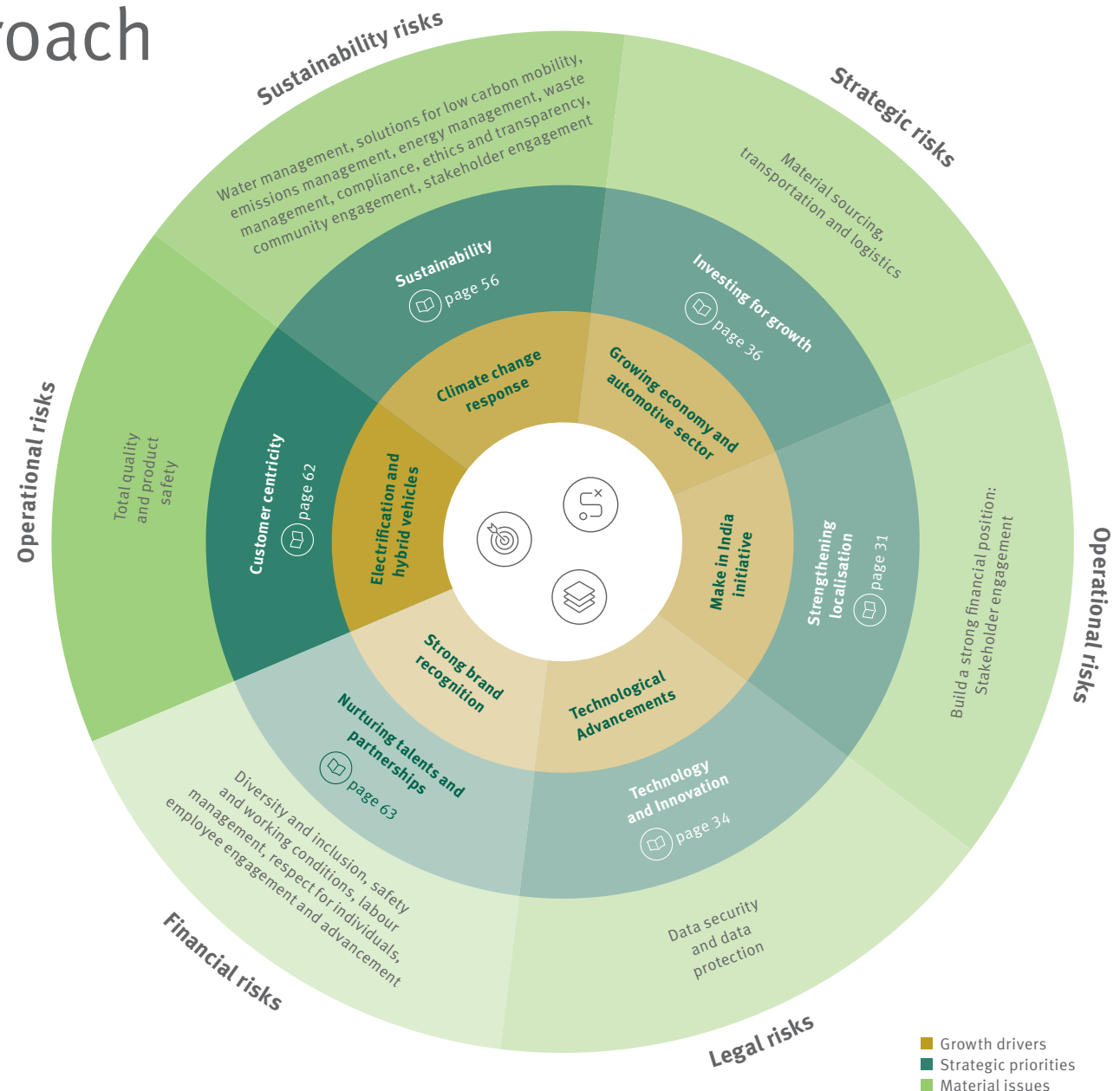
Mission

We offer innovative products and services in the fields of motion



Values

- Sustainable
- Excellent
- Innovative
- Passionate



About the report

Scope and boundary of reporting

Schaeffler India's fifth integrated report is prepared in accordance with the Integrated Reporting Framework of the IFRS Foundation. This report aims to transparently communicate to stakeholders the Company's capability to create value over the short, medium and long-term. It highlights the Company's strategy, achievements, value creation model, holistic performance, risk management and mitigation, megatrends and opportunities and financial and non-financial performance, including Environmental, Social and Governance (ESG) initiatives. This report extends beyond financial reporting and includes non-financial performance, opportunities, risks and outcomes attributable to or associated with our key stakeholders, which have a significant influence on our ability to create value.

Frameworks and standards used

Apart from abiding by the guiding principles and content elements of the International Framework <IR>, this report abides by the following frameworks, guidelines, and standards:



National Voluntary Guidelines (NVGs)



Secretarial Standards issued by the Institute of Company Secretaries of India



Companies Act, 2013 (and the rules made thereunder)



Global Reporting Initiative (GRI) (core option) standards



Indian Accounting Standards



Sustainability Accounting Standards Board (SASB) standards Disclaimer: The Company is not liable with regard to any data/information appearing in this report, taken from the public domain



Securities and Exchange Board of India

Key concepts

Value creation process

At Schaeffler India, we focus on creating value by optimising outcomes and outputs for our stakeholders.

Read more about our value creation model on page 15

Our stakeholders



Customer



Suppliers and Partners



Environment



Investors



Community



Employees

UN SDGs



Responsibility statement

The integrity of the information presented in this report is verified by the management of Schaeffler India Limited to the best of their knowledge.

Assurance

The non-financial information (BRSR core parameters) is assured by BSI Group India Private Limited as a third-party assurance provider.

Schaeffler India

Shaping the future

For over 75 years, Schaeffler India has worked with automotive and industrial customers to meet various mobility needs. Our innovative, precision-engineered products enhance the efficiency and sustainability of vehicles and industrial applications, enabling seamless integration in a connected world.

Automotive Technologies



Solutions for every drive concept

The Automotive Technologies division consist of E-mobility and Powertrain & Chassis businesses. The division is rising to the challenge of a rapidly evolving drives sector by creating advanced, sustainable solutions for cars and commercial vehicles. Within this division we also offer a comprehensive range of electrification solutions, including hybrid, fully electric and fuel cell technologies to address climate change and meet stringent emissions regulations.

 Read more on page 40

₹27,333 mn
Revenue

Schaeffler India Limited

Vehicle Lifetime Solutions



Intelligent solutions for complex repairs

The Vehicle Lifetime Solutions division intelligently combines repair solutions with numerous support services that prepare garage professionals for the requirements of tomorrow. Covering clutch, engine, transmission and chassis systems, the division provides high quality, OEM-grade repair solutions. The addition of KOOVERS has further enhanced our reach to the aftermarket workshops in India.

 Read more on page 43

₹7,017 mn
Revenue

Bearings and Industrial Solutions



Future-ready industrial applications

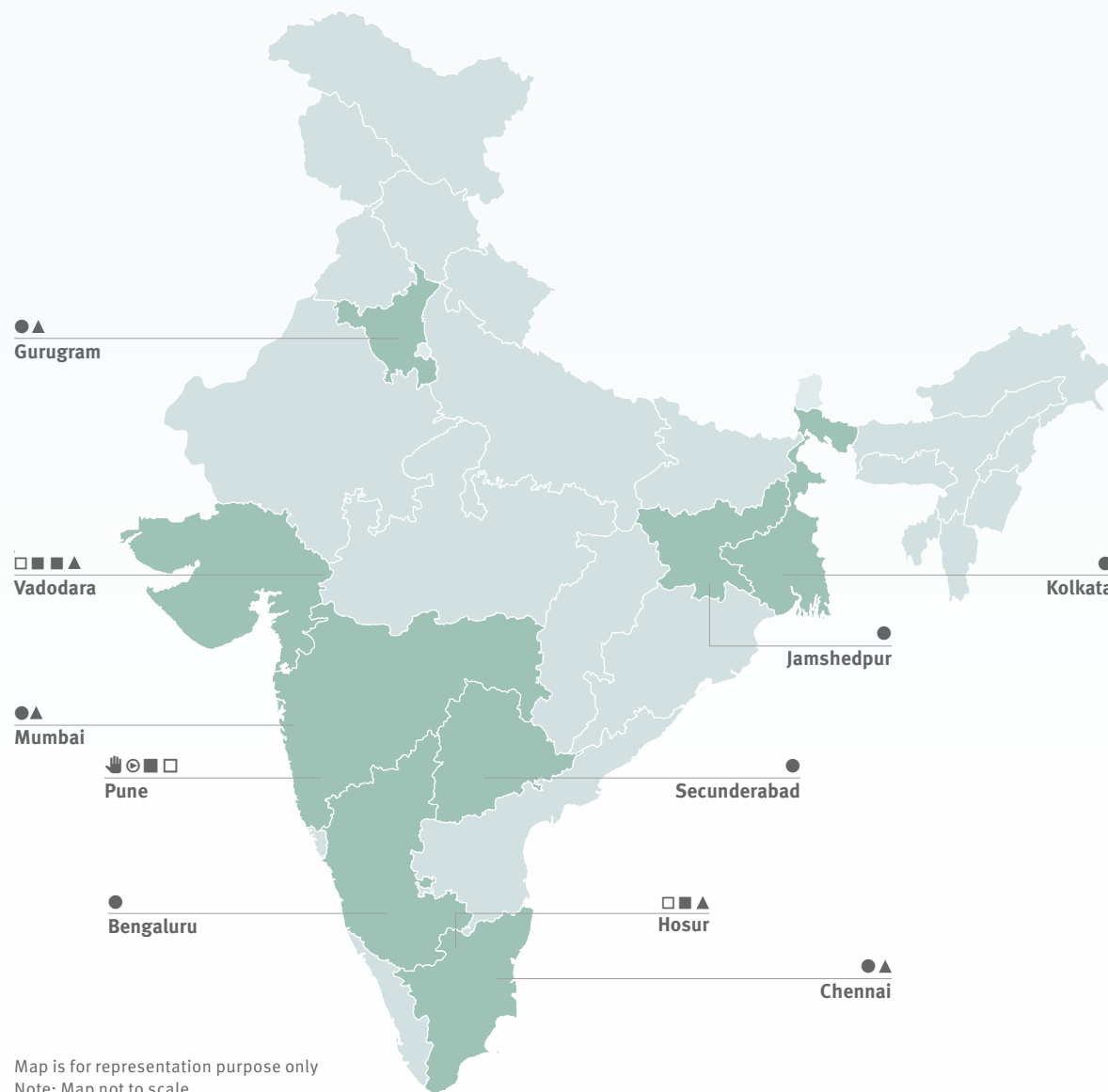
The Bearings & Industrial Solutions division provides an extensive range of bearing solutions, from compact, high-speed bearings to large-scale bearings spanning several meters. The portfolio includes rolling and plain bearings, linear and direct drive technology, alongside services for maintenance and monitoring systems—with an emphasis on smart, connected components for superior performance.

 Read more on page 46

₹35,617 mn
Revenue

Schaeffler India

Geographical presence



Map is for representation purpose only
Note: Map not to scale

33,000+ Retail network

3,605 Employees

330 Distribution and channel partners

4 Plants

7 Sales offices

3 R&D centres

Hand icon: Registered office
Square icon: Production plants
Circle icon: R&D centre

Circle icon: Corporate office
Dot icon: Sales office
Triangle icon: Logistics warehouses

What sets us apart

Our value proposition

Schaeffler India utilises its engineering expertise to drive change and deliver innovative motion technology solutions. With strong financial backing and a collaborative approach, we are investing in digitalization and enhancing our local presence. Our goal is to maximise stakeholder value, optimise processes and create growth opportunities, while also supporting technological advancements and promoting sustainable development within the community.



Parentage

Schaeffler India draws its parentage from Schaeffler AG, a leader in motion technology driving forward groundbreaking inventions and developments for over 75 years. With a presence in 250 locations and 100 production facilities worldwide, the group earned revenue of €18,188 million in 2024. Leveraging the Group's R&D resources, expansive technical expertise, and robust global network we continuously work towards fortifying Schaeffler India's position as an industry leader.

1,040

Patents filed by
Schaeffler AG in 2023



Financial profile

Our operational performance, coupled with disciplined capital allocation, aids in maintaining a robust financial profile. In 2024, our revenue from operations stood at ₹80,763 million, a growth of 11.8% amidst modest market growth, as compared to 2023. Our EBITDA for the year stood at ₹14,969 million, an increase of 10.7% from the previous year and we recorded PAT of ₹9,777 million in 2024, representing a 7.6% growth from 2023.

45%

Dividend payout



Market presence

For decades, we have delivered cutting edge products that drive efficiency and performance, emerging as a preferred partner for leading OEMs and channel partners in India. Our ability to offer quality solutions tailored to specific customer requirements, enhances customer satisfaction. Besides, the introduction of new products has helped us to move up the value chain significantly, enhancing our customer relationships and deepening the trust and collaboration we share.

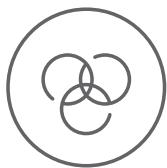
 [Read more about customers on page 62](#)

8.41

Schaeffler India Loyalty Index¹

¹ For the year 2023

What sets us apart



Innovation and sustainability

We remain committed to introduce innovative products and solutions to the market through consistent upgradation of our technological capacity and improvement of R&D efforts. It has also enabled us to continue our journey towards providing sustainable and energy-efficient solutions that cater to our customers' future mobility needs, while consistently generating value.

25

Invention disclosures



Digitalization

Digital Transformation is a key driver to support our businesses. We are adopting a holistic approach where we are focusing on technology and data across areas of Enterprise and Operations. With multiple on-going digitalization projects our goal is to achieve seamless data transfers via automated workflows, facilitating for collaborative and effective data-driven decisions. By use of digital omni channels for data exchange, applications and platforms for receiving consistent information and service, we aim to enhance our customer experience.

Fit4Digital

Fostering digital expertise



Moving up the value chain

Schaeffler India is transforming from a components manufacturer into a platform solutions provider. This evolution empowers us to forge deeper connections with customers and unlock greater value. By leveraging cross-platform technologies and expertise, we build solutions that not only drive innovation but also secure enduring competitive advantages, delivering profound impact and value to our partners and stakeholders.

4

CDCs closer to customer

Value creation model

Powered by innovation and excellence

Sustainable and profitable growth

We rely on our resources and capabilities to deliver our purpose



We create a more sustainable future through



Market context/
External environment

While creating value that benefit all our stakeholders

Sustainable returns for Investors

₹9,777 mn
PAT

45%
Dividend payout

Quality products and services for clients

8.41
Schaeffler India Loyalty Index¹

Inclusive and safe environment supporting the growth of our people

91%
Employee pulse survey score¹

Suppliers

62%
Sustainable sourcing

Empowering communities through HOPE

118,804
Lives impacted

SDGs impacted



¹ For the year 2023



OUR COMMITMENT TO INNOVATION AND CUSTOMER-CENTRICITY FUELS OPERATIONAL EXCELLENCE.

With this, we aim to significantly enhance our contributions to partners and stakeholders to shape a stronger future together.

The year gone by

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Message from the Chairperson

Powering progress

“

Sustained efforts for growth, innovation, operational excellence and advancing the ESG agenda has helped the company to shape a resilient business.”

Eranti Sumithasri
Chairperson



Message from the Chairperson

Dear Stakeholders,

2024 marked a year of resilience for Schaeffler India. Your organization demonstrated remarkable spirit to fulfil its commitment towards responsible and sustainable growth. Guided by customer centricity and an innovative spirit, the Company desires to continuously introduce new products and solutions to the field of motion and mobility. Schaeffler India's journey from a bearings manufacturer to being a 'Leading Motion Technology Company' enables it to provide products and solutions across the entire spectrum of motion.

I am happy to share that Schaeffler India reported solid financial results, driven by performance across all its businesses. It continued to benefit from investments in expanding its manufacturing facilities and enhancing its product portfolio to cater to growing market demands. Over the past year, Schaeffler India has strengthened its market position through innovation in sustainability and commitment to community and employee engagement, setting a strong foundation for future growth.

Economic overview

Despite persistent global headwinds, including the ongoing conflicts in Europe and the Middle East, the world economy was well placed to avoid recessionary

**“
I am happy to share that
Schaeffler India reported solid
financial results, driven by
performance across all
its businesses.”**

pressures. As inflation moderated, major central banks, including those in the US and Europe, began calibrated rate cuts while maintaining prudent oversight. India's growth trajectory, though slightly moderated from FY24, remains on a steady growth path. India is expected to have grown 6.4% in FY25 and for FY26, the RBI expects the country to grow between 6.3% to 6.8% following expansion in private capital expenditure.

As the world's third-largest vehicle market, India's automotive sector continues to be a crucial economic driver. While India witnessed strong growth in two-wheeler sales, particularly in the EV segment, other sectors faced varying challenges – from high inventory in passenger vehicles to declining commercial vehicle sales and regional variations in the tractor segment. However, your company was able to outperform industry growth through its focus on winning new businesses.

India is giving impetus to e-mobility through various schemes like subsidies for electric vehicle production, PLI scheme, and changes in the operating environment including tightened emission regulation norms, improvement of charging infrastructure, procurement of e-buses among others. With the competence and capability of Schaeffler India on offerings for components, sub-systems, and systems to OEMs, the organization is well placed to develop drive system technologies for both Battery Electric Vehicles (BEVs) and Hybrid Electric Vehicles (HEVs). Leveraging strong partnerships with key market leaders, Schaeffler India is uniquely positioned to seize emerging opportunities in this arena.

The automotive aftermarket landscape in India is experiencing a dynamic shift, fuelled by rapid urbanization, increased vehicle ownership, and shifting consumer preferences. As OEMs expand access to their parts beyond authorized dealerships, the aftermarket enters a new era. The advent of digital platforms and technology is redefining the market, providing greater access to products and services. Schaeffler India is strategically positioned to seize these emerging opportunities in one of the world's fastest-growing automotive markets with its focus on delivering enhanced operational efficiencies, customized

logistics solutions, and improved strategic focus is creating significant value for its customers.

The industrial landscape in India is expanding rapidly propelled by rising infrastructure development and industrialization. The need for high-performance, precisely built bearings is increasing as a result of Industry 4.0 and smart manufacturing. The railway industry is modernizing through large investments in high-speed train routes, electrification, and enhanced connection to satisfy the demands of rapidly increasing urbanization and economic growth. The industry is also witnessing a shift towards environmentally sustainable solutions. Favorable government regulations and a drive to lower carbon emissions are helping the renewable energy sector grow. All these developments are transforming India a pivotal hub for manufacturing and industrial development.

Schaeffler India has remained strategically focused to strengthen the foundation of a value-led organization. And sustained efforts for growth, innovation, operational excellence and advancing the ESG agenda has helped the company to shape a resilient business.

Message from the Chairperson

Prioritizing sustainability

At Schaeffler India, sustainability remains at the core of its business strategy. Over the past year, we have continued to make significant strides to advance its ESG focus across all aspects of operations. The Jal Sahara initiative has been expanded to reach more places, there has been an increased focus on employee well-being and safety, all while maintain an unwavering commitment to transparency and integrity in business conduct.

Schaeffler India remains steadfast in its commitment to minimizing environmental footprint and mitigating the impact of business activities on the planet.



Dedication to implementing impactful energy efficiency and water conservation measures remains unwavering, as it continues to strive for a more sustainable future.

In 2024, the scope of CSR projects was expanded further to support initiatives for water conservation, skill development, enhancing the quality of education in rural India and improving community health. These efforts have not only empowered to delegate responsibility towards communities but also helped to strengthen the social fabric of the areas where we operate. Learning that Schaeffler India has been honoured at multiple forums for excellence in CSR and ESG leadership through its skill development programs fills me with immense pride.

At Schaeffler India, stakeholder trust is built on robust governance practices anchored in integrity, accountability and business ethics. Led by the experienced leadership team and Board of Directors, we believe in upholding the highest standards of corporate governance to sustainably create value for stakeholders across the organizational vertical.



Schaeffler India remains steadfast in its commitment to minimizing environmental footprint and mitigating the impact of business activities on the planet.”

Board Representation

This year also saw some transitions at the Board level for Schaeffler India Limited. Mrs. Renu Challu completed her tenure as an Independent Director of the Company during the year 2024. On behalf of the Board of Directors, I express our deepest gratitude to Mrs. Challu for her significant contributions during her tenure. Her exceptional leadership in the committees, coupled with her expertise in the fields of banking, finance, investor relations and regulatory environment has been instrumental in shaping the organizations achievements. We wish her all the very best in her future endeavours.

We at the Board are also delighted to welcome Mr. N. V. Sivakumar as Chairperson of the Audit Committee. With his extensive experience in the

field of audit and advisory and a proven track record of leadership, he brings valuable insights and experience that will continue to guide Schaeffler India towards success.

I look back at 2024 as a year where your company weathered challenges, embraced change and grew stronger, solidifying its commitment to a sustainable future. I am thankful to the Board of Directors for providing insightful direction to the company. I would also like to extend my sincere appreciation to all the employees, esteemed customers and partners for their trust and encouragement. I remain grateful to the shareholders for their faith in Schaeffler India's ability to become a leading motion technology company. Your company remains determined to fulfil customer needs with innovative, agile and efficient solutions that bear the hallmark of Schaeffler India's excellence in motion technology.

Eranti Sumithasri
Chairperson

Insights from the Board



“India’s unique position in the global economic landscape aligns well with the Schaeffler Group’s vision of establishing the region India as a pivotal growth driver. Equipped with state-of-the-art manufacturing facilities, we are at the forefront of enabling precision engineering and delivering sustainable solutions, actively contributing to the ‘Make in India’ initiative. As India strides forward in mobility, digitalization, and smart manufacturing, Schaeffler India takes pride in being a key catalyst in this transformative journey. By developing innovative technologies, we are not only supporting India’s progress but also empowering its ascent on the global stage.”

Dharmesh Arora

Non-Executive and Non-Independent Director



“India’s automotive landscape is a dynamic arena where internal combustion engines, electric powertrains and hybrid harmoniously coexist catering to diverse market needs and consumer preferences. At Schaeffler India, the comprehensive portfolio spans this entire spectrum and the organization is ready to meet India’s diverse mobility needs while driving sustainable transportation solutions.”

Arvind Balaji

Independent Director



“Government of India has taken various steps, over the past years, to enhance governance, strengthen regulatory frameworks and improve ease of doing business in India. Schaeffler India is actively adapting to the changing dynamics of corporate governance in the digital era. The organization prioritises data privacy and security through robust measures while adhering to applicable laws. By integration of ESG considerations into its business strategy and exploring the potential of technologies to enhance transparency and efficiency in operations, the organization is fostering a culture of ethical conduct while engaging with all its stakeholders. Schaeffler India is strategically positioned as well as committed to contribute to a sustainable and responsible future for India, while ensuring transparency, accountability and compliance.”

N. V. Sivakumar

Independent Director



“Digitalization stands at the core of Schaeffler’s Roadmap 2025, driving transformation across all divisions and regions. Our digital future is built on four pillars: digital workplace, cyber-physical equipment, digital value chain and smart products. With India’s strong digital environment and skilled workforce, we are leading this transformation by implementing advanced solutions for the industry of the future. From data-driven and AI-enabled applications optimizing our manufacturing processes to end-to-end digital solutions monitoring our products in the field, Schaeffler is pushing boundaries of digital innovations and provides value to internal and external customers, enhancing customer value and advancing sustainability.”

Andreas Schick

Non-Executive and Non-Independent Director



“As India positions itself as the world’s manufacturing cradle, Schaeffler India’s expertise in precision engineering and sustainable technologies positions it to support the industrial transformation. India’s digital infrastructure, years ahead of many developed nations, combined with rapidly maturing physical infrastructure, creates an unmatched foundation for manufacturing excellence. Schaeffler has been making in India for over 60 years and has 4 manufacturing plants making critical parts for various sectors in India and globally. Across the industrial and automotive sectors, I see tremendous potential for Schaeffler India to drive this growth acceleration.”

Amit Kalyani

Independent Director



“At Schaeffler India, we create innovative repair and maintenance solutions to keep vehicles on the road for a life time. Our high quality solutions significantly extend the vehicle lifespans. With our platform operations, such as REPPERT, we deliver comprehensive technical support for workshops across all vehicle segments. With our high focus on innovative repair solutions, quality, convenience and availability we want to be the trusted partner for players in the evolving mobility eco-system.”

Jens Schüler

Non-Executive and Non-Independent Director

Message from the MD & CEO

Advancing Motion Technology

“

We continue to strengthen our manufacturing capabilities to meet growing customer demand and retain our competitive edge.”

Harsha Kadam

Managing Director & Chief Executive Officer



Message from the MD & CEO

Dear Stakeholders,

It gives me immense pleasure to share with you Schaeffler India's progress and achievements for the year 2024 through this Integrated Annual Report. We are at a pivotal stage in our company's history that presents both opportunities and challenges. Today, I want to share how our collective vision and resilience has not only equipped us to endure the shifts around us but also empowered us to navigate them confidently towards the future.

The Motion Technology Company

Through this report I would also like to highlight about our evolution from a bearings manufacturer to 'The Motion Technology Company', redefining industry standards and shaping the future of mobility. We take immense pride in our rich heritage in bearing innovation, and our vision is firmly aligned with the future to build the leading Motion Technology Company. As a leader in motion technology, we design and deliver innovative solutions that keep the world moving. We are not only enabling this transformational change with precision, reliability and sustainability; we are also accelerating progress by making our products and solutions even more powerful to cover the entire spectrum of motion. The product families are the basis of the Motion Technology Company. Our product and service portfolio serves our diversified customer base and shares

the connecting element: MOTION. Our integrated product families complement each other to establish our full and constantly evolving product and services portfolio, empowering customers with unparalleled solutions that drive transformation and sustainable growth.

Leading ahead

I am proud to say that Schaeffler India demonstrated remarkable resilience during the year 2024. While the macroeconomic environment continued to remain challenging, we remained unwavering in our commitment to growth and excellence. Our businesses grew aided by our focus on new business wins and excellence in quality and delivery. Automotive Technologies business registered a growth of 11.3%, Vehicle Lifetime Solutions business grew by 3.0% and the Bearings and Industrial Solutions business achieved a 14.4% YoY growth in 2024. We keep our customers at the core of our organization, ensuring that everything we do is designed to serve them better and enhance their experience. We remain committed to closely collaborating with them as we shape the



We continue to increase investments in R&D and lay greater emphasis on automation and robotics."

future of motion together. Our focus on this, not only strengthened our market position, but also exemplifies our ability to thrive and innovate, continually driving value for all our customers.

During the year, the automotive sector showed its resilience driven by growth across the passenger vehicle and two-wheeler segment while it saw some softening demand for light commercial vehicles. As the industry transitions towards sustainable mobility, with electric vehicles gaining traction, Schaeffler India stands strategically positioned to seize the emerging opportunities. Our Bearings & Industrial business too grew strongly backed by growth in our key sector and focus on innovation and investments. By capitalizing on the increasing demands within the sectors, we have enhanced our product offerings and expanded our market presence. This reflects our commitment for continuous improvement and meeting the evolving markets needs of our customers.

At Schaeffler India, we continued to navigate a challenging environment by building stronger customer connections and winning new contracts. Backed by our fiscal discipline, agility, efficient localisation strategy and strong brand value, we are on track to build the leading Motion Technology Company.

Our acquisition of KRSV Innovative Auto Solutions Pvt. Ltd. in 2023 marked a strategic step to expand our aftermarket business. In 2024, we successfully

expanded its presence beyond Bangalore and Chennai effectively reaching aftermarket customers across India. It further reiterates our commitment to amplifying our market presence and focus on customer satisfaction.

Investing in growth

We continue to strengthen our manufacturing capabilities to meet growing customer demand and retain our competitive edge. We remain on track with the greenfield expansion at our Automotive Technologies plant on Hosur plant. I am excited to share that we are implementing a holistic sustainability strategy at the new location, with a vision of transforming this facility into a world-class manufacturing hub in India. We successfully operationalised our second hall at Savli, as part of our brownfield expansion strategy. Furthermore, we announced the expansion of manufacturing capacities at our Talegaon plant. These strategic initiatives are a key to enhancing our localisation efforts and strengthen by offering customized solutions to meet specific regional needs. It also positions us as a preferred partner of choice for our customers.

Alongside, we continue to increase investments in R&D and lay greater emphasis on automation and robotics. It also aims to enhance our operational efficiency, drive innovation and improve productivity.

Message from the MD & CEO



Our motion technology portfolio is continuously evolving, ready to accommodate complex customer demands.”

By integrating cutting-edge technologies in our operations, we aim to refine our processes and deliver higher value to our customers ensuring we meet their expectations in an increasing complex environment.

ESG commitments

At Schaeffler, we are determined to strengthen the foundation of a sustainable business. To fulfil this objective, we continue to engage in dedicated efforts to improve our Environment, Social and Governance performance. It has enabled us to lay out a decarbonisation roadmap, increase energy efficiency and the usage of renewable energy. It has also reduced our freshwater consumption and minimised waste generation significantly. Through these actions, we aim to drive sustainable progress and reinforce our position as a responsible industry leader. I am happy to share that our Pune plant successfully concluded Sustainability Data Assurance Audit, as per the European Sustainability Reporting Standards (ESRS), without any material findings. This further underscores our commitment to sustainability, transparency and our dedication to upholding the highest standards.

At the heart of our organization lies and unwavering commitment to invest in talent development and to nurture a diverse and inclusive workforce, ready to drive our future success. We believe that by investing in our talent, we equip them with skills and capabilities that steer us into the future.

We are a people-centric organization, we recognize that our strength lies in the collective efforts of our employees. We strive to embody the principles of Transparency, Trust and Teamwork as guiding lights with us on a journey of common goals, values and joint progress.

Corporate Social Responsibility (CSR) is integral to our business ethos, driving our commitment to make a positive impact on the society and environment. Under the aegis of our CSR programme ‘HOPE,’ we actively engage in initiatives that support sustainable development and community welfare. I am happy to share that this year marked the third edition of the ‘Schaeffler India Social Innovator Fellowship Program’. This initiative is dedicated to recognizing and rewarding social entrepreneurs who develop innovative sustainable solutions with the potential to benefit society significantly. This year’s fellowship program invited applicants between the ages of 18-35 across different institutions, non-profit organizations, and early-stage startups. Participants presented their ideas and prototype solution across six key categories - Environmental Sustainability, Renewable Energy, Carbon Neutrality,

Circular Economy, Natural Resource Management, and Application of Technology in the Social Sector.

The Social Innovator Fellowship Program embodies Schaeffler India’s commitment to integrating sustainability and innovation as a catalyst for tackling social challenges and fostering impactful community development. We remain dedicated to advancing motion to foster a sustainable, efficient, and resilient world.

Welcoming new leaders

This year also saw some transitions in our leadership team with Mr. Aashish Bhatia moving on to pursue new endeavours outside Schaeffler India. I would like to extend my heartfelt thanks to him, for his contributions. We sincerely appreciate the dedication and expertise he brought to the team.

We announced the appointment of Mr. Sharad Bhatia as Head of Vehicle Lifetime Solutions to spearhead Schaeffler India’s efforts to strengthen its presence in the mobility ecosystem. We also appointed Ms. Shibi Mathew as Head of Human Resources and Corporate Social Responsibility reinforcing the company’s commitment to fostering a culture of innovation, inclusivity, and sustainable growth. I welcome them to the leadership team and am confident that their leadership will be pivotal in strengthening and enhancing the agility of our organization.

In conclusion

As we look ahead, we realise the need to embrace change to thrive in a dynamic environment. At Schaeffler India, we are dedicated to advancing motion to foster a sustainable, efficient and resilient world. We are adapting our products to fulfil our commitment to a sustainable future, increasing automation in production, introducing new mobility solutions and encouraging digitalization to shape a better tomorrow.

Our motion technology portfolio is continuously evolving, ready to accommodate complex customer demands. The acquisition of Vitesco Technologies AG by the Schaeffler Group, has enabled the creation of a comprehensive motion technology portfolio. As we prepare ourselves to offer innovative future mobility solutions, we are drawing upon our pioneering spirit to drive Schaeffler forward. We are confident of our ability to enhance our value proposition and build an organization of tomorrow - one that is equipped to shape the future of motion, ultimately serving our customers better.

Thank you for being a part of our journey.

Harsha Kadam
Managing Director & CEO

Message from Director - Finance & CFO

Leading with resilience and tenacity

“

We remain committed to providing sustainable, long-term value to our stakeholders through a balanced approach that includes both capital appreciation and dividend payments.”

Hardevi Vazirani
Director – Finance & CFO



Message from Director - Finance & CFO

Dear Stakeholders,

I am pleased to share Schaeffler India's financial performance and key achievements for the year 2024 with you all. This year was a testament to our resilience, strategic agility and financial discipline and I am excited to share with you our stories of success and the milestones we achieved. Despite a dynamic economic landscape, we navigated challenges, capitalised on opportunities and strengthened our financial foundation. While the headwinds were strong, we went past hurdles with a strong focus on operational excellence and innovation. Most importantly, our commitment to sustainable growth and value creation remains unwavering.

In 2024, our revenue from operations stood at ₹80,763 million, a growth of 11.8% amidst modest market growth, as compared to 2023. I am proud to share that despite being in a challenging year, we accomplished these results through close collaboration and stronger relationships with our customers. The Automotive Technologies and Bearings & Industrial Solutions business registered double digit growth of 11.3% and 14.4% respectively, in comparison to the same period last year. The Automotive Technologies business outpaced the market by the trajectory of business wins and close collaborations with customers. The Bearings & Industrial business recorded growth despite some of the key sectors being impacted during the first half of the year. The Vehicle Lifetime Solutions business registered a growth of 3.0% driven by our strategic introduction



While the headwinds were strong, we went past hurdles with a strong focus on operational excellence and innovation.”

of new products and strengthened partnerships with distributors. Our intercompany exports were continuously in focus through the year, given the geopolitical situations and slowdown in some economies. However, our targeted efforts to diversify across other key markets within the Schaeffler Group helped us record a double-digit growth of 10.8% in the year 2024, as compared to the same period last year. Our focus on future mobility, broad based introduction of new products across business divisions helped us to onboard new clients, thereby enhancing our revenue earning potential.

Our EBITDA (before exceptional items) for the year stood at ₹14,969 million, an increase of 10.7% from ₹13,528 million in the previous year. EBITDA margins for the year stood at 18.5% as compared to 18.7% for 2023. We successfully sustained the quality of our earnings on the back of efficient utilization and productivity measures. We have been focusing on capital infusion for growth and localisation. As we move forward, focus lies on monitoring efficiency and better utilization. PAT stood at ₹9,777 million during the year 2024, representing a 7.6% growth compared to the year 2023. PAT margin was at 12.1% vs 12.6% in the

previous year. The Earnings Per Share (EPS) stood at ₹62.6 in the year 2024, up from ₹58.2 in the previous year. During the year, we continued to maintain working capital at optimum levels while ensuring healthy investments for growing our capacities. This has led to the generation of a Free Cash Flow of ₹2,239 million during the year.

We are happy to share that we announced a dividend of ₹28 per equity share (with a face value of ₹2 per share), at a pay-out ratio of 45%, maintaining our target pay-out ratio of 30-50% of the annual standalone Profit After Tax (PAT). We reiterate that we remain committed to providing sustainable, long-term value to our stakeholders through a balanced approach that includes both capital appreciation and dividend payments. At the same time, we are aware of our responsibility towards our stakeholders and continue to make significant strides in our journey to improve environmental, social and governance standards. Today, sustainability is integral to our operations and is a core strategy across the organization. Over the last two years, Schaeffler India Limited has been publishing its Business Responsibility and Sustainability Report (BRSR) in compliance with new regulations from the Securities and Exchange Board of India (SEBI). Recognitions on our sustainability reporting based on our Business Responsibility and Sustainability Report truly bolsters our determination to strengthen our sustainability drive. To enhance transparency and reinforce our commitment to responsible and sustainable business practices, this year we have made further

strides in this area by voluntarily opting for reasonable assurance of the BRSR core parameters. We believe that an independent review of the key non-financial disclosures will provide stakeholders with confidence on the organization's ESG commitments.

Building further to our sustainability strategy and comprehensive risk management, we have taken another significant step forward with the Double Materiality Assessment Report. While we undertook our first financial materiality assessment in 2022, considering the significant developments since then, I am pleased to share our Double Materiality Assessment in this report, covering both impact and financial materiality. I believe this holistic view not only supports our approach towards sustainable business practices but also aligns with broader expectations of transparency and accountability in today's socially conscious market.

As we enter 2025, I look forward to yet another exciting year of growth and achievements. We will continue to focus on prudent financial management and long-term stakeholder value. I remain grateful to all our stakeholders for their relentless support, encouragement and trust in Schaeffler India's vision of creating the leading motion technology company through sustainable mobility solutions.

Hardevi Vazirani
Director - Finance & CFO

Commitment to investors

Maximising shareholder returns

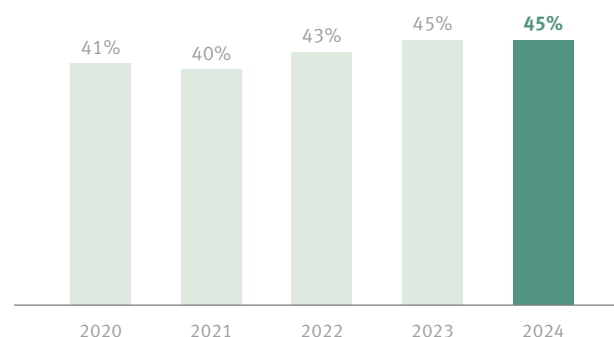
While leading the charge with innovative mobility solutions, we are steadfast in our commitment to enhancing shareholder returns. By fostering regular stakeholder engagement and delivering transparent disclosures, we reaffirm our dedication to sustainable value creation.

Effective stakeholder engagement

Schaeffler India focuses on understanding factors affecting investor opinion. This ensures the Company's long-term success and enables it to maximise value creation for shareholders. The organization is working towards actively fostering engagement with all stakeholders throughout the year, ensuring meaningful connections and collaborative growth.

₹62.6
EPS

Dividend Payout Ratio (%)



Target dividend payout ratio, 30% to 50% of net income

We have delivered sustained growth and profitability during 2024

11.8%
Growth in revenue

10.7%
Growth in EBITDA

23.8%
RoCE

8.6%
Capex as % to sales

India's top 500 Value Creators for 2024

Adding another feather to our cap, Schaeffler India Limited has been recognised by Dun & Bradstreet as one of India's Top 500 Value Creators for 2024, securing the number one position in the bearings category. This prestigious accolade celebrates our commitment to creating sustained value for stakeholders, extending beyond financial growth.



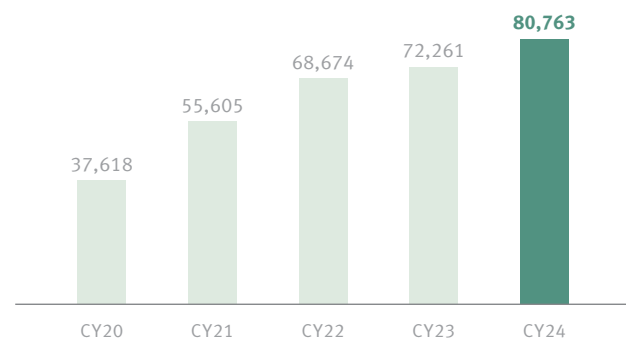
Commitment to investors

Key Performance Indicators

Revenue (₹ mn)

CAGR (5 year): 16.5%

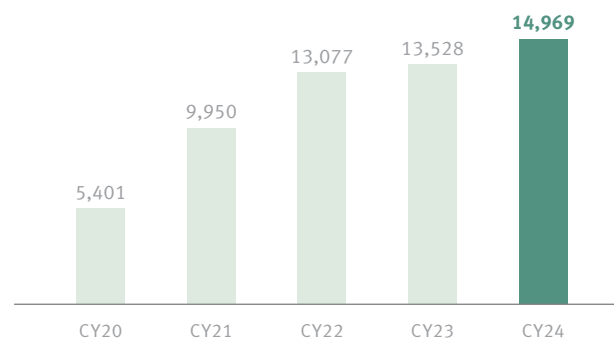
Our revenue for CY24 was 11.8% higher compared to the revenue from the previous year. This was aided by our focus on new business wins and excellence in quality and delivery.



EBITDA (₹ mn)

CAGR (5 year): 22.6%

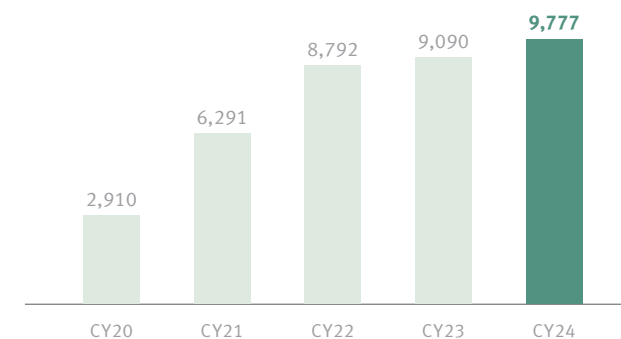
EBITDA went up 10.7% from CY23 to CY24 following sustained quality of earnings due to efficient utilization of resources and focus on prudent financial management.



PAT (₹ mn)

CAGR (5 year): 27.4%

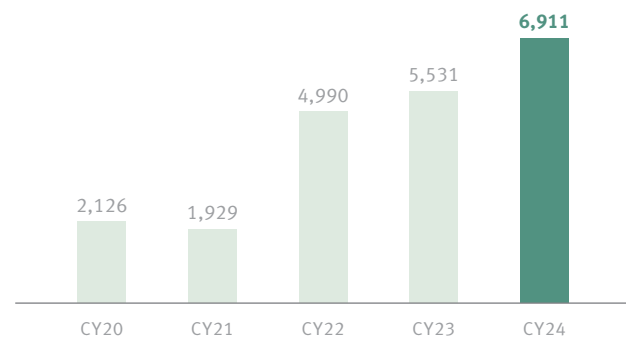
Our PAT for the year stood at ₹ 9,777 million, up 7.6% YoY, while PAT margin was 12.1%.



Capex (₹ mn)

CAGR (5 year): 26.6%

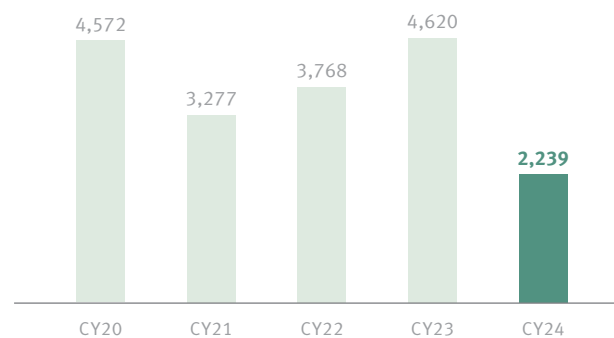
As part of our commitment to expanding our business, we invested ₹6,911 million in Capex. We continued our investment plans focusing on mid- to long-term growth potential.



Free Cash Flow (₹ mn)

CAGR (5 year): -13.3%

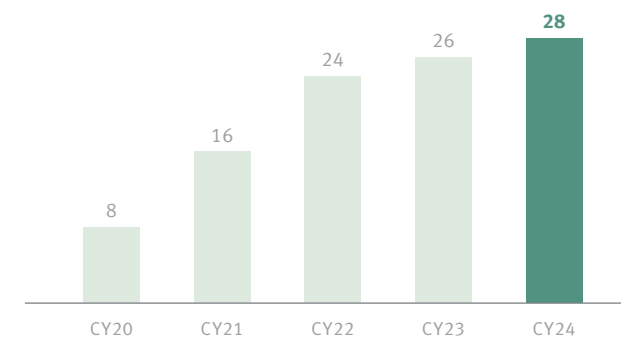
We continued efforts to optimise working capital management, utilization of plant capacities and capital expenditure practices, which resulted in a Free Cash Flow of ₹2,239 million.



Dividend per share (₹)

CAGR (5 year): 29.8%

We remained focused on maximising shareholder value during CY24 and achieved a dividend payout of ₹28 per equity share (with a face value of ₹2). Our dividend payout ratio stood at 45%.



Building our brand

Multiplying brand value

Our brand values correspond with our corporate values. They define who we are, act as a clear promise and describe why our customers and business partners choose us. Leveraging our strong brand value, we continue to enhance our market reach and improve traction for our products. Through the strategic use of new media, we create captivating campaigns that boost product visibility and strengthen customer connections.

Deepening customer connections

LuK #Badhechalo campaign

In line with its #Badhechalo initiative, our VLS division launched a digital campaign for LuK, the premier clutch and drivetrain aftermarket brand, tailored to the needs of commercial vehicle fleets ahead of monsoon season. Highlighting LuK's durability, OE-matching quality, and swift serviceability, the campaign aims to deepen customer connection with solutions that maximise uptime, reduce downtime and enhance driving comfort.

14 mn
Campaign reach

 #Badhechalo campaign video



Schaeffler TruPower Wiper Blades campaign

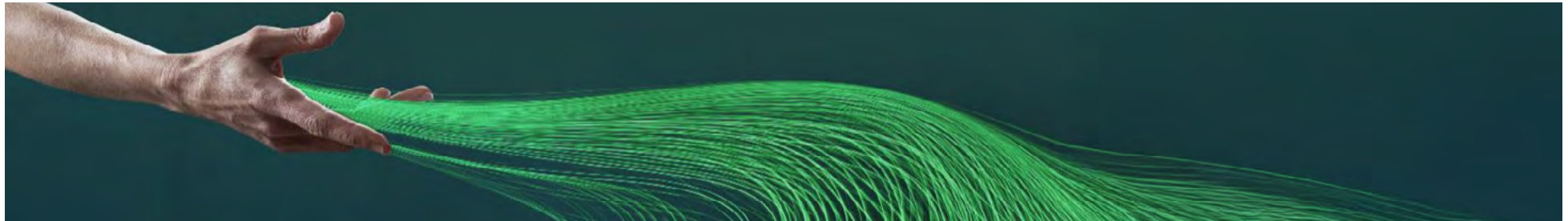
The VLS division launched a digital campaign for Schaeffler TruPower Wiper Blades, demonstrating their superior visibility in harsh weather. Available in Premium Plus Frame and Ultra-Premium Frameless versions, these aerodynamically designed blades deliver lasting performance for passenger cars and LCVs, reinforcing Schaeffler's commitment to driving excellence.

5 mn
Campaign reach

 TruPower Wiper Blades campaign video



Building our brand



Video campaign – ICC T20 World Cup 2024

Cricket in India is an emotion! A unifying force that resonates deeply with every Indian and unites a nation of a billion and a half. The VLS division launched a video advertisement campaign to enhance brand visibility during the ICC Men's T20 World Cup 2024.

10 mn
Campaign reach



Schaeffler wishes Team India the best for ICC World Cup Cricket



SIAT Expo and Automechanika 2024

Schaeffler India showcased its comprehensive motion technology solutions at two major industry events: SIAT Expo and Automechanika 2024 New Delhi. The exhibitions featured our complete portfolio of transmission, engine, and chassis systems, along with our lubricants range, strengthening our industry connections.

30,000
Visitors attracted to booth in Delhi



Schaeffler at SIAT Expo 2024



An aerial photograph of a winding asphalt road that curves through rolling green hills. The hills are covered in lush green grass with some patches of brown, possibly from dry vegetation or autumn. A dark-colored car is visible on the road, moving along the curve. The road is bordered by a simple wooden fence. The overall scene is peaceful and scenic, suggesting a rural or countryside setting.

WITH A **FUTURE-FOCUSED APPROACH, WE ARE STRENGTHENING OUR PROFILE AS A LEADING MOTION TECHNOLOGY COMPANY.**

We are focused on serving our customers, capturing new opportunities, and fostering partnerships for sustainable growth.

Strategy

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Strategic priorities

Leading responsibly

At Schaeffler India, we are committed to driving progress, creating value, and fostering sustainable growth for our customers, investors and communities. Our manufacturing plants are essential in executing strategic initiatives focused on localisation, cost efficiency and digital transformation. These efforts enhance our production capabilities and strengthen our supply chain resilience, ensuring we deliver high-quality products that meet evolving market demands.



Investments for growth

By investing in innovation, development and capacities, we enhance operational efficiency while building robust partnerships with local suppliers, responding dynamically to customer needs, and upholding our promise to deliver excellence in every aspect. We had strategically earmarked ₹1,500 crore for investment over a period of three years, positioning us for substantial returns that promise to enhance and strengthen our competitive edge in the years to come. We remain committed to strategically investing in our products, people, and processes to enhance market share, consequently driving sales growth and profitability for customers.

8.6%

Capex as % to sales

¹ For the year 2023

Customer centricity

Driven by our customers' needs and aspirations, we maintain a steadfast commitment to delivering exceptional service as we navigate the ever-evolving market landscape. By integrating profound local insights with global expertise, we develop innovative solutions that elevate operational efficiency and ensure outstanding performance. This coupled with our focus on localisation enables us to meet customer demands with precision and agility.

8.41Customer loyalty index¹

Localisation

Localisation is at the core of our strategy for addressing the unique demands of the Indian market. Our commitment to localisation involves understanding the distinct needs of sectors, collaborating with local suppliers and investing in regional talent. Our localised sourcing strategy also remains pivotal to building resilience across our supply chain. Through this approach, Schaeffler India seeks to drive innovation, elevate customer satisfaction, optimise cost efficiency, and make a meaningful contribution to the nation's progress.

76%

Localisation

Strategic priorities



Technology and innovation

As a forward-looking company, Schaeffler India prioritises investment in research and development, embodying the inventive spirit and determination that were core virtues of our founding leaders in guiding our endeavours. We utilise advanced technology to foster innovations that make tomorrow's mobility even better. With the rapid adoption of a digitalization roadmap for our supply and purchase operations, we are streamlining operations, facilitating internal collaboration and automating routine tasks. We continuously work to refine processes, reinforcing our commitment to efficiency driven by innovation.

₹1,070 mn
Technology and R&D spend



Talent development

India's talent pool is recognised globally for its robustness and diversity, playing a pivotal role across industries worldwide. Coupled with the Government of India's initiatives to enhance ease of doing business, the nation offers an increasingly favourable environment for manufacturing excellence. At Schaeffler India, we leverage this exceptional talent to drive innovation and optimise efficiency, delivering transformative benefits that resonate across local and global markets.

3,605
Employees



Sustainability

Sustainability is a core pillar of our corporate strategy, integral to our identity and operations. We are committed to environmental and social stewardship throughout our value chain, aiming for climate-neutral production by 2030 and a climate-neutral supply chain by 2040. It solidifies our dedication to reducing our carbon footprint and inspires us to embrace sustainable practices like advancing renewable energy adoption, driving energy conservation and minimising water usage.

31,060 tCO₂e
GHG emissions averted

Strategic priorities

Poised for sustainable growth



Dear Stakeholders,

In 2024, we encountered both challenges and triumphs that tested the limits of our capabilities. The remarkable resilience and adaptability shown by our operations team have underscored our ability to not only navigate but thrive amidst market unpredictability. This collective strength has reaffirmed our commitment to excellence.

During the year gone by, we have invested ₹6,911 million for capacity expansion, introduction of new products, increase localisation efforts and improve our plant infrastructure. We executed several projects successfully, including the launch of Planetary Gear System from Hosur, SLH Housing in Pune and Spherical Roller Bearings in Savli.

Our commitment to quality and digital transformation has enhanced our productivity and we expect to maintain

this momentum by exploring new digital opportunities and introducing innovative solutions for elevating operational excellence with agility and resilience.

We continue to make significant progress in our logistics and supply chain by implementing process automation and scaling up warehouse facilities with digital solutions. It has enabled us to effectively meet customer demands while optimising cost efficiency, ensuring a seamless and responsive supply chain operation.

Safety in our plants continues to be a paramount priority for us. While we faced challenges in meeting our accident rate target, our commitment to safety remains strong. We are dedicated to continuously improving our safety standards and processes to ensure the well-being of our teams and the achievement of our safety goals. Alongside this commitment, we have made significant progress toward

our sustainability targets, underscoring our dedication to fostering a safe and responsible operational environment. Collectively, the plants overachieved the EEP goal and achieved 906 MWh saving and freshwater withdrawal of 14,782 m³.

Looking ahead, we are confidently poised for sustainable growth, embracing the opportunities and innovations that the coming year promises to bring.

————— **Sameer Mathur**

Chief Operating Officer

Perspectives from our Plant Leadership

“Schaeffler’s manufacturing facility in Savli, is acknowledged as a growth engine of our Bearings & Industrial business in India. During the year, our focus remained on product portfolio expansion and addition of new lines to our existing range to meet the evolving needs of our customers.”

————— **Evani Mallikharjuna**

(Savli)

“Our flexible and agile manufacturing facility at Maneja is a pioneer in bearing manufacturing. In 2024, we continued to invest in digitalization processes and efficiency improvements as we maximized our localisation efforts and continue to enhance operational efficiency by meeting customer demand on time.”

————— **Rajesh Mandan**

(Maneja)

“2024 saw significant strides in infrastructure and capacity expansion enhancing our capabilities to meet the country’s automotive industry demands. Our commitment to delivering enhanced stakeholder value is exemplified through expansions, ensuring we are ready to meet future demands and challenges.”

————— **Subhabrata Banerjee**

(Talegaon)

“Schaeffler’s Hosur plant plays a vital role in serving both domestic and international markets. Our new greenfield plant in Hosur marks a transformative shift towards digitalization, as we make way for advanced technologies to deliver innovative solutions to meet evolving market needs.”

————— **Ramamoorthy Pachiappan**

(Hosur)

Research and development

Driving excellence and innovation

Our R&D efforts are centred around the development of reliable solutions for complex customer needs. Leveraging local expertise, we are focusing on design optimization and customised applications to enhance performance and support our customers in achieving their sustainability objectives.

Development of efficient and reliable solutions

We are committed to developing innovative and reliable solutions for our customers to meet their diverse needs. By taking a multi-directional approach, we continuously strive to push the boundaries of performance and efficiency. On one hand, we are advancing new solutions for optimising internal combustion engines (ICE). On the other, we are expanding into new mobility applications with cutting-edge products. The launch of our planetary gear system for hybrid applications this year exemplifies our dedication to progress and innovation.



Research and development

Agility in product development and localisation efforts

Agility in product development and efforts toward localisation are crucial elements of our strategy. This year, one of our significant accomplishments was the rapid development of our first-ever Plummer block, specifically designed for sinter plant applications. Delivering this within stringent customer timeframes showcases our agility and the strength of cross-functional collaboration among internal teams and suppliers.

Similarly, our initiation for Hydraulic Latch Adjuster (HLA) localisation and production of Spherical Roller Bearings reflects our commitment to enhancing self-sufficiency. By focusing on local manufacturing, we aim to significantly reduce our dependence on imports. This approach is vital in responding to the challenges presented by the current dynamic geopolitical landscape, ensuring both reliability and sustainability in our supply chain.

Design optimization and application-specific customisation

Design optimization and application-specific customisation are key strategies that we have successfully implemented, as evidenced by our work with Track Roller Bearings in the raw material sector. This approach allows us to tailor solutions specifically to meet the unique demands and challenges within this industry, enhancing both efficiency and performance.

We have also made significant investments to expand our testing capabilities at our R&D facilities. These investments have enabled us to develop comprehensive, end-to-end product development processes in-house, ensuring high-quality outcomes that align with our rigorous standards.

With improved competencies and enhanced testing capabilities, this approach prioritises virtual simulation and testing services, allowing us to deliver superior, globally-relevant solutions that leverage local expertise and our innovative capability.



Throughout 2024, we worked towards enhancing the performance and reliability of our products. These improvements are vital as they support our customers in progressing toward their sustainability objectives, ensuring that their products become more environment friendly. Furthermore, a central aspect of our R&D strategy is localisation. By prioritising localised research and development efforts, we aim to significantly reduce reliance on imports. This approach not only mitigates supply chain risks but also ensures timely product delivery to our customers, aligning our goals with those of our customers and contributing to their overall success and sustainability.

To effectively support our customer needs, we are continuously enhancing our competencies and capabilities within the organization. By cultivating end-to-end in-house capabilities, we are better equipped to address various challenges, optimise operational efficiency and meet customer requirements. This ensures that we have the necessary resources and knowledge internally to tackle complex issues, drive innovation and maintain a competitive edge in the market while consistently delivering high-quality outcomes.

Madhurisha Vippatoori
Chief Technology Officer



External environment

Adapting to a dynamic market

Schaeffler India is at the forefront of transforming the mobility sector by delivering cutting-edge solutions to original equipment manufacturers (OEMs). As pioneers in motion technology, we design state-of-the-art products that not only meet evolving customer demands but also proactively address the challenges of climate change.

Rapid changes within the country and transformation of the automotive and industrial sectors continues to impact our operating landscape. To effectively respond to market demand, we are consistently aligning our efforts with an evolving external environment.

Transformation of Indian landscape

- Demographics
- Decentralisation
- Decarbonisation
- Digitalization



Transformation in automotive and industrial landscape

- Demand for automotives
- Demand for sustainable technologies



External environment

Transformation of Indian landscape

**Socio-economic growth**

India has emerged as the fastest growing major economy in the world. India is expected to have grown 6.4 per cent in FY2025 and for FY2026, the RBI expects the country to grow between 6.3% to 6.8% following expansion in private capital expenditure. With a changing demographic profile, a higher proportion of working age people and greater participation of women in the workforce is expected to contribute to the rise of an aspirational middle class.

Moreover, increasing urbanisation, characterised by steady migration of people from small towns and villages to larger cities has resulted in a growing demand for safe and efficient mobility solutions. This has also increased the demand for automobiles. Despite experiencing a slowdown in 2024, the Indian automotive market continues to hold promising long-term growth prospects. Furthermore, the used car sector too is projected to expand at an impressive compounded annual growth rate (CAGR) of approximately 15% from 2024 to 2029, underscoring a dynamic and resilient future for the industry.

Climate action

To counter climate change, the government has set in action a decarbonisation roadmap. It prioritises the generation of renewable energy and promotion of green mobility solutions, especially the adoption and manufacturing of electric vehicles under FAME India scheme. India has set an ambitious target of 500 GW renewable energy production by 2030 and in 2024, the country achieved a remarkable feat of crossing 200 GW of renewable energy generation. These initiatives are expected to add impetus to EV production and greater adoption of renewable sources of energy across sectors.

Make in India

The domestic automotive industry continues to undertake efforts to reduce import dependence and align itself with the government's 'Make in India' vision. These efforts are anticipated to bolster localisation initiatives and improve automobile manufacturing infrastructure within the country. The government is also providing impetus to manufacturing in India through focused Production Linked Incentive Schemes.

Schaeffler India's response

Schaeffler India is dedicated to enhancing localisation initiatives by harnessing India's skilled workforce and favourable policy landscape. We have successfully developed an innovative planetary gear system locally, showcasing our commitment. With our deep expertise in power transmission, e-mobility, and renewable energy, we are poised to lead the transition to a low-carbon future, positioning ourselves as key players in this transformative journey.

External environment

Transformation in automotive and industrial landscape

Co-existence of different vehicle types

The co-existence of internal combustion engines (ICE), electric vehicles (EVs) and hybrids in India represents a pivotal shift towards sustainable mobility, driven by environmental concerns and a strong push from the government for adopting cleaner transportation solutions. As the country grapples with pollution and energy challenges, both EVs and hybrids are gaining traction for their eco-friendly advantages. This enriches the automotive landscape by offering consumers diverse choices to suit their needs and preferences, while also advancing India's goals for sustainable development. As technology advances and infrastructure improves, the synergy between EVs and hybrids will play a critical role in achieving a greener future for India's transportation sector.

Preference for safety

There has been a noticeable shift towards prioritising safety within the Indian automotive landscape. Bharat NCAP regulations are expected to make safety of cars in India an utmost priority. It is set to transform the automotive industry with the introduction of advanced AI-driven safety

systems and other technologically advanced products. Manufacturers are prioritising these features as consumers seem to realise the importance of safety features and it continues to play an important role in making purchase decisions.

Lightweighting of vehicles

Reduction in a vehicle's weight can result in considerable fuel economy improvement, as lighter vehicles require lesser energy to accelerate and maintain speed and therefore, consume less energy. Along with the environmental benefits, lightweight vehicles also enhance the vehicle's driving dynamics and safety aspect.

Technological advancements

The rapid acceleration of technological innovation, particularly IoT, AI and digital transformation is enabling smart manufacturing, predictive maintenance and advanced driver assistance systems. These technologies are enhancing production efficiency, quality control and enabling safer, more connected and sustainable automotive solutions. These technological advancements are not only boosting economic growth but also positioning India as a key player in the global tech landscape.

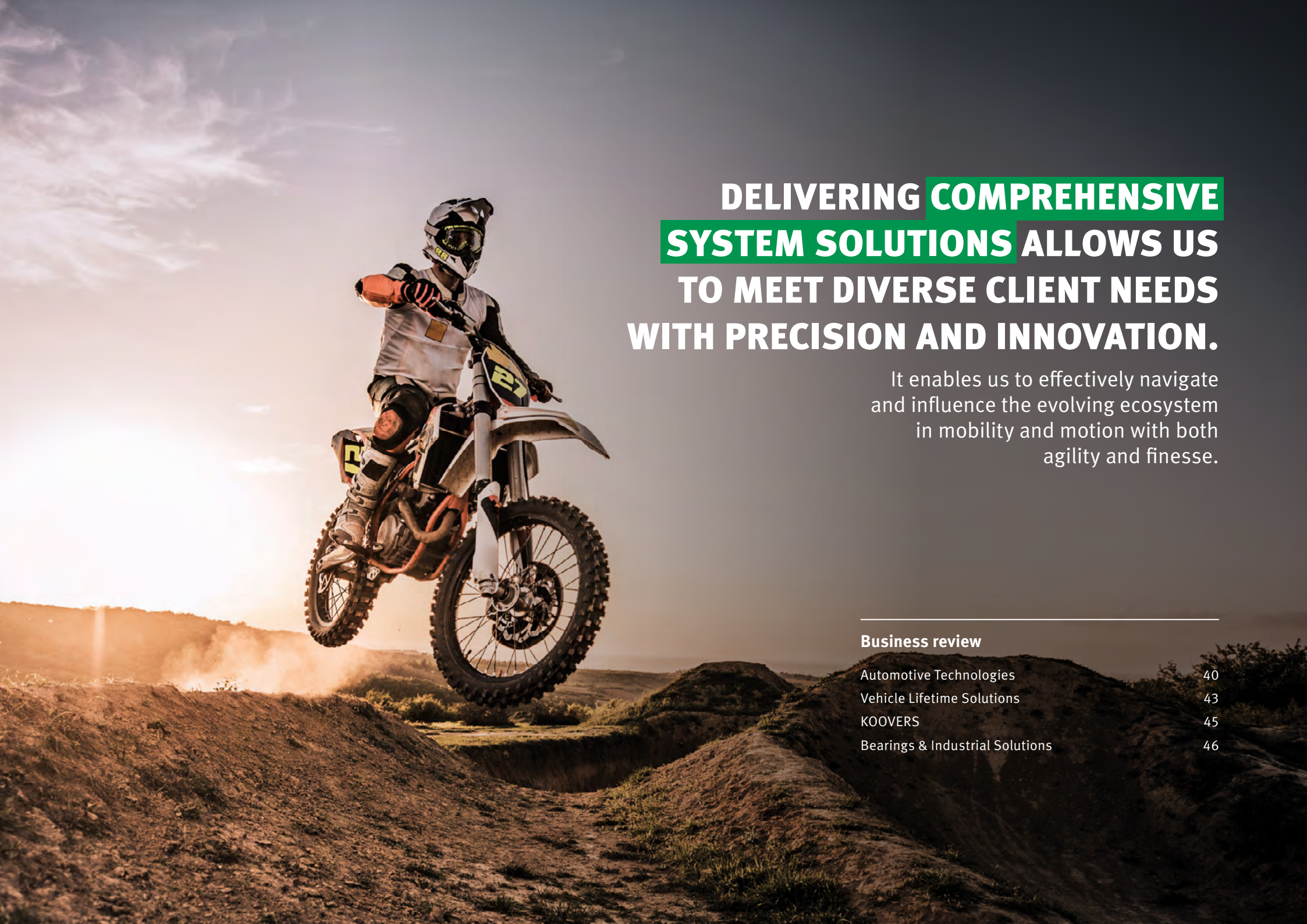
Schaeffler India's response

Schaeffler India is strategically positioned to align its offerings with the dynamic changes within India's automotive and industrial landscape. By focusing on investments in research and development, we are committed to drive innovation tailored to the unique demands of the Indian market. With the development of smarter solutions, we aim to enhance product performance, efficiency and sustainability, leading the way in both industrial and automotive sectors.

As digital transformation accelerates across industries, Schaeffler India integrates smart technologies into its products and processes. This includes the adoption of Industry 4.0 practices, IoT solutions and advanced analytics, which enhance operational efficiency and customer value.

It continues to strengthen our position in the Indian market, and empowers us to capitalise on emerging opportunities.



A motocross rider in a white and orange suit is captured mid-air, performing a jump over a dirt track. The rider is wearing a helmet and goggles. The background features a dramatic sunset with a bright orange sun low on the horizon, casting a warm glow over the landscape. The sky is filled with soft, wispy clouds. The terrain consists of rolling dirt hills and a deep, narrow ditch.

DELIVERING **COMPREHENSIVE **SYSTEM SOLUTIONS** ALLOWS US TO MEET DIVERSE CLIENT NEEDS WITH PRECISION AND INNOVATION.**

It enables us to effectively navigate and influence the evolving ecosystem in mobility and motion with both agility and finesse.

Business review

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Automotive Technologies

Solutions for every drive concept

The Automotive Technologies division develops and manufactures components and systems for all – internal combustion engines and chassis systems as well as electric and hybrid power trains. Our commitment to delivering technically advanced and viable solutions for the diverse needs of the automotive industry propels us to innovate and develop cutting-edge components and systems across all vehicle types, consistently creating exceptional value for our customers.

New products



Planetary gear system



Arc spring dampers



Wet clutch for tractors



Central OCV

Performance highlights

₹27,333 mn

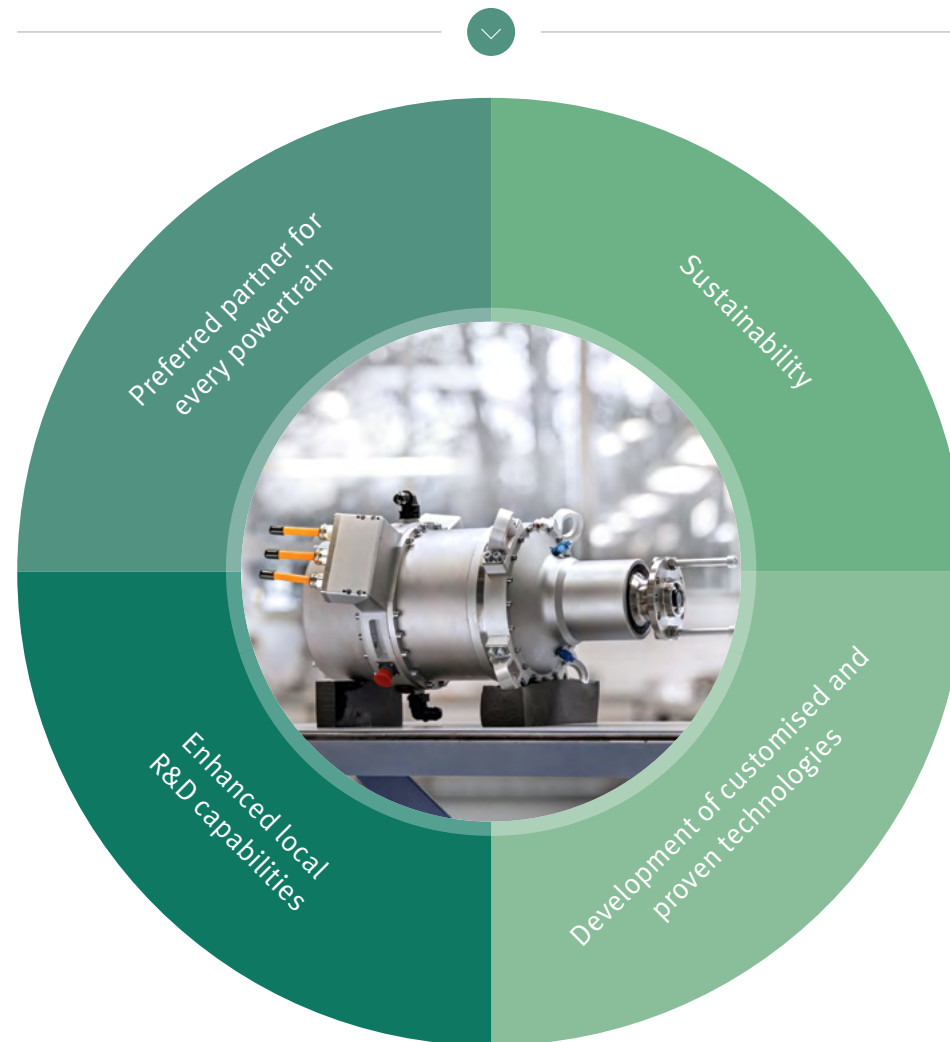
Revenue |  11.3% over 2023

Reviewing 2024

- The Automotive Technologies division contributes ~34% of the revenues for Schaeffler India. Since the beginning of 2024, the comprehensive portfolio of automotive bearing applications and products has been assigned to the Bearings & Industrial Solutions division.
- The division encompasses the E-Mobility and Powertrain & Chassis businesses. The E-Mobility business focuses on developing, manufacturing, and distributing electrical, electronic and mechatronic components for electrifying passenger and commercial vehicles, catering to various hybrid and full-electric models. The Powertrain & Chassis business delivers mechanical components and system solutions for internal combustion, hybrid, and battery-electric vehicles, offering diverse technologies to meet the varied needs of the automotive industry.
- During the year, we successfully maintained a strong order intake even amidst contraction in specific segments. This was backed by our trajectory of business wins and strong performance from the passenger vehicles and tractor segment.
- We have localised the Planetary Gear Systems for hybrid vehicles to enhance efficiency and resilience. By tailoring these complex systems to local manufacturing capabilities, we aim to optimise performance, reduce costs, and improve adaptability to regional market demands.
- Localisation is a key focus area for us at Schaeffler India. We have embarked on a transformative journey with the e-axle, progressing towards milestones that enhance competitiveness and sustainability. This not only elevates our operational capabilities but also delivers unmatched value to our customers and partners.
- Recognising India's emergence as a pivotal hub for our foundation business, we are focused on our research and development efforts to drive progress and excellence. We ensure that we stay at the forefront of relevant technological advancements, positioning us to deliver solutions that leverage India's evolving automotive landscape and enhance our core capabilities.
- During the year we remained focused on building our product roadmap to support the evolution of powertrain development across all vehicle segments. By maintaining an extensive array of innovative products, we ensure adaptability and responsiveness to emerging trends and technological advancements, equipping our customers with the tools needed to lead in an ever-changing automotive landscape.

Automotive Technologies

Strategic focus areas

**Development of clutch systems to ensure optimal performance and delivery**

A leading tractor OEM wanted to improve the vehicle performance and Noise, Vibration and Harshness (NVH) characteristics to ensure the vehicles operate effortlessly in varying loads and terrains.

Schaeffler India partnered with the customer to develop a Split Torque Clutch Solution with Advanced Damper. The split torque clutch involved multiple paths for the torque to travel, ensuring smoother operations and enhancing power delivery while minimising stress. This coupled with the advanced damper helped in a more refined operation of the vehicle.

Demonstrating its customer-centric approach, Schaeffler India helped the customer with a customised solution that helped to deliver a durable solution for mixed applications off-road as well as for regular agricultural requirements. This ultimately resulted in the product showing exceptional performance throughput during the prolonged testing sessions.



Automotive Technologies



02 | Transmit Motion

 [Read more on page 01](#)

04 | Generate Motion

 [Read more on page 02](#)

In response to evolving market dynamics, we have adopted a comprehensive multi-pathway strategy to drive transformation. This approach encompasses ICE, hybrid, hydrogen and carbon-neutral fuel solutions, enabling us to deliver customised solutions that precisely align with our customers' diverse technological roadmaps.

We leverage Schaeffler's global system competence while addressing unique Indian market requirements. This localised approach, combined with our engineering expertise, positions us to deliver innovative and cost-effective solutions tailored to regional needs.

India continues to strengthen its position as a crucial manufacturing hub within Schaeffler's global network. We are strategically capitalising on export opportunities and expanding our global market presence. We are also optimising our manufacturing footprint to enhance operational efficiency.

Looking ahead, we will further build upon the Group's strategic acquisitions to enhance our technological capabilities and market reach. As we enter 2025, we continue to focus on innovation and the development of customer-centric solutions.

————— **Viswanathan Sambasivam**
Powertrain & Chassis



06 | Drive Motion

 [Read more on page 02](#)

I am excited to be part of Schaeffler India's transformative journey, marked by the first e-axle product with a leading Indian Original Equipment Manufacturer (IOEM).

The Indian automotive market faces significant volatility, majorly driven by regulatory changes, technology disruption, consumer preferences and intense competition. Given the evolving market dynamics, we foresee the automotive landscape comprising a blend of Battery Electric Vehicles (BEVs), Hybrid Electric Vehicles (HEVs), and Internal Combustion Engine (ICE) vehicles. To cater to such complex market mix, we are focusing on promoting a well-balanced product portfolio designed

to meet the needs of both BEVs and HEVs. Aligned with these diverse market requirements, we are also offering flexible business models to deliver components, sub-systems, and systems, that creates value for our customers.

Additionally our strong Regional R&D expertise positions us as the preferred technology partner, providing our customers with customised software solutions. With a strong collaborative approach with our customers and partners, we are confident in delivering innovative solutions that match the speed of transformation of the Indian automotive market.

————— **Omkar Kulkarni**
E-Mobility

Vehicle Lifetime Solutions

Intelligent solutions for complex repairs

With a comprehensive aftermarket ecosystem to address evolving demands of the future mobility ecosystem, our intelligent repair solutions for vehicles of all domains provide repair partners a greater understanding of the entire vehicle system and empowers them to deliver holistic and effective solutions.

New products



Performance highlights

₹7,017 mn

Revenue | 3.0% over 2023

Reviewing 2024

- The Vehicle Lifetime Solutions division contributes to ~10% of the revenues for Schaeffler India, registering a compounded annual growth rate of ~9% over the last five years.
- The recently launched steering and suspension products have started to gain significant momentum, with a good market acceptance and indicating strong potential for growth and customer engagement.

- Our business acquisitions in areas of front-end auxiliary drives, timings kits, wipers and lubricants continued during the year. This reflects our strategic focus and growth of increasing market presence in these key segments.
- Throughout the year we maintained our commitment to actively engage and empower our distributors through targeted initiatives, enhancing their capabilities and strengthening our partnerships for mutual success.
- We also crafted compelling brand advertising films for our Wipers Blades and Steering Suspension range, with promotions across social media platforms. These initiatives reflect our ongoing focused investments in branding to bolster market penetration and enhance our competitiveness.



Strategic focus areas



Vehicle Lifetime Solutions

Empowering mechanics with future-ready skills

Our REXPERT vans are back on the road!

REXPERT transforms traditional automotive workshops into technology-driven, customer-centric excellence hubs through integrated learning, support, and innovation. It offers specialised workshops that provide training, technical expertise, and innovative solutions, with participants receiving certification for their learning.

The launch of the REXPERT mobile app further enhances this ecosystem by offering mechanics and garage workers real-time access to product details, fitment guides, and technical support. By bridging theory with hands-on training, REXPERT empowers mechanics with future-ready skills, ensuring they stay ahead in an evolving automotive landscape.

35
Cities covered

1,800+
Mechanics trained

The success of REXPERT in India has also led to its introduction in Thailand. Going forward, Schaeffler plans to extend REXPERT training through mobile vans to other geographies within the Asia Pacific region.



08 | Sustain Motion

 Read more on page 02

The Automotive Aftermarket is now characterised by increasing competition. In an evolving landscape, we are committed to providing price-optimised, high-quality products to our customers that are delivered at the right time, thereby minimising the need for excessive inventory.

India's remarkable infrastructure development has enhanced last-mile connectivity and opened new avenues for market penetration. This improved accessibility has enabled us to better serve our customers across the country, strengthening our market presence and service capabilities. Our innovative REXPERT initiative, combined with strategic advertising campaigns and mechanic connect programmes, have significantly enhanced our market visibility and the reach of our technical support across India.

The VLS division is actively embracing digitalization, leveraging technologies like

chatbots, web portals and mobile apps to enhance stakeholder engagement. We are developing an interactive platform that will provide customers with valuable insights into their performance, including target tracking, new product launches and receivables.

Looking ahead, we are strategically positioned to leverage the opportunities arising from the evolving mobility ecosystem through enhanced collaboration with all stakeholders across our value chain. Our emphasis lies on building stronger partnerships with distribution partners and their customers, creating a robust platform that delivers exceptional value to end users. This inclusive approach, combined with our comprehensive product portfolio and technical expertise, enables us to provide superior aftermarket solutions that meet the diverse needs of the Indian market.

— **Sharad Bhatia**
Vehicle Lifetime Solutions

KOOVERS

Enriching the aftermarket ecosystem

The acquisition of KOOVERS has further strengthened our prominence in the Indian automotive aftermarket. With the ability to tailor after-sales services and deliver a diverse range of spares to customer doorsteps, we are determined to bring the right products at the right price and at the right time.

Our focus remains on scaling up operations and expanding KOOVERS' footprint. We are actively working to broaden both reach as well as market penetration by establishing dark stores and hubs across the country, thereby enabling customers to access products on our platform quickly and efficiently.

Performance highlights

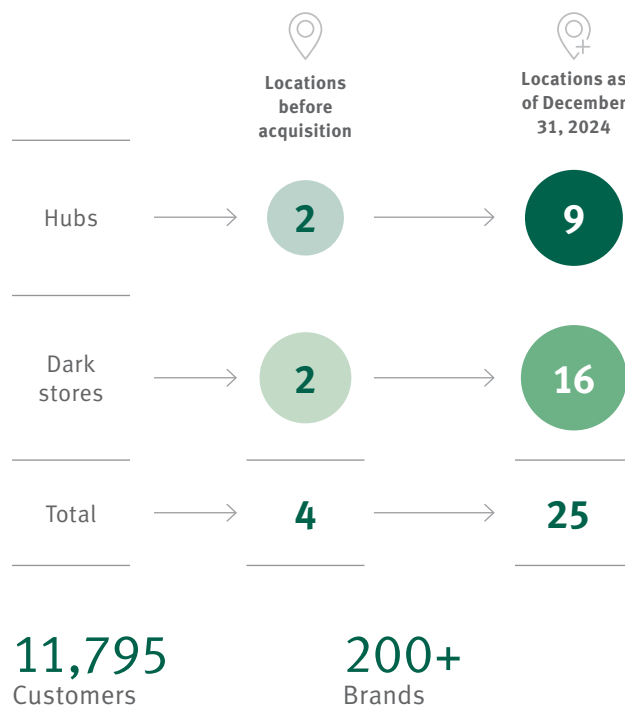
₹1,581 mn

Revenue

Since the acquisition of KOOVERS, its footprint has expanded from predominantly serving the two cities of Bangalore and Chennai to nearly 23 cities, through a hub and spoke arrangement with numerous dark stores.

We are now focused on improving KOOVERS' organizational structure and augmenting appropriate functions to support our growth goals.

Footprint and expansion



"Becoming a part of Schaeffler India has enabled us to significantly broaden our market coverage and depth. We now have significantly expanded our network through a hub and spoke arrangement with numerous strategically positioned dark stores. Our focus is now on refining the organizational structure and augmenting key functions to support our growth ambitions. We remain confident of maximising revenue and delivering value to all stakeholders, thereby ensuring continued success."

Sandeep Begur
KOOVERS



Bearings & Industrial Solutions

Future-ready industrial applications

The Bearings & Industrial division delivers a range of solutions, from miniature to industrial bearings and advanced drive technologies. Our intelligent, connected components boost efficiency and reliability. With over six decades of experience and strong OEM partnerships, we offer customised solutions that ensure superior performance and value for our customers.

New products



Cast Steel and Ductile Iron Bearing Housings



Adapter and Withdrawal Sleeves



Wide range of Angular Contact Ball Bearings



Spherical Roller Bearings up to OD 720mm



Customised bearing for continuous caster and long product mills

Performance highlights

₹35,617 mn

Revenue |  14.4% over 2023

Reviewing 2024

- The Bearings & Industrial business contributes to ~44% of the revenues for Schaeffler India. Since the beginning of 2024, the division has also been responsible for the comprehensive portfolio of automotive bearing applications and products which was previously assigned to the Automotive Technologies division.
- During 2024, the division registered a double-digit growth of 14.4% as compared to the same period last year. The growth was broad based across all sectors and stems from our strategic focus on cultivating new businesses and maintaining a robust trajectory of ongoing business wins.
- In the wind energy segment, our commitment to meet customer expectations by proactively supporting their latest platforms through tailored, localised production sets us apart. We are proud to contribute to the sustainable energy landscape with impactful advancements in wind technology.
- During the year, we also witnessed significant traction in other key sectors that we operate in viz. Power Transmission, Raw Materials, Railways amongst others. This success was driven by the acquisition of new customers and our concentrated initiatives in developing innovative products and strengthening our portfolio with India made products.
- Two-wheelers continues to be a pivotal sector for us, with our unparalleled application engineering competence we have been the chosen partners for all major OEMs in this sector. This has helped us secure new business nominations across different platforms including the new EV

Bearings & Industrial Solutions

segment. Our continued investment in manufacturing aligns to the shorter lead times and exceptional quality that our customers seek.

- Distribution business remains a key focus area for us at Schaeffler India and today is being represented by over 150 distribution partners pan India. We remain invested in growing our market share backed by our distribution partners by enabling them with increased material availability from localisation, investing on their training and competence and creating an ecosystem where they thrive and service our esteemed customers. Our Partner End User initiative (PEUS) focuses on strengthening the relationship between our distribution partners and our customers thereby offering a comprehensive portfolio of products and services, meeting other requirements of just-in-time inventory and logistics.
- Our unwavering commitment to develop innovative and futuristic solutions for our customers remains at the forefront of our strategy. We continuously develop and add new products across various sectors and align with the 'Make in India' initiative to help our customers in their journey towards efficient and cost-effective manufacturing.

- During the year, we successfully established and commissioned our comprehensive test facility in Vadodara. This facility enables us to execute critical testing requirements including bearing fatigue life tests, friction, temperature and lubrication performance. One important milestone was the commissioning of the rail bearings test rig in India which allows us to carry out lifetime tests for bearings and simulate various parameters, enabling us to deliver products that meet application requirements. This test facility enables our customers with faster turnaround times.
- Our Global Engineering Simulation hub facilitates advanced simulation of products and applications for domestic requirements and extends services for our global customers as well. This strategic collaboration enhances our global capabilities and accelerates innovation through seamless integration and shared engineering excellence.
- Our regional Technical Office comprises trained and certified technical experts who not only help customers with after-sales support that includes important services around mounting and dismounting needs, root cause failure analysis but also provide expert consultative services to address various needs around equipment efficiency and availability.

Strategic focus areas



Bearings & Industrial Solutions



Optimising Converter Bearings performance for a leading steel manufacturer

A leading steel manufacturer confronted challenges related to converter bearings, associated with factors such as the harsh and demanding operating conditions that bearings typically endure, the variability in speeds and loads that can impact performance and the difficulty of accessing certain areas for maintenance or inspection. Additionally, there was a pressing need for early fault detection. Together, these issues posed serious threats to the reliability, efficiency, and safety of the manufacturer's industrial applications, potentially compromising the integrity of its production processes.

To address these issues, Schaeffler India provided a comprehensive suite of advanced condition monitoring techniques such as vibration analysis, acoustic emission, vertical and axial displacement measurement and strain measurement. These tools detect bearing defects and monitor conditions that could otherwise lead to equipment failure.

By implementing these solutions, the customer significantly enhanced operational reliability, reduced downtime and improved safety through early issue detection.



01 | Guide Motion

 Read more on page 01

I am proud to share that the Bearings & Industrial division scaled new heights during the year 2024. We made substantial progress in advancing our local manufacturing capabilities, while simultaneously strengthening our R&D initiatives, positioning us for increased innovation and competitiveness.

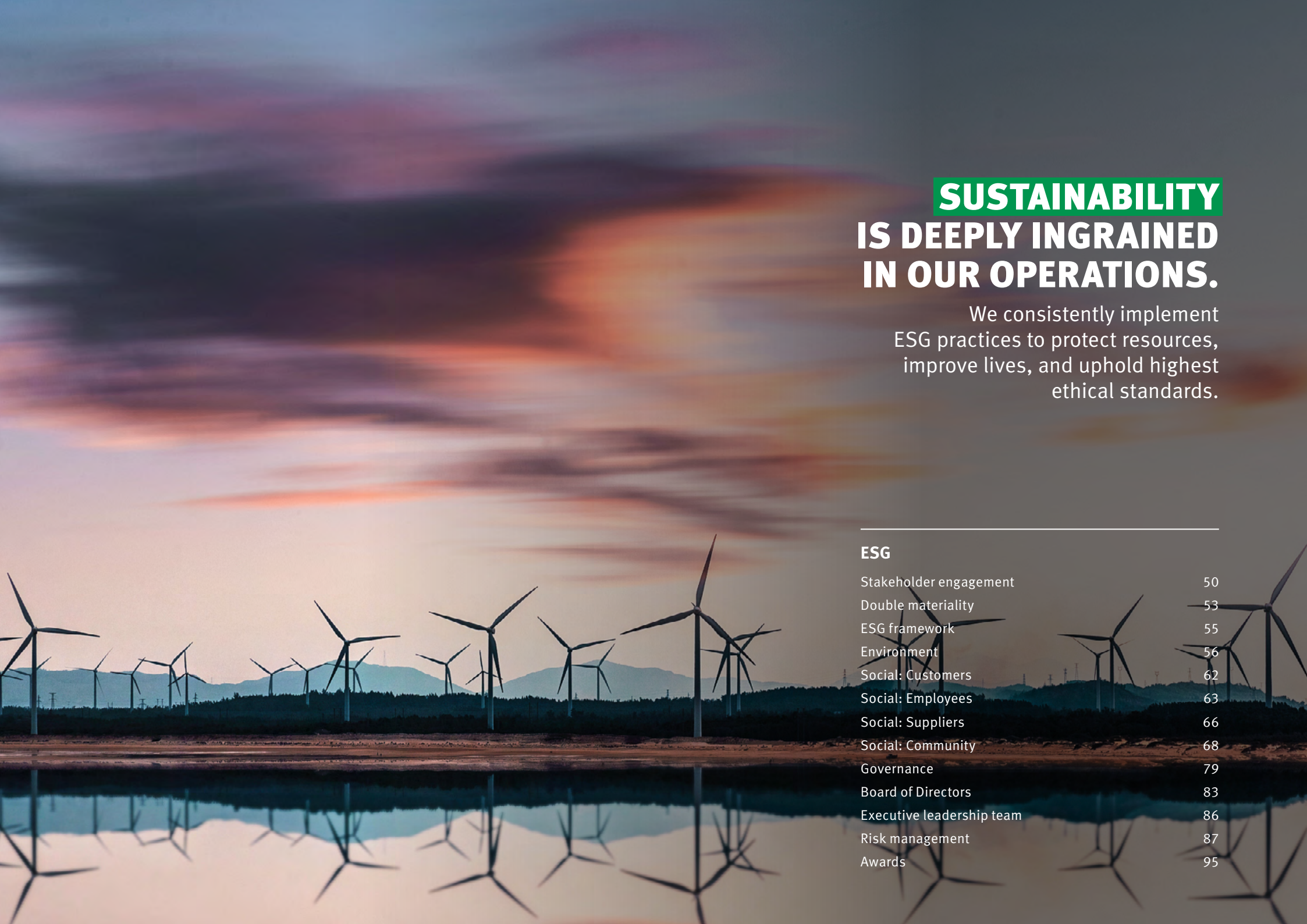
The ongoing transformation within India's railway sector, highlighted by the introduction of Vande Bharat trains, presents exciting new opportunities. In response to this promising demand, we are swiftly and strategically scaling up our production of traction motor bearings. We are also strategically poised to manufacture specialised bearings tailored for the rapidly expanding emerging sectors within India, aligning our focus with the dynamic growth.

Our commitment to digital transformation is exemplified by our industrial services division, where we have successfully deployed over 6,000 sensors across Indian markets. Another milestone achievement in 2024 has been our investment in local R&D and testing facilities. This enhancement enables us to conduct comprehensive lifetime testing for various applications, particularly for Indian Railways, making us more self-reliant in product development and validation.

Looking ahead, we remain focused on enhancing efforts for innovation and localisation, making Schaeffler India a trusted partner in India's growth story.

Seshan Iyer

Bearings & Industrial Solutions

A photograph of a wind farm at sunset. The sky is filled with soft, colorful clouds in shades of orange, pink, and purple. In the foreground, several wind turbines are silhouetted against the bright horizon. Their reflections are visible in a body of water in the immediate foreground. The overall mood is serene and sustainable.

SUSTAINABILITY IS DEEPLY INGRAINED IN OUR OPERATIONS.

We consistently implement ESG practices to protect resources, improve lives, and uphold highest ethical standards.

ESG

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Social: Customers	62
Social: Employees	63
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Executive leadership team	86
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Stakeholder engagement

Co-creating value with effective dialogue

At Schaeffler India, we are dedicated to strengthening stakeholder relationships through effective communication, which we believe is key to building a truly sustainable organization. This enables us to identify issues critical to our ability to generate sustained value for all our stakeholders.

	Interests	How we engage
Investors and Shareholders  How we create value We deliver long-term returns based on a disciplined approach to capital allocation and ensure regular dividend payout.  Read more on page 26	• Strategy • Company purpose and values • Short and long-term financial performance • Responsible Business/ESG • Key developments in the business and issues we are facing • Ethics and transparency	• Investor Meetings • Quarterly calls, financial reports and presentations • Annual General Meetings • Annual Report • Official communication channels: Advertisements, publications, website and social media 23.8% Return on Capital Employed
Customers  What we do for them We provide best-in-class products and services while providing superior customer experience.  Read more on page 62	• Innovative products and services • Quality and product safety • Superior customer service • Tailored experiences both online and offline • Business viability	• Customer meetings • Official communication channels: Advertisements, publications, website and social media • Conferences and events • Customer feedback and satisfaction survey 8.41 Schaeffler India Loyalty Index¹

¹ For the year 2023

Stakeholder engagement



Interests

How we engage

People



What we do for them

We help our people to grow by recognising and developing talent and fostering a responsible culture based on inclusion and empowerment. We also provide continuous opportunities for learning and skill development.

 [Read more on page 63](#)

- Strategy
- Inclusion & diversity, and training and development
- Health, safety and environment (HSE)
- Company purpose and values
- Long-term commercial sustainability
- Respect for employees
- Responsible employer
- Employee engagement and advancement

- Timely internal communications
- Capability development programmes
- Performance appraisal
- Grievance redressal mechanisms
- Wellness programmes

91%

Employee engagement – Pulse survey score¹

Suppliers and Partners



What we do for them

Creating an inclusive ecosystem for partners to grow and help end-customers.

 [Read more on page 66](#)

- Strategy
- Long-term commercial sustainability and business viability
- Trusted partnerships
- Brand protection
- Health, safety and environment (HSE)
- Environment, social and governance (ESG)

- Supplier development initiatives
- Vendor assessment and review
- Training workshops and seminars
- Supplier audits
- Official communication channels: Advertisements, publications, website, and social media

1,909 hours

Supplier training

¹ For the year 2023

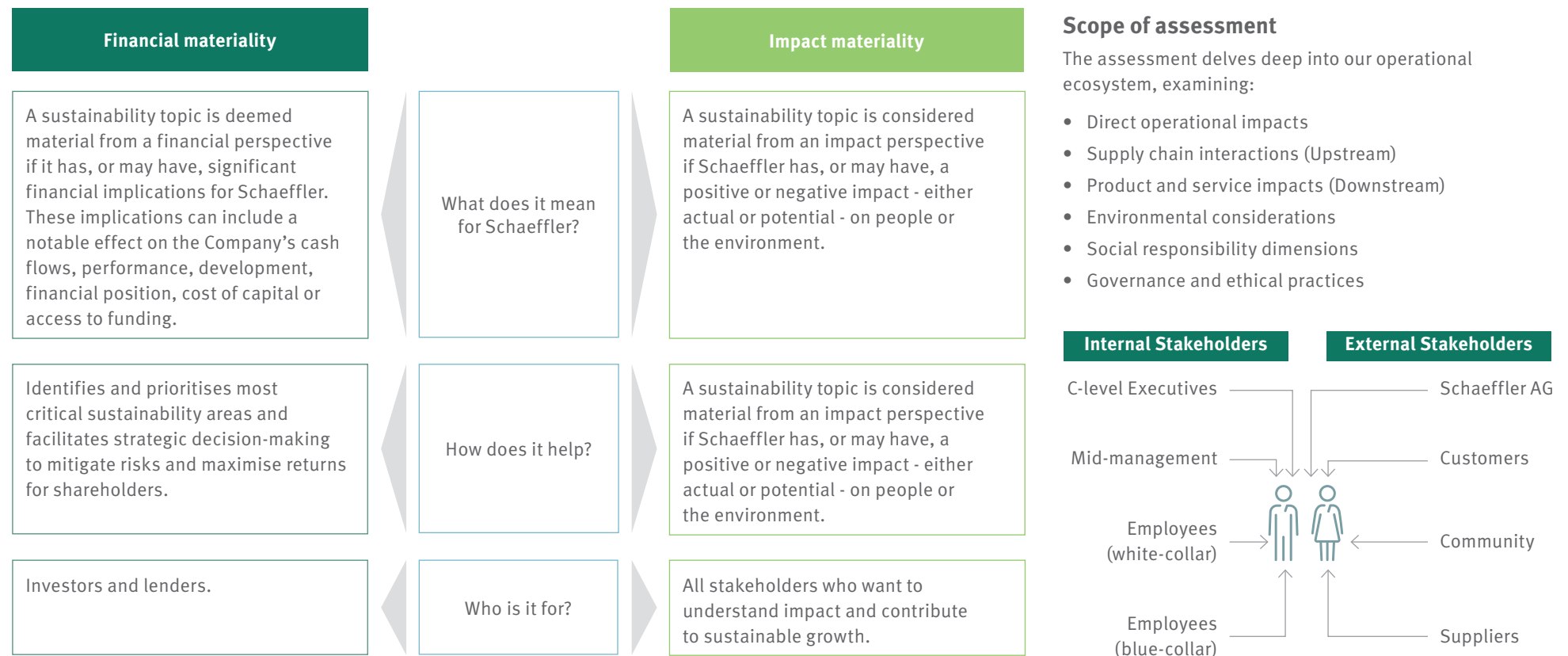
Stakeholder engagement

		Interests	How we engage
Community  What we do for them Empowered beneficiaries through our CSR activities.  Read more on page 68		- Local employment - HSE, including local environmental concerns, e.g. water conservation - Community engagement, e.g. support of local needs - Responsible approach to local laws and regulations	- CSR partnerships - Community welfare programmes - Meetings and briefings - Training and workshops - Impact assessment surveys - Official communication channels: Advertisements, publications, websites and social media - Complaints and grievance mechanism 118,804 Lives impacted
Environment  What we do for them Minimising our impact on the environment.  Read more on page 56		- Carbon footprint reduction - Resource optimization - Emissions and waste management - Transportation and logistics	- Statutory compliance filings and meetings - Official communication channels: Advertisements, publications, websites and social media 4 Regulatory and management audits/inspections

Double materiality

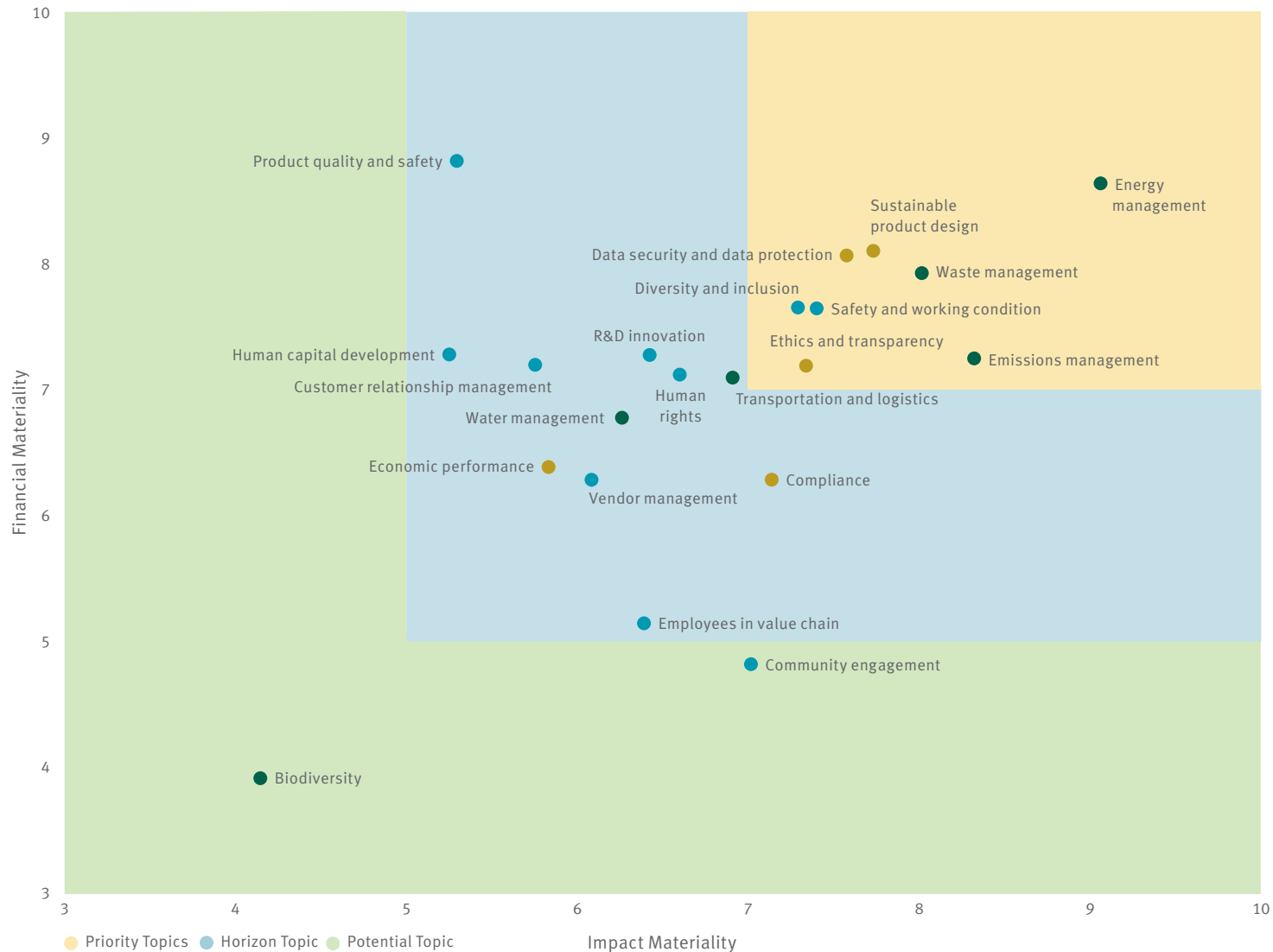
Prioritising issues key to sustainability

In alignment with our ‘sustainability to core’ strategy, we undertook our first comprehensive double materiality assessment in 2024, which captures two critical dimensions – ‘financial’ and ‘impact’ materiality principles. The assessment adhered to the double materiality principle, considering both internal (inside-out) and external (outside-in) perspectives.



Double materiality

Materiality matrix



Material issues

Environmental

- Waste management
- Energy management
- Emissions management
- Water management
- Transportation and logistics
- Biodiversity

Social

- Community engagement
- Diversity and inclusion
- Human rights
- Safety and working condition
- Product quality and safety
- Employees in value chain
- Vendor management
- Human capital development
- R&D innovation
- Customer relationship management
- Sustainable product design

Governance

- Economic performance
- Data security and data protection
- Ethics and transparency
- Compliance

ESG framework

Schaeffler India sustainability targets

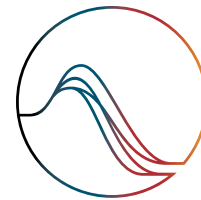
Category	Target	Progress	SDG impacted
Climate neutral supply chain	Reduce CO ₂ in the supply chain (Scope 3 upstream) by CY40	(tCO ₂ e) CY24 332,223 CY23 359,006 CY22 325,268	 
Climate neutral production	Reduce CO ₂ in own production (Scope 1 and 2) by CY40 ¹	(tCO ₂ e) CY24 8,886 CY23 63,952 CY22 82,552	 
Energy efficiency	4 GWh Cumulative annual efficiency gains through the implementation of energy efficiency measures	(GWh) CY24 0.91 CY23 1.38 CY22 1.31	 
Renewable energy	100% Purchased power from renewable sources ¹	(%) CY24 100 CY23 31 CY22 24	 
Freshwater supply	20% Reduction of freshwater supply by CY30 compared to the base year CY19	(m ³) CY24 14,782 CY23 6,511 CY22 28,197	
Women in leadership	8% Female employees by CY25	(%) CY24 4.30 CY23 5.00 CY22 3.73	 
Employee safety	10% Average annual reduction in accident rates (LTIFR)	(LTIFR) CY24 0.40 CY23 0.15 CY22 0.52	 

¹ Usage of renewable energy consists of purchased International Renewable Energy Certificates (IREC) to compensate existing emissions. This has been considered for calculation of Scope 2 emissions.

Environment

Driving into a greener future

We adhere to the Climate Action Plan developed by our parent organization. It empowers us to efficiently utilise resources and limit our carbon footprint across the value chain. With an emphasis on climate neutrality, energy efficiency and circularity, we are initiating responsible transitions.



SCIENCE BASED TARGETS

Our science-based targets have been verified by SBTi and aligns with the pathway set by the Paris Agreement.

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Key focus areas



Climate neutrality



Circularity



Resource efficiency and
environmental protection

Environment



Climate neutrality

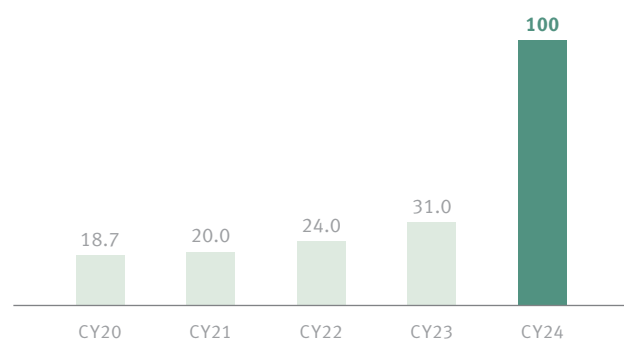
Renewable energy

Renewable energy plays a crucial role in our decarbonisation strategy. We have set up about 1.722 MWp of rooftop solar at our Talegaon and Savli plants. We also have Power Purchase Agreements (PPA) with renewable power generators. In 2024, iRECs were purchased to offset the energy consumed by Schaeffler India and achieved 100% renewable energy.

31,060 tCO₂e

GHG emissions averted

Increasing use of renewable energy (%)



Environment

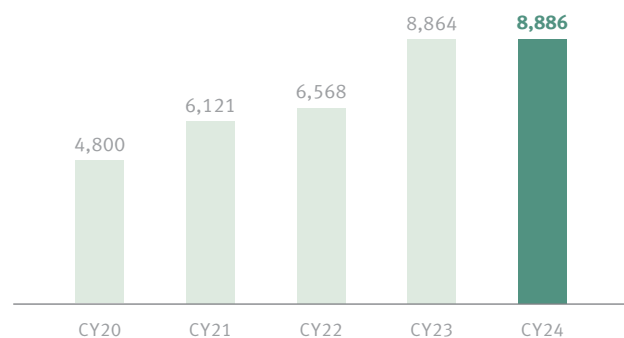
Energy efficiency

At Schaeffler India, we are undertaking efforts to ensure energy-efficiency across our operations. We have adopted multiple initiatives such as Old Chiller replacement, Nova Machine Motor Replacement, Replacement of old Compressors, Bell furnace cover installation to save waste heat due to radiation, reduce air pressure in Jupiter machine, Barrel Heater Jacket Installation on IMD Machine, Exchange Broach Hydraulic motor to improve energy efficiency and reduce emission.

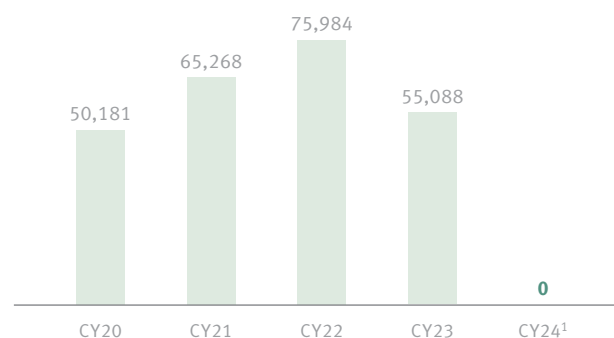
Energy efficiency projects of 906.31 MWh have been completed in 2024.

CO₂ emissions (tCO₂e)

Scope 1



Scope 2



¹ Scope 2 emission for CY 2024 is calculated considering usage of renewable energy and purchased International Renewable Energy Certificates (iREC) to compensate existing emissions.

906.3 MWh

Energy efficiency projects achieved against a target of 662.7 MWh

Targeted interventions to ensure energy efficiency

One of our manufacturing facilities sought to reduce energy consumption and improve process efficiency across various operations.

To achieve this, three key initiatives were implemented:

The **Jupiter Machine** was connected to a dedicated high-pressure (6 Bar) compressor leading to efficient use of compressed air.

84.7 MWh

Annual energy savings

Implemented the **Bell Hardening Furnace** with temperature-based interlocks, individual blower controls and an auto-cutoff timer to improve inefficient heating and cooling cycles.

117.4 MWh

Annual energy savings

Targeted interventions for improvement of energy efficiency in compressed air generation by replacement of old Air Compressors with new compressors demonstrate the potential for substantial energy savings and process improvements through simple yet effective solutions.

528.6 MWh

Annual energy savings

Environment

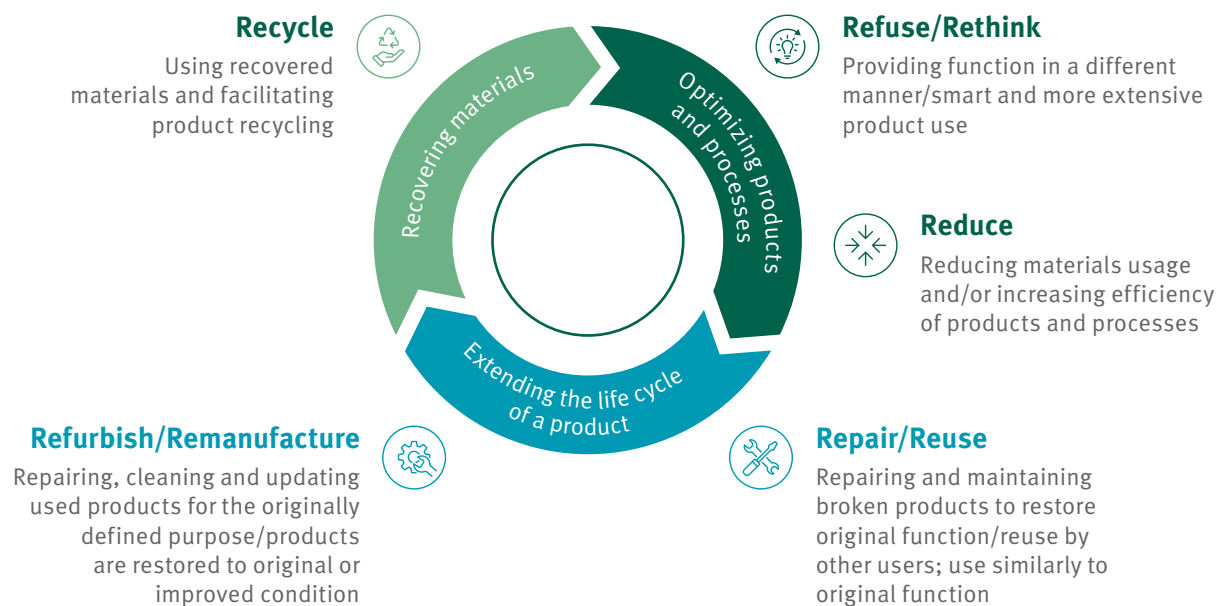


Circularity

We strive to limit the carbon footprint of our products, from design to production. As a result, our circular economy strategy focuses on reuse, repair, refurbish, remanufacture and recycle. We recycle all our metal scrap, plastic packaging scrap and other scrap through authorised recyclers or re-processors. Further, plastic waste generated during the moulding process is recycled back in the process. Hazardous wastes like used oil and waste oil are sent to CPCB authorised re-processors. Efforts are also made to co-process other hazardous wastes by engaging with cement companies.

1,085 tonnes
Hazardous waste generated

642 tonnes
Hazardous waste recycled



Environment

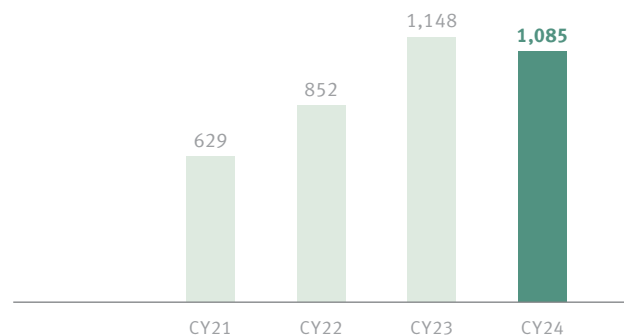


Reducing and reutilising waste

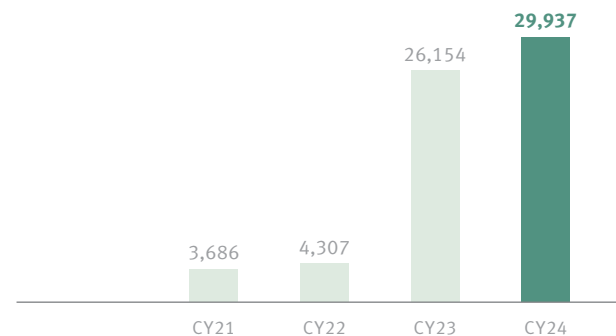
To manage waste, we implement various waste management initiatives that consider environmental impact, social effects and commercial viability. Since November 2024, all types of hazardous waste generated in the plants, such as ETP Sludge, Grinding Sludge, residue or waste containing oil, used oil and discarded containers are sent to recycler or re-processor or for co-processing. It is expected to result in Zero Waste to Landfill by 2025.

Waste generated by type

Hazardous (MT)



Non-hazardous (MT)



Driving sustainable waste management

Schaeffler India is transitioning its hazardous waste management approach, from traditional landfill and incineration methods to an innovative alternate fuel conversion process. By partnering with a new service provider, we transformed our waste disposal challenges into eco-friendly opportunities. This MoEF and CPCB (Ministry of Environment – Forests and Central Pollution Control Board) endorsed solution not only helps to deliver superior grade alternate fuel but also significantly diminishes environmental impact. It also addresses concerns related to single-source dependence and 13-14% year-over-year cost increase.

34%

Reduction in annual disposal costs

₹45.3 lakh

Annual savings

2 tonne/annum

CO₂ emissions saved

Reason for increased waste: Due to data maturity issues, more categories have been added.

Major portion of non-hazardous waste constitutes of metal and casting scraps which are recycled in the steel mills and foundaries.

Environment



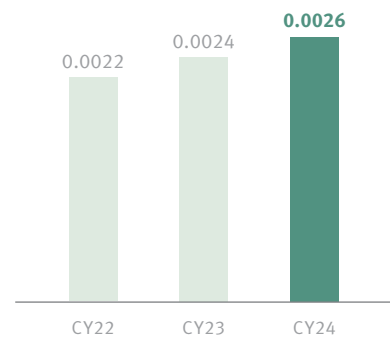
Resource efficiency and environmental protection

Efficient utilization of resources

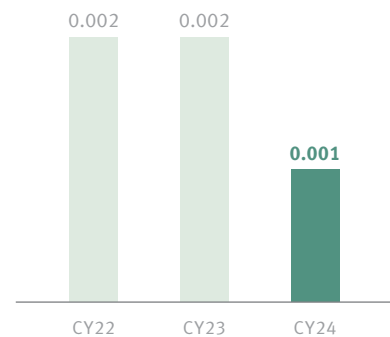
Water consumption is kept under check by adopting the projects like the treated STP water usage after demineralisation, optimising cooling tower daily blow-down water quantity, Treated water reuse in de-oiler and poly dosing tank.

Energy and Water consumption by type

Water consumption (Liter/₹)



Energy consumption (KWh/₹)



We reduced power consumption of SRU by processing high salt concentrated Dipping Basin Water and have added this water to SBM instead of DM Water. This has helped to reduce DM water (90 KL per annum) and 168 MWh electricity consumption per annum.

Water conservation through STP water recycling

We installed a Scale and Bio Remover (SBR) for Non-Chemical Treatment for a Cooling Tower. The green technology saves water as well as electricity. The SBR system is connected to the cooling system or the cooling tower internally, resulting in swift installation. A side stream filter is also integrated into the SBR system. The reaction tank is connected to the cooling tower via a circulation pump and the water is circulated from the cooling tower basin to the reaction tank and back to the cooling tower through an integrated side stream filter.

Up to 60%

Reduction in operational cost

14,782 m³/year

Water conserved through waste water recycling



Social: Customers

Building stronger relationships

We prioritise customer needs to progress in the field of motion and mobility. By understanding their unique requirements, we deliver innovative solutions for complex problems. Our approach enables us to build lasting partnerships and maximise value creation for clients.

Enhancing passenger vehicle performance through advanced damper solutions

A leading passenger vehicle OEM wanted to improve vehicle durability and Noise, Vibration and Harshness (NVH) characteristics of its product. However, they were extremely pressed for time and partnered with Schaeffler India for the development of an optimised damper solution for their new vehicle platform.

We followed a comprehensive testing protocol and conducted extensive laboratory and field testing to analyse the performance data under various operating conditions. Our engineers fine-tuned damper calibration levels while applying advanced engineering solutions to address NVH concerns.

The solution not only improved NVH performance, it improved passenger comfort and overall driving experience. Moreover, the product lifespan was also enhanced due to this intervention, facilitating a timely market launch.

The project demonstrated Schaeffler's ability to deliver tailored solutions within stringent timelines without compromising on quality.



Automechanika 2024

Schaeffler Vehicle Lifetime Solutions participated in India's leading international trade fair for the automotive aftermarket and service industry, ACMA Automechanika New Delhi. The exhibition showcased a comprehensive product range for the automotive sector, engineered and manufactured as per global quality standards, encompassing the entire value chain of the automotive aftermarket.

The engagement with channel partners, including distributors, retailers, workshop owners, mechanics, and end consumers provided valuable insights and strengthened relationships within the automotive ecosystem.

We showcased our cutting-edge products in transmission, engine, and chassis systems, along with the comprehensive range of lubricants and wiper blades. The booth attracted an impressive footfall throughout the three-day event, creating a dynamic space for engaging with industry professionals and enthusiasts alike.



Empowering customers through localisation efforts

The current business scenario for the Wind Energy sector is seeing increasing volatility due to geopolitical uncertainty and competitive challenges due to cost structures. Furthermore, the 'Make in India' initiative, aimed at boosting domestic manufacturing, presents both opportunities and challenges. To mitigate these uncertainties and capitalize on the push for local manufacturing, windmill OEMs and gearbox manufacturers are expecting agility in all aspects of our business, from production to lead times and cost. These expectations necessitate the implementation of localised production strategies, particularly in India. Backed by our strong parentage, we are well positioned to cater to the technology changes and the output requirements. We remained focused on working in this direction with relevant investments. This included, but was not limited to, increasing the outer diameter range, enhancing roller production capacity, advanced heat treatment and coating technologies. These efforts demonstrate our agility in meeting industry requirements with respect to larger bearings and shorter lead times. By prioritizing localisation and sustainability goals, we are continually striving to empower our customers to seize market opportunities in an ever-changing landscape.



Social: Employees

Empowering our talent

We focus on empowering and enabling our talent for an evolving landscape. With opportunities for continuous upskilling, learning and development, we are fostering a culture where innovation meets inclusion and every individual can thrive, grow and realise their full potential.

Our core values



Sustainable

We assume responsibility for the future of Schaeffler Group and coming generations. With continuity and a long-term view.



Excellent

We strive for the highest quality in everything we do. No matter where and when.



Innovative

As pioneers we know - for (almost) every problem, there is a solution. If one can't find a solution, we will create our own.



Passionate

What drives us is curiosity, fascination for innovative technologies and the joint success with our customers.

Schaeffler India is working towards developing advanced technologies with a culture of excellence. We deeply value our employees, fostering an environment that supports both personal and professional growth. Our success is rooted in our people, their entrepreneurial spirit and a responsible culture of value systems. These core values are the compass that guide us at Schaeffler India, influencing our culture, shaping our behaviours and our decision-making processes.

Key thrust areas



Demonstrate empathy and care in all our actions



Collective decision making with collaborative approach



Building an inclusive culture with mutual respect and dialogue

Social: Employees



Employee well-being and safety

At Schaeffler India, we prioritise the holistic well-being and safety of our people. We believe that a healthy, safe and supportive work environment is essential for our employees' success and well-being. Healthy workplaces can increase worker productivity, satisfaction and retention. With this thought, we regularly conduct meditation sessions to support mental health of our employees and offer annual health check-up facilities to our employees. Specialised sessions are also organised by external health experts to provide valuable insights about health and well-being.

Our dedication to workplace safety is reflected in our comprehensive POSH (Prevention of Sexual Harassment) policy, supported by active ICC committees to ensure a secure environment for everyone. Furthermore, we are committed to continually improving working conditions in our factories, striving diligently to achieve a zero fatality rate. At Schaeffler India, we create an environment where safety and well-being empower our people to thrive.

Diversity and inclusion

We recognise the importance of diversity and inclusion in driving innovation, enhancing performance, and maintaining a competitive edge. Schaeffler India is committed to fostering a diverse workforce that reflects various perspectives, experiences, and backgrounds and aims to cultivate an inclusive culture where every employee feels valued, respected, and empowered to contribute their best. This includes promoting equitable policies, practices, and opportunities for growth. The leadership at Schaeffler India likely plays a crucial role in championing diversity and inclusion initiatives, ensuring accountability and sustained focus and we are proud that 30% of our leadership roles are help by women leaders. Our commitment to diversity and inclusion is further reflected through various initiatives that embrace gender, language and cultural differences.

Training and development

At Schaeffler India, we are committed to equipping our teams with the skills, competencies, knowledge and mindset required to thrive in a rapidly changing landscape. Personalised learning is no longer a luxury but

a necessity for each employee at Schaeffler. The Schaeffler Academy serves as the in-house learning hub, offering diverse resources and globally designed workshops. Our development approach includes:

- Comprehensive people leadership programmes focusing on Schaeffler Leadership & Employee Essentials covering 200+ People Managers across various plants and locations
- Access to LinkedIn learning platform for digital resources in business analysis, strategy, leadership, sales and marketing
- Strategic upskilling initiatives in automotive electronics and application engineering
- Regular performance feedback sessions focusing on strengths and improvement areas
- Specialised career planning for high-potential employees
- Schaeffler India employees clocked over 31,209 Digital Learning hours through Schaeffler Academy

Training hours at Schaeffler

Particulars	Behavioural training	Functional training	Technical training
Number of classroom training	188	1,330	760
Number of employees covered in classroom training	2,758	6,221	5,361
Total training hours	8,517	24,463	12,687
Number of virtual training	1	68	8
Number of employees covered in virtual training	2	406	338
Total training hours	80	500	780

30%
Women in leadership team

78,236 hours
Total training hours

Social: Employees

Employee engagement

At Schaeffler India, we believe employee engagement is the key to unlocking our full potential. When our employees are engaged and motivated, we deliver exceptional results, drive innovation and build a better future for ourselves and our customers.

We foster a culture of open communication through various channels. We conduct regular town halls and open house sessions with senior leadership. We encourage skip-level meetings, promoting transparent dialogue with the management team. We also acknowledge the contribution of our people through sports awards and long service awards. Through events like Family Day, we build stronger connections with families of employees and have also started aero-hour sessions to improve inter-departmental trust and collaboration.

An empowered workforce

At Schaeffler, our focus is on our employees. We value inclusivity and diversity and prioritise the well-being of our people. We also understand that in order to stay competitive, it is important for companies to keep up with the latest technological developments. Therefore, we strive to provide our people with the necessary tools and resources to succeed.

We also believe that the younger generation holds the key to unlocking a brighter future. We are committed to empowering and supporting young talent to reach their full potential. We encourage our employees to bring their innovative ideas to life through our 'ideafactory' platform. It allows employees to propose new ideas for optimising work processes or improving our products.

Engaging with our people through Kafeeklastsch

We believe that our people are our greatest asset. We are, therefore, committed to fostering opportunities for connection, dialogue, and community-building. To this end, we have launched Kafeeklastsch, a platform designed for informal yet meaningful conversations among colleagues and teams. This initiative also enables one-on-one interactions with the executive management, enhancing engagement and fostering a collaborative environment.



“As we navigate through transformative times at Schaeffler India, our focus remains on creating an inclusive, growth-oriented workplace where every employee can drive their career. With our shared vision and values, we aspire to build a more inclusive and diverse organization. Our commitment extends to eliminating workplace bias and enhancing investments in future-ready capabilities to prepare our workforce for tomorrow’s challenges. The progress we have made in the areas of gender diversity, employee wellness and skill development reflect our dedication towards the growth and well-being of our people. As we move forward, we remain committed to fostering a culture where innovation meets inclusion and where every individual’s potential can be fully realised. Together, we are creating a workplace where success is shared.”

Shibi Mathew
Human Resources

Social: Suppliers

Partners in progress

Our success is driven by strong partnerships with suppliers who share our commitment to quality, timely delivery, and sustainability. By fostering close collaboration across our value chain, we work together to build a better, more sustainable future.

Supplier Day

We constantly strive to strengthen our relationships with our suppliers, align our business goals and discuss mutual opportunities, expectations and challenges. Our Supplier Day in 2024 was one such event where we worked towards solidifying partnerships and driving mutual success. The event spotlighted our commitment to business growth, unveiling abundant opportunities for our suppliers through innovative developments, while underscoring our high standards in quality, cost efficiency, and sustainability. During the event, we not only acknowledged and recognised the contributions and achievements of our key suppliers, but also dedicated time for our initiative on the 'Supplier Innovation Hour 2023' showcasing our commitment to supporting our innovative suppliers.

165

Supplier partner participants



Digitalization

Schaeffler India continues to advance the digitalization of its purchasing processes through an integrated technology ecosystem. The journey towards implementation of SAP S/4 HANA ERP software marks a significant upgrade from the previous SAP R/3 system, streamlining purchasing operations across the organization. It integrates seamlessly with our core purchasing platforms: SupplyOn for Production Material (PM) and Coupa for Non-Production Material (NPM).

SupplyOn, our established partner since 2003, facilitates efficient supplier collaboration through digital processes for sourcing, document management and performance monitoring. Complementing this, Coupa provides a modern cloud-based platform that enhances transparency in non-production material purchasing activities.

To further optimise efficiency, we have implemented Robotic Process Automation (RPA) through our PAT (Purchasing Automation Tool) solution, automating routine tasks across our global purchasing operations. This comprehensive digital infrastructure supports data-driven decision-making while reducing manual workload, thereby enabling us to maintain stronger oversight over the entire operation.

Sustainability practices

Our sustainability commitment extends to our purchasing practices and supplier relationships. We have implemented a robust Supplier Code of Conduct that emphasises ethical practices, environmental stewardship and social responsibility. We employ a systematic evaluation process, beginning with our Supplier Self-Assessment Questionnaire, which enables us to measure and monitor sustainability performance across our supplier network. Building on this foundation, our Sustainability Target Agreement sets specific, measurable objectives for suppliers, with a particular focus on renewable energy adoption and carbon footprint reduction. The Sustainability Target Agreement ensures that Schaeffler India's commitment to carbon neutrality targets is aligned within its supplier network.

Through strategic collaborations and resource sharing, we support our suppliers to adopt sustainable practices, thereby aligning our supply chain with our vision of a sustainable future. This proactive approach enhances our operational efficiency while promoting a circular economy.

Average 93%
NQC Supplier Assurance Submission

Social: Suppliers



Innovative initiative to make bricks from casting moulding sand

At Schaeffler India, Supplier Innovation Hour has become a catalyst for driving creativity and continuous improvement among our suppliers. This initiative encourages suppliers to propose innovative ideas that enhance efficiency and sustainability. One such innovative idea was the development of bricks from casting moulding sand, a by-product of the manufacturing process. The usual process in casting results in wastage of ~50% of the casting moulding sand. With our supplier's innovative idea, the waste was reused for making bricks. By transforming waste into valuable building material, we can significantly reduce our environmental impact. Such projects encourage collaboration with our suppliers and encourage them to adopt similar innovative practices. Schaeffler India also benefitted from this innovative process as we used these bricks for our new greenfield project, further emphasising our commitment to sustainability and transition to a low-carbon future.



Our journey towards carbon neutrality by 2040 has entailed the development of a comprehensive supplier development programme that aligns with Schaeffler's sustainability vision. Through a structured Supplier Code of Conduct and Self-Assessment Questionnaire, we continue to support our diverse supplier base, particularly small and medium enterprises, to inculcate sustainable practices into their operations.

We have established carbon reduction targets for key suppliers, with special focus on hard-to-abate sectors like steel manufacturing. Through dedicated training programmes and incentives for renewable energy adoption, we have created a balanced approach for suppliers to ensure accountability across their value chain. 2024 marked significant progress in our supplier development initiatives, including enhanced digitalization of our processes and successful export promotion.

Our commitment to localisation has yielded remarkable results. While we remain committed to strengthen our supply chain resilience, we are also actively participating in the 'Make in India' drive to foster the country's growth and development.

Vinod Acharya
Purchasing

Social: Community

Making a lasting impact

We are committed to making a meaningful impact through our flagship CSR programmes, embodied by HOPE—Healthcare, Occupational Skilling for Employability, Preservation of the Environment, and Empowerment of Society. By actively engaging in community well-being initiatives, we foster inclusive growth and create lasting positive change.



CSR thematic areas							
Healthcare		Occupational Training for Skill Development		Preservation of Environment		Empowerment of Society	
₹19.4 million	49,534	₹40 million	1,129	₹103.4 million	50,903	₹42.8 million	17,238
Spend	Lives impacted	Spend	Lives impacted	Spend	Lives impacted	Spend	Lives impacted
Read more on page 69		Read more on page 71		Read more on page 73		Read more on page 75	

Social: Community



Healthcare

Actions and Impact



Mobile health units

Our mobile health units deliver preventive and curative healthcare services to approximately 105 villages across Pune, Vadodara and Hosur. These units provide doorstep healthcare through regular visits, completely free of cost to beneficiaries.

49,534

Unique beneficiaries in 2024

771,983

Beneficiaries since inception



Adolescent anaemia programme

It focuses on enrolment and tracking of anaemic adolescents, making provision for supplying iron tablets and organising regular awareness sessions to prevent anaemia in adolescents.

1,935

Screened in 2024

12,428

Total screened since inception



Underweight children programme

It identifies and monitors underweight children and supports them through targeted awareness sessions and counselling for caregivers.

2,218

Underweight children identified in 2024

14,953

Total underweight children identified since inception



Counselling and awareness programme

We offer Antenatal (ANC) and Postnatal Care (PNC) services like counselling, vaccination advice and tracking of health parameters such as haemoglobin, blood pressure and weight.

11,528

Beneficiaries in 2024

136,595

Total beneficiaries since inception

Social: Community



General OPD coverage

We provide curative services for minor ailments and distribute free medicines to beneficiaries.

64,369

Beneficiaries in 2024

634,208

Total beneficiaries since inception



Scheme facilitation programme

Sangaath Programme serves as a link between beneficiaries and the government schemes, assisting them in obtaining essential documents and benefits.

6,935

Beneficiaries in 2024

10,948

Total beneficiaries since inception

Support for heart treatment

Akshay Hemade, a 27 year-old from Pune, accessed the Ayushman Bharat Card through the Sangaath initiative. In October 2024, the scheme fully covered the expenses for his heart treatment, amounting to ₹2.5 lakh, thereby easing his family's financial burden.

Bringing healthcare to the doorstep

Kanu Lalubhai Patel, a 55-year-old from Moti Bhadol village, struggled with a chronic tongue ulcer caused by habitual tobacco chewing. The condition not only affected his health but also severely restricted his ability to open his mouth. A clinical examination at Schaeffler's Savli Mobile Health Unit (MHU) revealed an ulcer on the lateral border of his tongue, accompanied by significant submucosal fibrosis. He was promptly referred to Medical College Baroda, where a biopsy confirmed a cancerous ulcer. Currently undergoing treatment at Munisevashram Hospital, Kanu has received surgery and radiotherapy and is showing significant improvement. His wife expressed deep gratitude for the early diagnosis and timely medical intervention provided by the MHU, which played a crucial role in his treatment journey.



Social: Community



Occupational skill development projects

Actions and Impact

**STEP – Schaeffler Technical Enhancement Programme**

The STEP initiative provides technical education to underprivileged youth, with Schaeffler India contributing to the establishment of a state-of-the-art technical training centre for these students. The programme operates across Hosur, Pune and Vadodara.

The centre at Hosur conducts training for rural youth in CNC Turning, Milling and Mechatronics to empower them with skills to avail employment opportunities. At Pune, the centre equips youth with industry-aligned skills in CNC Programming, Simulation, Autotronics and Electric Vehicles. Besides, an upskilling programme at Government ITI, Gorwa, Vadodara, offers training to youth in Industry Fundamentals, Mechanical Maintenance and Mechatronics.

824

Youth trained in 2024

697

Youth placed in 2024

2,500

Youth trained since inception

2,081

Youth placed since inception

STEP – Empowering youth with future-ready skills

Schaeffler India, in partnership with Don Bosco Training Centre, launched the Schaeffler Technical Enhancement Programme (STEP) in Pune to equip disadvantaged youth with skills in EV maintenance. This six-month residential programme trains individuals aged 18-24 years in EV battery maintenance, auto electronics, and CNC programming. Graduates receive NSDC certification, opening doors to employment in leading automotive companies. Harsha Kadam, MD & CEO of Schaeffler India, emphasised the programme's role in promoting social inclusion and preparing India's workforce for the future of the automotive industry.

209

Students trained in 2024

STEP – Encouraging sustainable livelihood generation

Korivi Chandar Rao, 27, from Komatlagudem village, Telangana, left school in 2011 to support his family. In January 2024, he joined the CNC trade at Rasquinha Don Bosco STEP Centre, Chakan. Just six months later, he completed his training and secured a job as a CNC Operator Trainee at PSR Tooling, earning ₹17,500 per month. His journey exemplifies the transformative power of skill development.

Babu M, 27, from Mannarkudi, holds a Diploma in Electrical Engineering. Coming from an underprivileged background, he discovered the STEP Skill Training Centre through a friend and saw it as an opportunity to upskill. Enrolling in the CNC Machinist Course at STEP Hosur, he gained valuable programming and practical expertise. Today, he supports his family by working as an Operator at a renowned company, earning ₹30,000 per month.

Social: Community



Nitara Academy, Vadodara

NITARA Beauty Academy and Saloon provides training in beauty and wellness services to marginalised and differently-abled women, empowering them to engage in decent livelihoods.

Women Skill Development Project, Hosur

The project provides training to women from rural areas to become successful Sewing Machine Operators and Assistant Beauty Therapists and empowers them with entrepreneurial opportunities.

305

Women trained in 2024

1,526

Trained since inception



Entrepreneurial opportunity for women

Our CSR team focuses on promoting women-led social enterprises, offering financial support, mentorship and capacity-building programmes. Through these efforts, two rural women-run enterprises have been trained to create sustainable products like jute bags and river grass items for corporate gifting. One of them now serves as a registered vendor for packaging needs.

245

Women employed in 2024

1,141

Women placed since inception

Supporting women entrepreneurs through skill development

Latha, a resident of Mullai Nagar in Hosur, transformed her life by enrolling in a free Sewing Machine Operator (SMO) training course. She began offering sewing services from home to help support her family's income. Later, after receiving advanced training in river grass production, she joined nine other women to form Mullai Malar Enterprises. This initiative led to securing orders from corporate clients. Today, Latha earns between ₹6,000 and ₹8,000 per month, empowering her to support her family.



Earning a respectable livelihood through resilience and hard work

Maramma, a 30-year-old beautician from Hosur, is a resilient single parent who has faced numerous challenges in life. As a widow and mother of two, she enrolled in the Assistant Beauty Therapist course at the Women Skill Development Training Centre. After obtaining her NCVET certification and completing advanced beauty training, she now works at a beauty parlour and also offers home-based services. With a monthly income of ₹13,000 to ₹14,000, she effectively supports her family and ensures her children receive a quality education.



Social: Community



Preserving environment

Actions and impact



Promoting water stewardship with Jal Jeevika

The Jal Jeevika project in Dediapada, Gujarat, addresses low agricultural productivity caused by hilly terrain, poor soil and lack of water availability caused due to insufficient soil and moisture conservation measures. It focuses on natural resource management through soil and water conservation, efficient irrigation and promotes water stewardship to reduce distress migration.

4,254

Beneficiaries since inception

Uncovering potential for sustainable irrigation

In the remote village of Mal, Gujarat, access to sustainable irrigation was once a challenge, limiting agricultural potential and livelihoods. As part of the Jal Jeevika Project, a 5 HP solar-powered irrigation system was installed in September 2024, eliminating dependence on diesel engine pumps. It has transformed farming for a group of five farmers, including Ajma Devaliya Vasava, who now cultivates 12 acres of land with ease. Previously, they cultivated only maize and gram, relying on residual moisture and scarce irrigation. Today, with consistent water supply, they have diversified to vegetables, trellis-based crops and watermelons, earning an average income of ₹70,000 per year. This project has revitalised a disadvantaged community, bringing hope to farmers who once struggled against the odds.



Improving water security with Jal Sanghamam

In Madakkal panchayat, Tamil Nadu, the Jal Sanghamam project focuses on improving water security and enhancing livelihood through soil and water conservation techniques, livestock support and solar-powered water systems.

5,383

Beneficiaries since inception

Innovative solution for water management

In the picturesque village of Thimmanatti, Tamil Nadu, an innovative bridge-cum-culvert has transformed lives by addressing accessibility and water management challenges. Part of the Climate Proofing of Agriculture and Livelihood initiative, this dual-purpose structure allows water flow and storage while ensuring year-round connectivity. Flooding during monsoons had isolated the community, disrupting daily life. Completed in December 2024, the structure, with a 12,000-cubic-metre storage capacity, now benefits 150 households across five villages, including school students and livestock. More than infrastructure, this project is a lifeline—safeguarding water resources and ensuring accessibility. It underscores the impact of innovative, community-driven solutions in building a resilient and sustainable future.

Social: Community



193.84 million litres

Overall water harvesting capacity



1,045.08 Ha

Covered under soil conservation efforts



172,835

Tree saplings planted in 272.56 Ha of agricultural land



274.58 Ha

Land brought under critical irrigation



**Cleaner cooking, healthier
lives: Empowering women with
sustainable solutions**

In the aspirational district of Chattarpur, Madhya Pradesh, the project aims to reduce fuelwood consumption by 50% through the distribution of 8,290 improved cookstoves to poor and marginalised families residing near forests. The project intends to reduce 16,000 tonnes of CO₂ from the atmosphere by December 2025, by reducing indoor air pollution. Post-distribution surveys indicate that 80% of users experienced a 45-55% decrease in smoke, cooking time and fuel wood requirement.



Encouragement for agro-forestry

In the aspirational block of Surgana, Nashik, to promote sustainable livelihood, the agro forestry initiative aims to transform 404.7 hectares of degraded land into productive assets with saplings of horticulture and forestry. It targets reducing migration and sequestration of nearly 60,000 tonnes of CO₂ from the atmosphere over next 20 years. The project ensures biodiversity conservation and nutritional security.

168,000

Agro-horti-forestry plantation

2,400

Beneficiaries since inception

38,866

Beneficiaries since inception

Social: Community



Empowering society

Social Innovator Fellowship Programme

Our Social Innovator Fellowship Programme in India marked its third successful edition in 2024. The initiative is designed to empower young innovators aged 18-35, to create impactful solutions addressing critical sustainability challenges across six key areas:

Environmental Sustainability

Renewable Energy

Carbon Neutrality

Circular Economy

Natural Resource Management

Application of Technology

This year's programme invited applicants from premier institutions such as IITs, IIMs, NITs, non-profits and early-stage startups. Eligible individuals or teams underwent a rigorous selection process that included stringent evaluations and live prototype demonstrations. The Social Innovator Fellowship Programme embodies Schaeffler India's mission to inspire and support the next generation of innovators, ensuring a better future for both people and the planet.

276

Registrations

23

States

108

Qualified

78

Shortlisted

The top 10 exceptional projects were awarded a fellowship grant of ₹1.5 lakh each, along with a 24-week hybrid mentorship at IIMA Ventures (formerly IIMA-CIIE), the startup incubator of the Indian Institute of Management, Ahmedabad. Additionally, winners gained access to Schaeffler India's robust network of industry partners and fellow innovators.

Success follows our 'Social Innovators'

Advocating sustainable agri-food systems for a better tomorrow

Siddhesh Sakore, founder of Agro Rangers, a participant in Schaeffler India Social Innovator Fellowship Programme 2023-24, achieved remarkable recognition. He was named a 'Land Hero' by the United Nations Convention to Combat Desertification (UNCCD) on World Desertification and Drought Day for his contributions to natural farming and waste management. As part of UNCCD's 30th anniversary celebrations, Siddhesh was one of only 10 individuals globally recognised for their efforts against desertification and land degradation. He also delivered the opening speech for Civil Society Organizations at COP 16, emphasising the importance of sustainable agri-food systems.



Innovative AI-driven solutions for deaf and speech-impaired

Aishwarya Karnataki, co-founder of Glovatrix, a Schaeffler India Social Innovator and an Electronics Engineer, is dedicated to empowering the deaf and speech-impaired community through AI-driven solutions. Under her leadership, Glovatrix has raised over ₹1 crore in equity-free grants and prize money, earning recognition from organizations like the UN, IITs, IIMs, Boeing and Shell Petroleum. Recently, the startup won the global 'She Loves Tech' award in Singapore.



Social: Community



Schaeffler India HOPE Engineering Scholarship and Mentorship Programme

HOPE Engineering Scholarship Programme supports talented female students, prioritising PWD candidates from economically disadvantaged families to pursue engineering. The programme selects students from across India through multi-stage selection process. These students, hailing from various small towns and villages, belong to families of farmers, daily wage labourers, retired servicemen, etc.

The programme helped selected students to benefit from mentorship opportunities provided by employees of Schaeffler India.

95

Scholars in 2024

210

Mentorship sessions conducted

33

Employees mentored in 2024

Schaeffler India Limited

Overcoming hurdles with determination

Life has tested Madiha Naaz, a 17-year-old from Nizamabad, Telangana, with numerous challenges, including physical limitations and financial constraints. Growing up in a family of seven with limited resources, she remained steadfast in her determination to achieve her dreams.

Despite feeling excluded from physical activities at school, Madiha excelled academically, graduating with top grades from Sri Shirdi Sai Mahila Junior College. When financial hurdles threatened her ambition of becoming a software engineer, the Schaeffler India Hope Scholarship became her turning point, enabling her to pursue a B.Tech in Computer Science at Kakatiya Institute of Technology & Science for Women (2024-28 batch).

Now, she is focused on honing her coding and communication skills, with aspirations of earning an M.Tech and building a career with a reputed organization. More importantly, Madiha dreams of giving back to society by empowering others facing similar challenges, proving that resilience and the right support can turn adversity into success.



Pre-vocational education programme

A vocational education initiative designed to provide middle school students from rural areas exposure to a wide range of practical skills across various technical fields. It aims to equip them with basic knowledge of vocational training or entrepreneurship opportunities, often with a focus on community-based projects and hands-on learning. We cover nine schools under this programme.

₹4,75,649

Revenue generated by students through community services

3,804

Sessions conducted

1,985

Beneficiaries in 2024

Social: Community

Empowering children with STEM education

Students at Shri Bhairavnath Vidyalaya, Maval (a pre-vocational education school) addressed a local farming challenge by developing an innovative paddy threshing machine. Built using sustainable materials for just 4,000, the project provided hands-on experience in engineering and fabrication while directly benefitting farmers. Their innovation earned first prizes at Technovation and the AIC Pinnacle Entrepreneurship Forum in 2024. Now, the team is refining the design using SolidWorks and competing in Dassault Systems' national competition. This initiative highlights how vocational education empowers students to tackle real-world challenges while gaining valuable technical skills.



Mahida Krupalshih Sukhdevshih is an eighth-grade student at Ranjitnagar Primary School. His father is a farmer, and his mother manages the household. Mahida aspires to become a teacher. However, living in a small, underdeveloped village in Gujarat presents several academic challenges. The lack of educational resources makes learning difficult, particularly in subjects like science and mathematics. Fortunately, Agastya's innovative approach to learning has helped him grasp complex concepts. With Agastya's guidance, Mahida is gaining the skills and confidence needed to realise his dream.



Social: Community



School infrastructure development work

In three primary schools of Madakkal Panchayat, Krishnagiri district, located 80+ km from the city, around 119 students faced severe sanitation challenges, often missing classes due to inadequate toilet facilities. To address this, we constructed new toilet blocks with running water facilities and improved overall school infrastructure, creating a healthier learning environment at Manjugiri, Madakkal and Gollapalli Primary Schools.



Enhancing quality of education

School Level	Focus	Initiatives
Primary	Literacy skills	Lok Vidyalyaya
		Mook Dhvani
		Solar electrification
Middle and High School	STEM education and life skills	Mobile Science Lab
		Pre-vocational
		Mook Dhvani
		Lok Vidyalyaya
Higher secondary and engineering	Scholarship and mentoring	Scholarship and Mentoring
		Social Innovation and Fellowship

Employee volunteering

At Schaeffler India, we encourage our employees to dedicate their time and expertise to create a meaningful social impact. Through organised volunteering initiatives, Schaeffler employees participate in various community development activities. These activities include educational mentoring, skill development, and environmental conservation, all of which demonstrate their commitment to giving back to society.

Activities

Tree Plantation Drives | Scholars Mentorship Programme | Knowledge Sharing Sessions | Making Solar Study Lamp | Health Camps | Social Innovation Program | Sessions with School Students | Mega Science Fair

185

Employees participated

1,273

Hours devoted

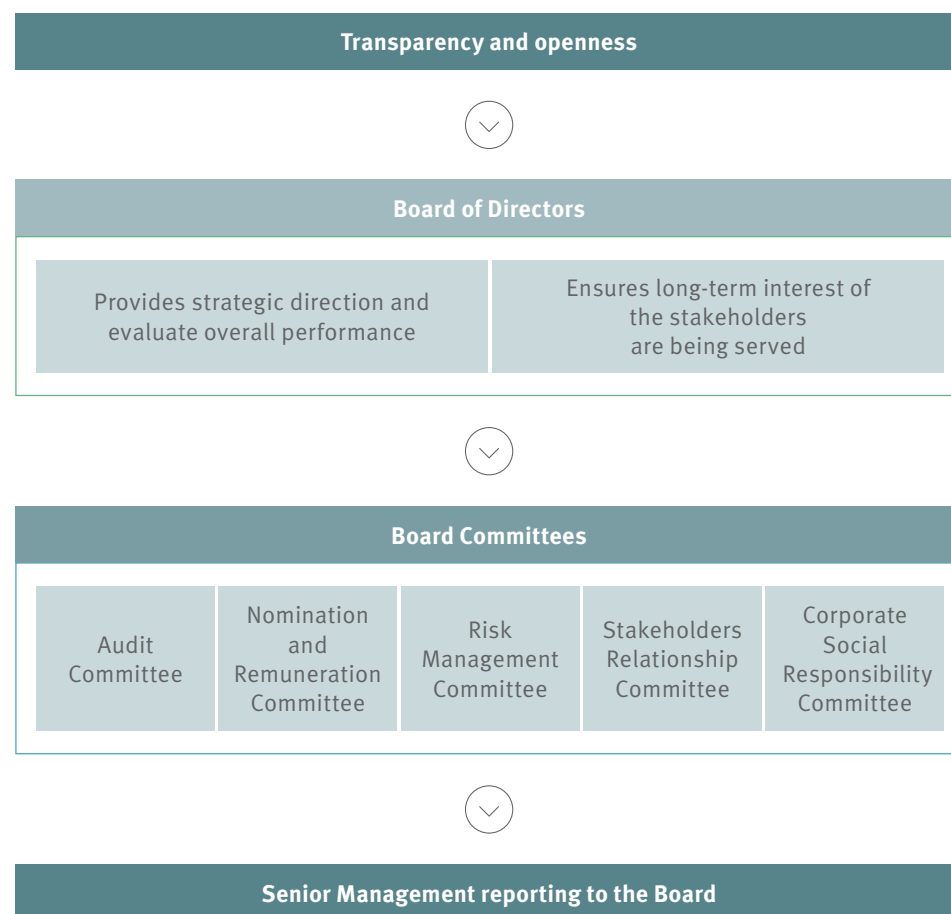


Governance

Ensuring transparency and accountability

We adhere to the highest standards of corporate governance to ensure ethical conduct, integrity, transparency, and accountability throughout the organization. This approach allows us to maintain oversight, identify risks, and enhance value for all stakeholders.

Corporate Governance framework



Board diversity

4

Independent Board Members

Chairperson – Non-Executive Independent

44.4%

2

Female Board Members

22.2%

5

Non-Independent Board Members

55.6%

54 years

Average median age of Board Members

Board Meeting Details

Board Meetings	Board Members	Attendance	
		Total Members	Independent Members
February 16, 2024			
March 22, 2024			
April 25, 2024			
July 23, 2024			
October 23, 2024			
December 19, 2024			

Governance

Enabling comprehensive value creation

1

Rights and equitable treatment of shareholders

Communication with shareholders

- Shareholders are provided with an opportunity to participate, raise questions, and vote/electronically vote (in person/through proxies) in Shareholder meetings.
- Shareholders are adequately informed about declaration and payment of Dividend, TDS on dividend, transfer to IEPF, Demat, KYC updation, financial results, highlights of the financial results, etc.

Related Party Transactions

- All Related Party Transactions are approved by the Audit Committee and Material Related Party Transactions are approved by the Shareholders, as per the regulatory requirements.
- Certificate from an Independent Auditor (Transfer Pricing Auditors) to the effect that the Related Party Transactions entered into by the Company are in the Ordinary Course of business and on Arm's Length basis, is obtained on a half yearly basis.

- Relevant disclosures are made to the Stock Exchanges on a timely basis.

Shareholder's Handbook

- The Shareholders' Handbook aims to inform shareholders about their rights, standard procedures and documentation requirements. It serves as an informal guide.
- The Shareholders handbook is updated from time to time with recent amendments in the regulations, and is available on the website of the Company at <https://www.schaeffler.co.in/en/investor-relations/disclosures/other-disclosures/>.

Conflict of interest

- Policies and procedures are in place to disclose and avoid conflicts of interest involving Directors, Employees and Related Parties which helps prevent situations where Shareholders' interests are compromised for personal gain. Annual affirmation is obtained from all the Directors and Senior Management in this regard.

2

The role of stakeholders in corporate governance

Stakeholder engagement

- We acknowledge stakeholders' rights as defined by law or mutual agreements and promote active collaboration to build a sustainable organization. We engage with internal and external stakeholders to develop our materiality matrix and define ESG governance factors.

 Please refer to the detailed BRSR on page 109

Supplier management

- Schaeffler prioritises sustainability by managing ecological, social, and economic impacts within its supplier network. Recognising challenges like climate change and resource scarcity, the Company aims to achieve climate-neutral supply chains by 2040 through strengthened collaboration with suppliers and promoting sustainable practices in their own organizations.

Employee welfare

- Our business performance is a result of the dedication and passion of our employees. We focus on

improving their well-being through our 'We Care, We Act' initiative.

- Employee townhalls and employee pulse surveys are conducted to improve employee participation in business and governance.

Investor engagement

- We believe in transparent communication with our Shareholders and communicate with them periodically.
- We interact with investors through Analyst/investor calls on a periodical basis.
- We organize the plant visits on timely intervals. The plant visits allow Shareholders to see the operations of the Company and is an opportunity for direct engagement with the Company management.

Whistle-blower Policy

- A Whistle-blower Policy is in place for stakeholders to raise concerns regarding violations and potential violations of our code of conduct and applicable laws without any fear of retaliation.

Governance

3

Disclosures and transparency

Ownership structure

- Shareholding structure (Schaeffler Group: 74.13%, Public shareholding: 25.87%) is disclosed to the Stock Exchanges through quarterly filings, Annual Report and to the RBI as per the regulatory requirements. The Shareholder base has increased by ~6,000 Shareholders from last year with ~77,000 Shareholders as of FY24.

Financial and non-financial disclosures

- The Unaudited Financial Results are published on a quarterly basis and the Audited Financial results are published on an annual basis.
- Important highlights about the Financials are informed to Shareholders on quarterly basis through e-mail.
- Policies focusing on highest standards of Corporate Governance, such as Whistle-blower, Insider Trading, Nomination and Remuneration, Risk Management, Dividend distribution policy etc. are published on the Company website.

- Information on the remuneration of board members and key executives is published in the Annual Report.
- Material Related Party Transactions are disclosed with business rationale in the Annual Report.
- All the Company policies are available on the Company website at <https://www.schaeffler.co.in/en/investor-relations/corporate-governance/codes-and-policies/>

Company filings and quarterly disclosures

- We prioritise transparent communication and timely dissemination of information to all stakeholders, fulfilling our statutory obligations and filings promptly to uphold accountability and trust.
- Video recording and transcript of the Shareholders meetings held virtually are made available on the Company website at <https://www.schaeffler.co.in/en/investor-relations/financials/conference-call-transcripts/>.

- Public announcements, press release, investor presentation, audio recordings and transcripts of analyst calls are filed with the Stock Exchanges and also made available on the Company website for the investors' view.

Risk management

- Robust risk management process and framework which identifies, assesses, monitors, and reports risks that impact our business, e.g. financial, operational, sectoral, ESG, strategy, cybersecurity risks are evaluated and measures for Risk mitigations are formulated as per the Risk Management Policy of the Company.
- Risk Management Policy consisting Risk Framework is available on the Company website at <https://www.schaeffler.co.in/en/investor-relations/corporate-governance/codes-and-policies/>.

Transparent and objective disclosures

- Annual audit is conducted by an independent, competent and qualified auditor in accordance with high-quality auditing standards to provide an external and objective assurance to the Board and Shareholders about the Financial Statements.
- Structured evaluation criteria are in place for selecting of Statutory Auditors, which cover various aspects such as performance, independence, integrity, quality, skillset and experience amongst others.
- The Audit Committee reviews the statutory auditors' performance and related aspects on a yearly basis.

Dividends and payout policies

- Dividend Distribution Policy is in place to guide our dividend distribution every Financial Year. The Company endeavour to consider a total dividend payout ratio in the range of 30% to 50% of the annual Standalone PAT during the year, as mentioned in the published Dividend Distribution Policy of the Company.

Governance

4

Responsibilities of the Board and Committees

Board as a trustee

- The Board consists of distinguished professionals with diverse skills and experiences. It operates with complete information, good faith, due diligence and care, always prioritising the best interests of the Company and its shareholders. The Board exercises independent and objective judgement in corporate matters.
- As a good governance practice and to strengthen the independence of the Board, the role of Chief Executive Officer and the Chairperson are separated.
- Independent Directors hold separate meeting, without Executive Directors or senior company executives, to evaluate the Company's and the Board's overall performance.
- The Board reviews and provide guidance on corporate strategy, major plans of action, corporate governance, compliance framework, risk management policies and procedures, annual budgets and business plans. The Board sets performance objectives, monitors its implementation and corporate performance.

Board and committee composition

- 5 (Five) Board-level committees have adopted charters defining the roles and duties of each committee to support the Board in performing its functions.
- Committee mandate, composition and working procedures are well defined by the Board based on the specific skill requirements of each committee.

Performance review

- The Board regularly carries out evaluation to appraise its performance and assess whether it possesses the right mix of background and competences. The familiarisation and training programmes for Directors are conducted from time to time.
- The Nomination and Remuneration Committee, along with the Board, conducts performance evaluations for the Board of Directors, its committees and individual directors.

- The Board annually assesses the independence, integrity, expertise, and experience of Independent Directors to ensure these standards are met.

Succession planning

- The Board reviews and approves the adequacy of the Company's policies, plans and procedures concerning succession planning in accordance with the recommendation of the Nomination and Remuneration Committee.



Board of Directors

Guided by excellence and expertise

3.7 years

Average tenure
on Board

3.8 years

Average tenure
of Independent
Directors on Board



E. V. Sumithasri
Chairperson and Independent Director

SRC AC NRC RMC

Age

52 years

Qualification

- Master's degree in Computer Science and Engineering from University of Connecticut, USA
- Bachelor's degree in Computer Science from Visvesvaraya College of Engineering, India

Experience

30 years

Shareholding in Schaeffler India

50 Equity Shares



Arvind Balaji
Independent Director

CSR AC NRC

50 years

- Bachelor's degree in Mechanical Engineering from BITS Pilani
- Master's degree in Manufacturing System Engineering from Stanford University
- MBA in Finance from Wharton School, University of Pennsylvania

28 years

Nil



Amit Kalyani
Independent Director

NRC AC CSR

49 years

- Bachelor's degree in Mechanical Engineering from Bucknell University, Pennsylvania, USA
- Harvard Business School OPM graduate

28 years

Nil

SRC Stakeholders Relationship Committee

AC Audit Committee

NRC Nomination & Remuneration Committee

RMC Risk Management Committee

CSR Corporate Social Responsibility Committee

Chairperson

Member

Board of Directors



N. V. Sivakumar
Independent Director

AC CSR NRC

Age

61 years

Qualification

- Chartered Accountant from Institute of Chartered Accountants of India
- Bachelor of Commerce from Loyola Academy Secunderabad, India

Experience

40 years

Shareholding in Schaeffler India

Nil



Jens Schüler
Non-Executive Non-Independent Director

RMC CSR

49 years

- Economist from the Johannes Gutenberg University Mainz

22 years

Nil



Andreas Schick
Non-Executive Non-Independent Director

RMC AC

54 years

- Automotive Engineering at the University of Munich

30 years

Nil

SRC Stakeholders Relationship Committee

AC Audit Committee

NRC Nomination & Remuneration Committee

RMC Risk Management Committee

CSR Corporate Social Responsibility Committee

Chairperson

Member

Board of Directors



Dharmesh Arora

Non-Executive Non-Independent Director

RMC NRC

Age

58 years

Qualification

- Bachelor's degree in Mechanical Engineering from University of Mumbai
- TRIUM Global Executive MBA degree from NYU Stern School of Business
- London School of Economics and HEC Paris

Experience

36 years

Shareholding in Schaeffler India

Nil



Harsha Kadam

Managing Director & CEO

RMC CSR SRC

59 years

- Bachelor's degree in Mechanical Engineering from Bangalore University
- Diploma in Finance and Marketing, IGNOU
- Executive Development course in Marketing, IIM Bangalore
- Executive Management Programme from National University of Singapore

37 years

500 Equity Shares



Hardevi Vazirani

Director – Finance & CFO

AC RMC SRC

57 years

- Bachelor of Commerce degree from MS University, Vadodara
- Diploma in Business Management from ICFAI, Hyderabad
- Diploma in Computer Studies from NCC UK
- Management Programs from INSEAD, IIM Bangalore
- Certified Accounting Specialist, from Accovalist Institute, Germany

34 years

Nil

SRC Stakeholders Relationship Committee

AC Audit Committee

NRC Nomination & Remuneration Committee

RMC Risk Management Committee

CSR Corporate Social Responsibility Committee

Chairperson

Member

Executive leadership team

Steering our way forward



Vinod Acharya
Purchasing

Shibi Mathew
Human Resources and CSR

Sharad Bhatia
Vehicle Lifetime Solutions

Sameer Mathur
Chief Operating Officer

Hardevi Vazirani
Director – Finance & CFO

Harsha Kadam
Managing Director & CEO

Viswanathan Sambasivam
Powertrain & Chassis

Seshan Iyer
Bearings & Industrial Solutions

Madhurisha Vippatoori
Chief Technology Officer

Omkar Kulkarni
E-Mobility

Risk management

Strengthening resilience

Overview

Schaeffler India actively takes calculated business risks to achieve its corporate objectives and implement its strategy. We have a comprehensive Risk Management System (RMS) that ensures timely risk identification, evaluation and analysis of mitigation plans, as well as the identification of improvement areas to minimise any negative impact on our operations.

Our risk categories encompass strategic, operational, legal, financial and ESG-related risks, which are integrated into our catalog. Risks are reviewed every six months, with significant updates made regularly. Additionally, opportunities are considered in our risk identification process.

Organization and assessment

The Risk Management System (RMS) is overseen by the Board of Directors and is supported by the Risk Management Committee (RMC), which is constituted according to the provisions of the Companies Act. The details of the RMS are outlined in a risk management guideline that is accessible to employees responsible for risk management and is mandatory for them to follow. This guideline includes a description of the risk management process, allocation of responsibilities, and the structure for risk assessment and reporting.

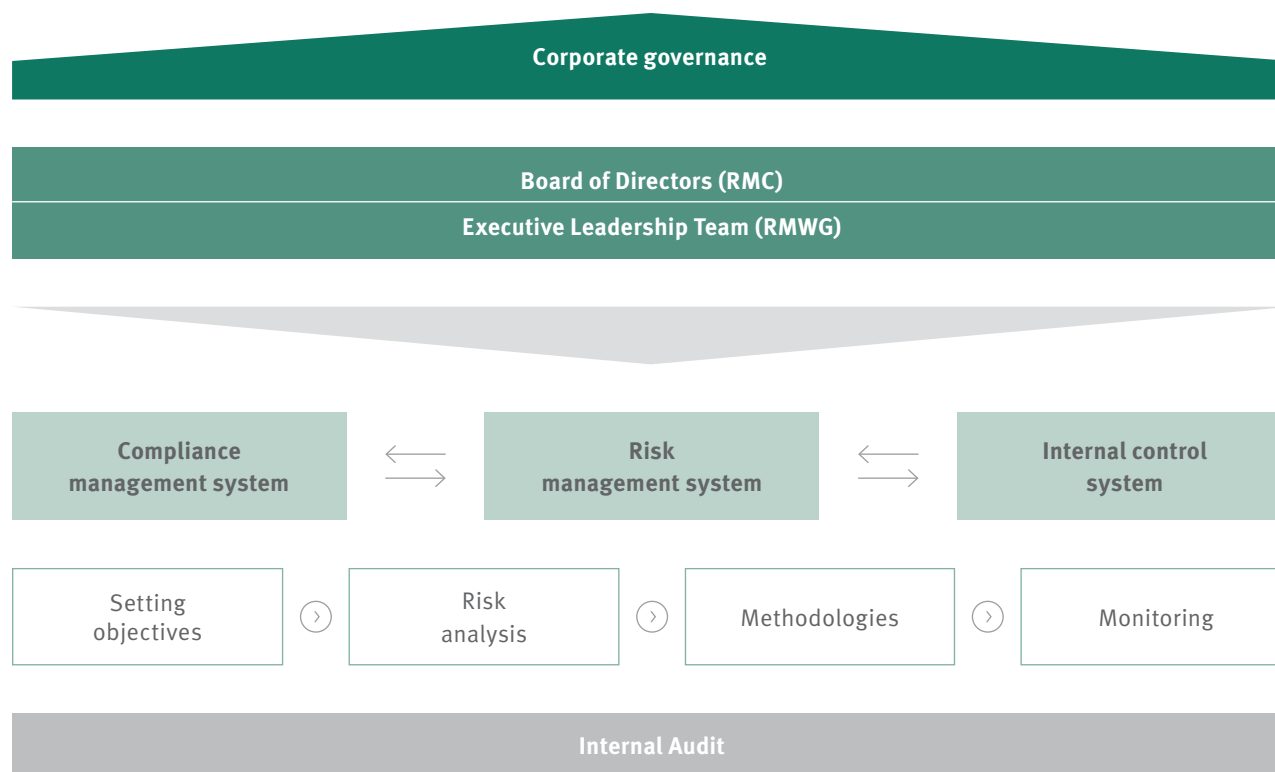
Under the guidance of the RMC, the Risk Management Working Group (RMWG) operates as a bridge between various functions and divisions of Schaeffler India and the RMC of Schaeffler India's Board. The RMWG monitors, reviews, and facilitates the effective implementation of risk management at Schaeffler India while also providing valuable feedback to the RMC.

Risk assessment is conducted in a hierarchical format using a bottom-up approach. The process owner for each risk area evaluates the risk, assesses its potential impact on the Company's earnings and assets, and reviews the risks in relation to the budget. The process owner also outlines the existing mitigation plans aimed at offsetting any adverse effects. If these plans are deemed insufficient, additional measures are

identified for implementation. The RMWG analyses the risk assessments and offers input to further protect the Company's assets.

A value-added report is created by the RMWG and presented to the RMC for review. The RMC then provides a report to the Board of Directors, ensuring that they are kept updated on the current risk situation of the Company.

Risk management: An important constituent of Corporate Governance



Risk management

Prelude

- At Schaeffler India Limited (SIL), **Risk Management** is an integral part of its governance structure
- SIL is exposed to many **potential risks** that can adversely affect its business operations
- Risk Management System (RMS) **identifies** these risks on a timely basis and manage them in accordance with its risk strategy
- Identification and monitoring of risk factors **increases risk awareness** and ensures continuous **improvement process**
- SIL's continued existence as a **going concern** is addressed to by the implementation of RMS

The Risk Management System (RMS) also takes place in conjunction with the Internal Control System and Compliance Management Systems. Risks are identified and managed in their environment. The controlling function, in which the planning and forecasting process risks are reflected, plays an important role.

Strategy and objective

The Board of Directors of Schaeffler India has established and approved the company's risk management strategy. Schaeffler India takes calculated business risks in a prudent manner to achieve its strategic objectives and capitalise on related opportunities. Generally, business success depends on the ability to seize opportunities while also recognizing, assessing, and managing risks at an early stage.

Schaeffler India's risk strategy provides a framework for determining which risks should be avoided and which can be maximally accepted. According to this strategy, each employee is responsible for entering into and managing business risks responsibly within their assigned area.

Additionally, it is essential to identify risks that could jeopardise Schaeffler India's ongoing viability at an early stage. The early warning system, part of the risk management framework, aims to promptly communicate identified risks and their impact on the Company's net assets and financial position. Consequently, the early warning system is reflected in ad hoc reporting, which requires that identified risks be reported immediately by the risk owner.

The objective of the risk management policy is to define the key goals of risk management, serving as the foundation for an effective and appropriate risk management system for Schaeffler India. In addition, the key objectives highlighted are as follows:

1. The aim is to ensure that risks that could jeopardise the continued existence of the company are identified at an early stage and that appropriate measures are taken to mitigate them.
2. To establish Risk Management Policy based on the existing Risk Management strategy for the Company's risk management process and to ensure its implementation.

3. To ensure that all the current and future material risk exposures of the Company are identified, assessed, quantified, appropriately mitigated, monitored and reported i.e. to ensure adequate systems for risk management.
4. To enable compliance with appropriate regulations, wherever applicable, through the adoption of best practices.



Risk management

Risk management policy

Risk assessment employs a two-dimensional approach that evaluates potential annual damage and the likelihood of occurrence. Risks are classified as very low, low, medium, or high based on damage, while probability is categorised as improbable, possible, probable, or highly probable.

The combination of damage and probability determines an overall risk class—very low, low, medium, or high—impacting net assets, financial position, and earnings. Each risk is assessed in two stages: before and after implementing mitigation measures, referred to as gross and net valuation. Risks are then assigned to classes based on net valuation using a risk matrix.



Risk assessment: Done with two-dimensional approach; amount of damage and probability of damage.

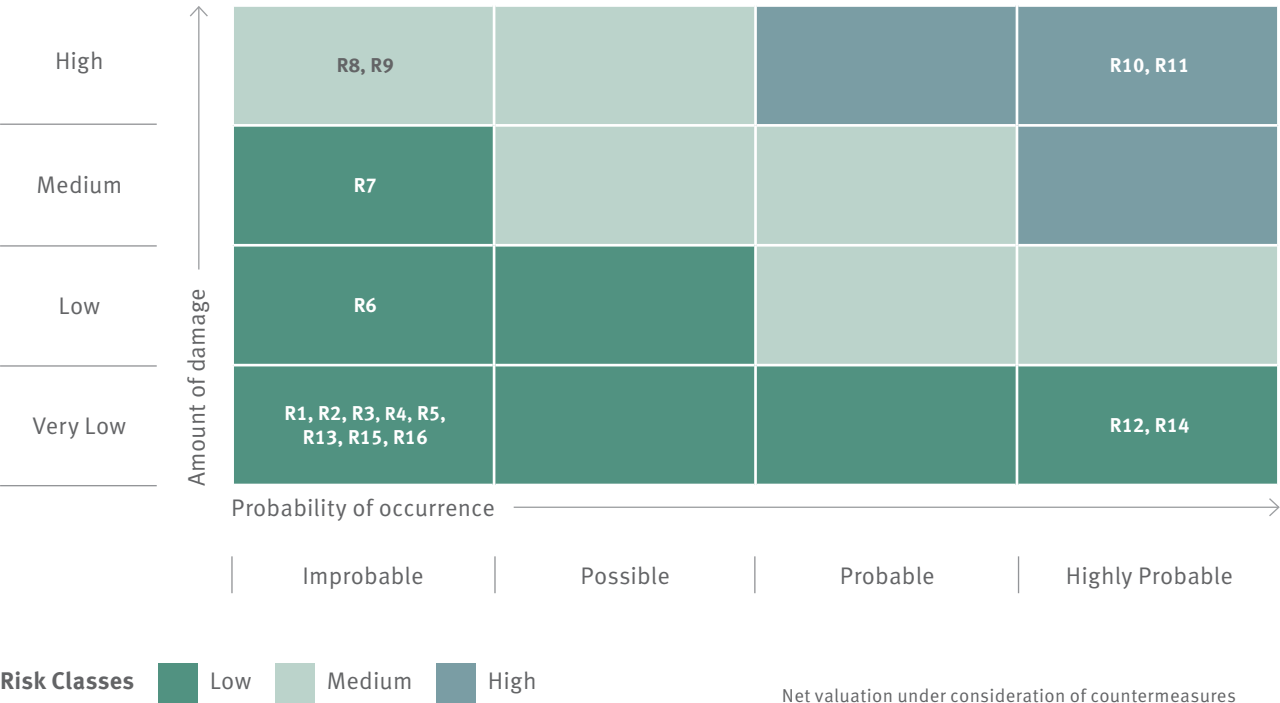
Amount of damage

- Implies financial impact each risk is likely to have on assets and/or earnings of the Company

Probability of damage

- Implies likelihood of each risk to impact the assets and/or earnings of the Company

Risk matrix



Risk management

Classification of risks

Risks are divided into strategic, operating, legal and financial risks and are described in decreasing order of the magnitude of their impact on the next assets, financial position and earnings of the Company.

Operational risks

The key operational risks of the Company are listed below:

Key risks	Mitigation measures
R1. Production Low ↗ The Company's capital-intensive manufacturing facility has a high proportion of fixed costs. As a result, reduced plant capacity utilization leads to under-absorption of costs, adversely affecting earnings. Additionally, force majeure events can cause production and supply chain delays, hindering the ability to meet market demand. Any delay in finding an alternative source after a plant failure could negatively impact the Company's net assets and financial position.	The Company regularly reviews market conditions and adjusts its production plan accordingly. If needed, alternative sources can be utilised from other plants within the Schaeffler Group. To reduce the likelihood of unplanned interruptions, the Company implements extensive fire prevention measures. Additionally, several cost containment strategies have been identified and applied to address material and process costs.
R2. Information Technology (IT) Low ↗ The importance of the IT systems utilised across various functions in the Company is growing. The operability of business processes and, therefore, the continuity of operations depend on the availability of IT systems. Three protection targets – confidentiality, integrity, and availability – steer the Company's IT security management and protection of data and IT systems. Unauthorised access to IT systems, modification and misappropriation of sensitive business data could have an impact on the Company's net assets, financial position and earnings.	The Company maintains the highest standards for its IT security systems and continually upgrades its IT security infrastructure. It provides education and training for employees on IT security best practices and the necessary precautions to protect the IT infrastructure and business data from potential risks. The Company also implements redundancy in its IT systems, including data backups on virtual servers and fire- and waterproof cabinets, as well as in its network infrastructure through secondary network lines. These measures help mitigate the risk of data and process unavailability.
R3. Human resource Low ↘ Staff shortage Scarcity/less availability of specific talent with right cultural fit. Also, critical talent retention can be a challenge in the backdrop of Talent War impacting the organization in the exploited market scenario.	Retention and engagement measures are crucial for reducing risk. We are implementing an effective recruiting model designed to attract talent, accelerate the hiring process, enhance employee experience, and improve the quality of responses. We are also reviewing our compensation and reward policies through transparent, market-driven approaches. Additionally, upskilling and diversity and inclusion programmes will help us build a high-quality workforce.

■ Risk class ↗ Increased ↘ Reduced → Unchanged

Risk management

Key risks

Mitigation measures

R4. Product piracy

Low



Counterfeiting will adversely affect our brand image and lead to reduction in projected sales volume. Most of the products selling by counterfeiters are regular standard products with trademark violation. Market investigations are in process to identify the counterfeiters and follow up action. Schaeffler India's product brands (LuK, INA and FAG) are very popular and associated with high standards of quality, durability and reliability. This makes the brands increasingly susceptible to product piracy.

We protect our intellectual property. We continue to engrave special markings on our products, making it difficult to counterfeit. Our Company follows a strict vigilance process to ensure timely detection of counterfeiting instances and initiation of legal actions against the guilty. This is done in association with law enforcement agencies. Moreover, digital anti-counterfeit app is regularly upgraded to support these initiatives. We evaluate other technology-driven initiatives on an ongoing basis to overcome this risk. We also conduct awareness and engagement activities with our distributors.

R5. Climate change-related

Low



Extreme weather and climate change significantly impact businesses by damaging buildings and infrastructure, disrupting production and logistics, and affecting energy supply. These conditions can lead to the loss of suppliers, changes in the availability and quality of raw materials, and diminished employee performance. Business interruptions and damage to assets, including inventories, can result from flooding, storms, drought, and other severe weather events.

A technical assessment of the location was conducted using SwissRe's 'Risk Data & Services' (RDS) database, evaluating the severity and likelihood of potential risks. To mitigate these risks, measures such as installing lightning arrestors, increasing water tank capacity, rainwater harvesting, designing drainage systems and conducting building stability checks have been implemented. Additionally, some processes have been relocated to lower-risk areas, along with the establishment of emergency and contingency strategies.

R6. Procurement

Low



Procurement risks arise mainly due to raw materials price fluctuations, especially prices of energy and steel, ability of suppliers to deliver quality products in time. Adverse fluctuations in market prices and/or supplier's financial distress could have an impact on the Company's financial position and earnings. There is constant threat emanating from global supply chain disruptions and import restrictions due to EXIM policy amendments.

The Company ensures an optimal supply of goods and services, focusing on quality, cost and delivery performance. Multiple product sourcing and localisation options are continuously explored. By negotiating prices and utilising economic synergies, the Company is largely able to obtain competitive prices. The Company keeps a close watch on supplier operations by deploying dedicated personnel to perform quality checks for early signs of distress and be able to intervene to secure its interests. Forward buying option is undertaken in selected cases.

R7. Delivery performance

Low



Consistently delivering high-quality products on time is essential for building trust with customers. Ongoing improvements in production and delivery logistics enhance this competitive edge. However, factors that affect delivery performance can lead to lost sales and higher logistics costs. Frequent delays may drive customers to competitors, resulting in a loss of market share.

The Company has high-performance distribution centres to improve market supply and delivery performance, with strategic logistics locations. Components sourcing options and capacity of critical production lines are also being enhanced. The accuracy of forecasting market demands, alternate sourcing and localisation are few measures that ensure timely delivery performance.

Risk management

Key risks

Mitigation measures

R8. Fire

Medium



Fire risk assessment is done to identify potential fire hazards in a workplace and evaluates the risk they pose. The goal is to prevent fires from starting and to ensure that people can safely evacuate if one occurs. Production stoppage most likely due to fire. But the probability of fire is very remote as establishment of effective safety management monitoring on daily basis.

To assess fire risk, particularly at plants and warehouses, we use the KPI Fire Protection tool. The tool has five evaluation criteria, viz. structural fire protection, organizational fire protection, technical fire protection, defensive fire protection, and fire protection officer. Evaluation and assessment of these KPIs are carried out at regular intervals. Additionally, we have other regular measures in place, such as all facilities being well-equipped with firefighting equipment, fire detection devices, etc. We have a Crisis Management team with on-site emergency plans in place. All our facilities regularly undergo safety audits by external and internal agencies.

R9. Compliance

Medium



As a Company with operations at different locations, it must comply with laws and regulations across the country. It is possible that violations of any existing law occur, despite careful observance of such legal requirements.

The Company has in place a comprehensive Compliance Management System, wherein laws and regulations applicable to the Company are mapped. Each compliance requirement is mapped to relevant process owner. The system sends alerts and reminders to each such process owner to enable him to comply with the requirements in a timely manner. Your Company's management regularly reviews a comprehensive compliance report. The system is also updated regularly to capture regulatory changes and amendments.

R10. Loss of market share

High



We face competition in every field of our operations. As a result, we are exposed to dual risk of either being displaced by existing or new competitors or its products being replaced by product innovations or new technological features. Customer dissatisfaction on price, quality, delivery performance and design could lead to loss of market share. Risk of sales loss due to market driven factors leading to reduction in overall production demand.

We ensure close cooperation with our key customers on product development. It has implemented strict product quality controls to reduce the likelihood of substitution. We are developing products, which will help us to step up the value chain from components to systems. Some of the measures include efficient contract management, identifying new opportunities and expanding our local footprint to comply with local content requirements under the 'Make in India' programme of the Indian government.

Risk management

Key risks

Mitigation measures

R11. Market developments

High



As the Company is a supplier in the automotive and industrial sectors, demand for the Company's products is, to a large extent, driven by macro-economic conditions and related cyclical fluctuation. Besides these, in the Automotive OEM division, demand is also affected by changes in consumption patterns, fuel/commodity prices, availability of key components, interest rate levels and so on. Cumulatively, these factors lead to significant volatility in automobile production. Sales in Industrial division is spread across diversified business fields and risk in one sector can be offset by opportunity in another sectors. A change in forecasted market trends could have an impact on the net assets, financial position and the earnings of both Automotive and Industrial markets.

Markets are analysed on an ongoing basis to detect changes in market structure or regulations early on. The Company effectively manages financial performance through cost efficiency, operational efficiency and price excellence programmes. New business opportunities are continuously sought after to overcome current market dynamics.

R12. Warranty and liability

Low



One of the significant factor in customer decision to purchase the products offered by the Schaeffler is quality. We employ a certified quality management system besides continuously striving to improve quality processes. However, there is a risk that poor quality products get delivered. Usage of defective parts can lead to damages, unplanned repairs or recall on the part of customer which can result in liability claim or reputational damage. Furthermore, this may result in increase in warranty & liability risk.

The Company responds to such risks by adopting strict quality control measures and continually improving its production processes to minimise the probability of warranty and liability risks materialising. Adherence to quality standards is strictly implemented. All product and recall liability risks are insured.

R13. Information or cybersecurity

Low



The ongoing threat of cyber attacks is a significant concern for organizations in today's digital landscape. Cybersecurity remains a crucial focus for the company, and we invest substantial resources to safeguard our computer systems, software, and networks. However, despite these efforts, cyber attacks can still threaten our intellectual property and that of our business partners. With the increasing frequency and sophistication of these attacks, we cannot entirely eliminate the risk, which could impact the Company's assets, financial position and earnings.

Cybersecurity initiatives have been implemented to mitigate potential incremental security threats from possible security risk exposures. The Company has reinforced and scaled up the internal environment to ensure the network is secured and healthy. Procedures and other IT security specifications supplement the information security regulations of the Company. Several technical measures have been established for any illegal intrusions and to mitigate the risk of cyber-attacks and secure data thefts which also includes monitoring the networks for cyber threats through the Security Operations Centre (SOC) to detect and respond to cybersecurity events. We will continuously buttress our cybersecurity defences and place responsible guidelines along with security controls to strengthen our security roadmap in managing risks in data, IT systems and cybersecurity across the Group businesses.

Risk management

Financial risks

The key financial risks of the Company are listed below:

Key risks	Mitigation measures
R14. Tax Low ↘ Your Company is subject to tax audits. Tax authority’s interpretation of the tax law or of relevant facts made in current or future tax audits may differ from that of the Company. This may lead to adjustments to tax base and increase in the tax liabilities. An additional tax payment because of an adjustment to the tax base may impact on the Company’s financial position.	The Company extensively evaluates Corporate Tax & International Tax laws, both internally and with external tax experts, before implementing those in the Company. The implementation strategy is well documented, reviewed periodically and amended as necessary.
R15. Currency Low ↘ The Company is exposed to currency risks due to its cross-border transactions. The largest currency risks from operations result from fluctuations in the USD and Euro exchange rates.	Your Company has INR as the inter-company invoicing currency with German entities. This leads to a substantial reduction in its foreign exchange exposure and nullifies currency volatility impact. Additionally, the Company has a structured hedging strategy to counter currency risks. The strategy is followed consistently and reviewed periodically. The Company monitors overall FX development closely and revisit its FX strategy on a periodic basis. Sensitivity analysis is one of the measures used to mitigate risk.
R16. Pension Low → Your Company has pension obligations towards its employees. Such obligations are measured using actuarial valuation based on assumptions with respect to the discount rate, increases in personnel payments and statistical life expectancy. Planned assets are invested with external agencies, which are subject to fluctuations in value. A change in these parameters could have an impact on the Company’s net assets.	The Company uses the government bond rate as a discount rate and invests in a pension fund with a Government of India enterprise (LIC). Quarterly actuarial valuation is carried out, adequate provisions are established in books of accounts and annually funds are appropriately transferred to LIC.

Awards

Celebrating achievements

Best Supplier Award from Tafe for Zero PPM	Partnership Award from John Deere for exceptional supply, technical support and quality	Best Skill Development Initiative of the year at the 10th edition Corporate Social Responsibility Summit & Awards 2024 by UBS Forums
Best Supplier in Quality Performance Award from Escorts Kubota Limited	Best Supplier award for Extraordinary Support from Mahindra Swaraj	Prestigious Category Award - SANKALP (Vendor Managed Inventory Award) from Mahindra & Mahindra
Certificate for design and development of Clutch Release systems from Maruti Suzuki	Toyota Award for Zero PPM for the year 2023	Skoda Auto Volkswagen India recognised Schaeffler India for completing the Eco Edge assessment 2024
ELIN WG award for outstanding performance for swiftly meeting shorter lead times with timely planning and delivery of bearings	14th India CSR Award for excellence in CSR and ESG leadership under Skill Development (Large Impact) category for Schaeffler Technical Enhancement Program (STEP)	‘Top 30 Supply Chain Champions’ by the Institute of Supply Chain Management (ISCM) for excellence in digitalization strategies
Nominee award for ensuring resilient supplies by Daimler	Best Digital Support for 2024 by M/s NORD Drivesystems Pvt. Ltd. for robust demand planning and inventory management	Supplier Performance Award for Excellence in New Product Development received from M/s Voith Turbo Pvt. Ltd.

Corporate Information

Board of Directors

Chairperson

Eranti V. Sumithasri

Managing Director & CEO

Harsha Kadam

Director – Finance & CFO

Hardevi Vazirani

Directors

Andreas Schick

Dharmesh Arora

Jens Schöler

N. V. Sivakumar¹

Renu Challu²

Arvind Balaji

Amit Kalyani

Company secretary

Ashish Tiwari

Bankers

ICICI Bank Limited

Deutsche Bank AG

JP Morgan Chase Bank

Citibank N.A

Auditors

M/s. Walker Chandiok & Co LLP, Chartered Accountants

Collaborators

Schaeffler Group, Germany

Registered & Corporate office

15th Floor, ASTP (Amar Sadanand Tech Park), Baner, Pune – 411 045, Maharashtra, India

Manufacturing plants

1. P.O. Maneja, Vadodara – 390 013, Gujarat, India

2. Plot No.1 (Alindra), Savli GIDC Phase - III, Taluka: Savli, District Vadodara – 391 775, Gujarat, India

3. Plot No. A-3 Talegaon Industrial & Floriculture Park, Village Ambi, Navalakh Umbre, Tal. Maval, Talegaon Dabhade, District Pune – 410 507, Maharashtra, India

4. Survey No. 950, Royakottah Road, Hosur, District Krishnagiri – 635 109, Tamil Nadu, India

Sales offices

Navi Mumbai, Bengaluru, Chennai, Gurugram, Jamshedpur, Kolkata and Secunderabad

¹ N. V. Sivakumar was appointed as an Independent Director of the Company effective from November 6, 2024.

² Renu Challu ceased to be a Director on account of completion of her 2nd term of five (5) years as an Independent Director of the Company on November 5, 2024.

Management Discussion and Analysis



At Schaeffler India, we aim to provide our customers with products and technologies that make motion smarter, cleaner and safer.

Our motto sums it up well: 'We pioneer motion'. We have been driving forward groundbreaking inventions and developments in the field of motion technology for over 60 years in India. With innovative technologies, products and services for electric mobility, CO₂-efficient drives, chassis solutions and renewable energies, the Company is a reliable partner for making motion more efficient, intelligent and sustainable – over the entire product life cycle.

We describe our comprehensive range of products and services in the mobility ecosystem by means of eight product families: from bearing solutions and all types of linear guidance systems through to repair and monitoring services. Our products are grouped into eight product families - Guide Motion, Transmit Motion, Control Motion, Generate Motion, Power Motion, Drive Motion, Energise Motion and Sustain Motion - according to their specific relation to motion. Schaeffler India draws its parentage from the Schaeffler Group which has around 115,000 employees in more than 200 locations across 55 countries, one of the world's largest family-owned companies and one of Germany's most innovative companies.

Management Discussion and Analysis

1. Economic overview

1.1 Global economy

Despite overcoming a recessionary threat and looming geopolitical uncertainties, trade disruptions and inflationary pressures, growth for 2024 remained subdued, with world GDP growth in 2024 expected to be 3.2%. This growth was divergent and supported mainly by resilient performance by the US economy. Concerted efforts by central banks of developed economies, led by the US, have even resulted in rate cuts as inflation moderates. However, they continue to remain cautious.

The Global Consumer Confidence Index for December 2024 stood at 47.9, down 0.9 points from the previous month. India, with a score of 66.5 sits at the top of the index - signifying a steady growth momentum and creating optimism around the India growth story. Although this is 4 points lower than the previous year.

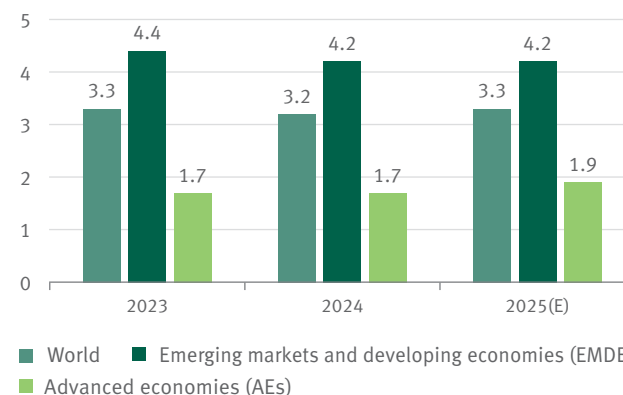
With key events like elections in major democracies, political and economic uncertainties in some regions, the global economy proved its resilience during the year; however significant challenges remain. Key risks pertain to intensification of geopolitical tensions, inflation turning out more persistent than anticipated and a sharp repricing of risk in financial markets. Ongoing efforts towards green energy transition and digitalization are set to create new avenues for economic development and innovation. Coordinated international efforts will be crucial to navigate these complex dynamics and foster sustainable economic growth.



Outlook

While downside risks persist, global growth is expected to stabilise. However, geopolitical volatility in the Middle East, some parts of central Asia and Europe continue to impact the global economy. The IMF expects global economy to grow by 3.3% in 2025 and 2026, still below the historical average of 3.7% from 2000-2019. The IMF projects global headline inflation to touch 4.2% by the end of 2025 and 3.5% in 2026, slightly below the two-decade average of the pre-pandemic period.

Global GDP forecast (%)



(E): Estimate, Source: World Economic Outlook, January 2025

Management Discussion and Analysis

1.2 Indian economy: Steady progress, balanced outlook

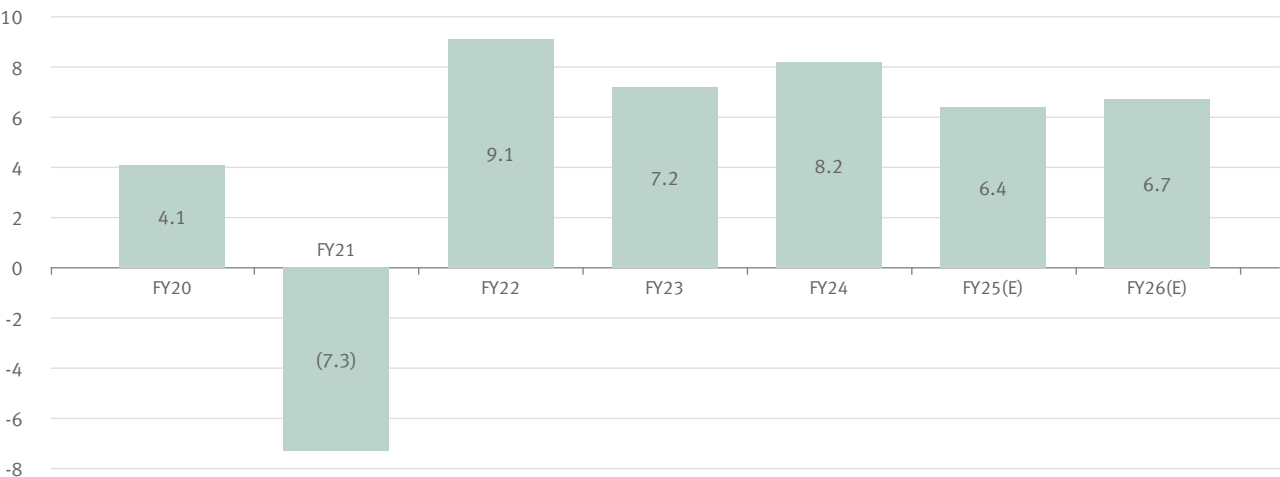
Indian economic growth, though moderating, continues to demonstrate a growth trajectory despite global headwinds and sluggish recovery in some advanced economies. The country has retained its position as the fifth-largest economy in the world and continues to be amongst the biggest contributors to global growth. As per the first advanced estimates released by NSO (National Statistical Office) the Indian economy is expected to grow by 6.4% for FY25, over the high base of the previous year.

Although major central banks around the world have resorted to monetary easing, the RBI has maintained a neutral monetary stance. The repo rate is now at 6.25%, a first rate cut after a gap of 5 years; since the last reduction was in May 2020. It has helped to balance inflationary pressures while not impacting the growth too much. For December 2024, inflation touched a four-month low of 5.2%. RBI expects inflation to remain at 4.5% for FY26.

Throughout 2024, India’s manufacturing PMI remained above 50, signalling an expansion in output. However, on a comparative basis, it stood at a 12-month low of 56.4 in December 2024, indicating softer demand in the sector despite easing cost pressures and strong job growth.

To sum up, the Indian economy is progressing steadily. Key indicators of macroeconomic health also appear positive. As India seeks to enhance its economic growth rate in the forthcoming years, it benefits from robust balance sheets in both domestic corporate and financial sectors. However, with the current decline in globalisation, boosting the growth average over the next twenty years will necessitate leveraging the demographic dividend via deregulation initiatives.

India’s GDP trend (%)



(E): Estimate, Source: RBI Estimates

Indian economy outlook

The Reserve Bank of India (RBI) has pegged the annual growth rate of the Indian economy at 6.4% for FY25. An uptick in agricultural and industrial output along with resilient rural demand is expected to support the country’s growth trajectory. Headwinds in the form of elevated geopolitical and trade uncertainties are expected to be offset by sustained private investments, rebound in rural demand and improvement in consumer confidence.



Management Discussion and Analysis

2. Industry overview

2.1 Automotive sector review

India is the world's third-largest vehicle market, after China and the US. The auto industry is one of the key pillars of the Indian economy, contributing about 7.5% to our GDP and about 49% to manufacturing GDP. It also employs close to 4 crore people directly and indirectly. In 2024, India's automotive sector witnessed a dynamic phase marked by both resilience and transformation. The demand for passenger vehicles showed a moderate increase, driven by a growing middle-class and increased urbanisation. The rise of electric vehicles (EVs) continued to be a significant trend, supported by government incentives and improved charging infrastructure, although challenges such as high costs and battery technology persist. The industry registered a growth of 9.1%, selling 26.1 million units by the end of the calendar year. The growth was mostly on account of two and three-wheeler sales and passenger vehicle sales remained subdued during the year as compared to the previous year. Two-wheeler sales increased on account of domestic as well as export demand. Electric two-wheeler sales also witnessed an uptick. The passenger vehicles as well as the commercial vehicle sales remained under pressure due to various factors including delayed release of payment by the government and slow financing approvals. The tractor segment, on the other hand, was supported by above normal rainfall in some regions, despite declining export of tractors during the year.

Automakers are likely to focus more on innovation, with investments in advanced technology and digitalization initiatives such as connected and autonomous vehicle features. While the industry faces multiple challenges, strategic adaptability and policy support are poised to steer overall growth and competitiveness in the sector.

Automotive market trends and outlook

The Indian automotive market is witnessing remarkable changes. From the increasing adoption of both electric and hybrid vehicles technologies, to the growing preference for SUVs and luxury cars, it continues to present numerous opportunities for OEMs. This is also backed by emergence of new business models like Battery-as-a-Service (BaaS) which are making electric mobility more accessible, convenient and affordable.

A growing middle-class population, rapid urbanisation and increasing emphasis on green mobility has encouraged Indian automakers to adopt new technology and create more options for safer and cleaner mobility. As a result, greater emphasis for producing utility vehicles, EVs and hybrid vehicles continue to be noticed across the sector.

The EV market in India

Globally, the EV market is experiencing significant growth, driven by advancements in battery technology, improvement of the EV ecosystem and affordability. The Indian government is also promoting EVs through strategic initiatives, including the Production Linked Incentive (PLI) scheme, Faster Adoption and Manufacturing of Hybrid and Electric Vehicles (FAME) schemes which provides subsidies for electric vehicles and encourages the development of charging infrastructure and reduced taxes on critical raw material required for EV production. These policies have positioned India as a significant player in the EV industry, encouraging domestic EV production, reducing import reliance and fostering self-sufficiency in the EV space.

The Indian EV market size was valued at US\$ 12.09 billion in 2024 and is projected to reach a value of US\$ 69.22 billion by 2033,

registering a CAGR of 21.40% during the forecast period of 2025-2033, as per Straits Research.

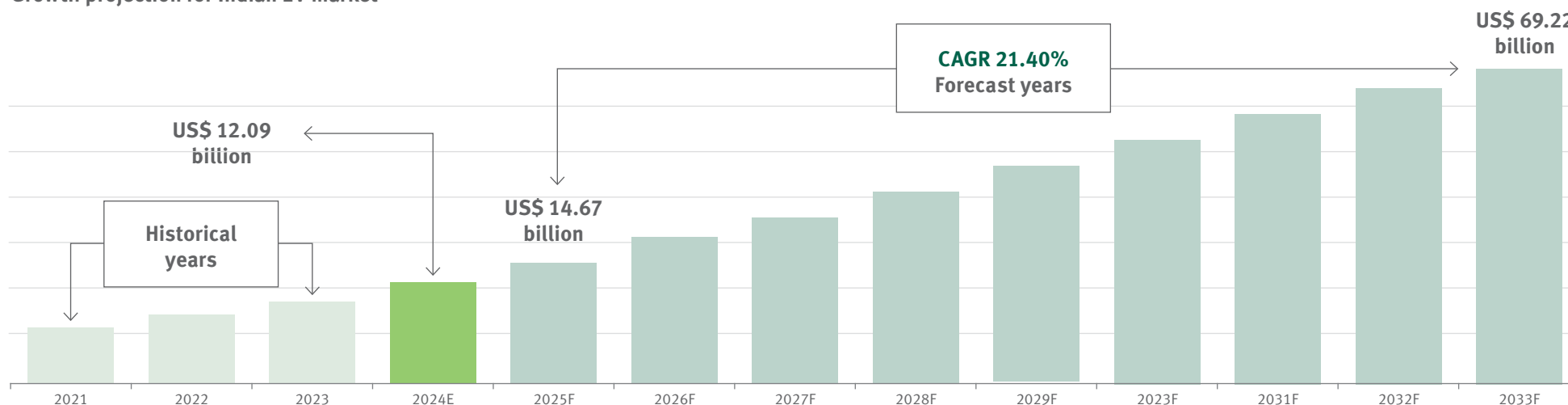
Challenges

Despite the positive momentum, the EV market in India faces several challenges. High initial cost of EVs, limited range and concerns about battery life and recyclability are barriers to widespread adoption. Additionally, the charging infrastructure, though expanding, still requires significant investment to meet the demands of a growing EV fleet. On the supply side, domestic manufacturing of batteries and EV components is crucial for reducing costs and enhancing supply chain resilience. Increased collaboration between the government, private sector and international partners is expected to drive innovation and support the development of a robust EV ecosystem. In the coming years, as technology matures and economies of scale are achieved, the EV market in India is likely to see accelerated growth, playing a pivotal role in the country's energy transition and environmental goals.



Management Discussion and Analysis

Growth projection for Indian EV market



(E): Estimate, (F): Forecast, Source: Straits Research

Vehicle Lifetime Solutions

There are about 30 million passenger cars on Indian roads, growing at a rate of ~8-10% annually. The used vehicle market is also witnessing remarkable growth and transformation, driven by affordability, accessible financing options, improvement of vehicle quality and reliability and better opportunities for buying and selling used vehicles through online platforms. The shift towards online platforms for purchasing spare parts and services has been notable. Companies in the aftermarket space are increasingly leveraging technology for better inventory management, client interaction and service delivery. This trend is likely to continue as more consumers prefer the convenience and variety offered by online platforms. According to a [Mordor intelligence report](#) ‘Used Car Market in India - Size & Share Analysis 2024-2029’, the used car

market size in 2024, is estimated to be US\$ 31.62 billion and is projected to reach US\$ 63.87 billion by 2029, growing at a CAGR of 15.10%. With improving technology, the average age of automobiles has steadily increased from 9.78 years in 2002 to 11.33 years now. This has increased servicing requirements for automobiles and has largely contributed to the growth of the automobile aftermarket industry.

Adoption of e-commerce for selling spare parts, use of digital channels to ensure safety subscription-based services like annual maintenance plans and the use of technology to optimise operational efficiency and marketing has resulted in better customer engagement. These trends have been crucial for the growth of the automobile aftermarket segment in India. Also, owing to improvement in vehicle manufacturing quality and

technology, vehicles are now more durable. This longevity results in an increased demand for regular maintenance, repair and replacement parts, which boosts the aftermarket sales. Expansion of vehicle ownership in Tier 2 and Tier 3 cities, rise of organised service providers, changes in government policies such as Bharat Stage emission norms and the push towards electric vehicles (EVs), are affecting the aftermarket space.

Despite the growth, the sector faces challenges related to counterfeit parts, vehicle scrapping policy, fluctuating raw material prices and the need for skilled labour. Addressing these issues is vital for sustainable growth and consumer trust. But overall, the automotive aftermarket in India is poised for growth, driven by a dynamic mix of technology, consumer preferences and economic factors.

Management Discussion and Analysis

2.2 Industrial sector review

The industrial sector, encompassing manufacturing, mining, construction and utilities, is critical for the Indian economy. As of recent years, this sector has been undergoing significant changes driven by various economic, technological and policy factors. India has been making concerted efforts to boost manufacturing through initiatives like 'Make in India', which aim to transform the country into a global manufacturing hub. Increasing adoption of Industry 4.0 technologies such as automation, the Internet of Things (IoT), artificial intelligence (AI), and machine learning are being integrated into manufacturing and other industrial processes to enhance efficiency, productivity and quality. Industries in India are also increasingly focusing on sustainable practices and reducing their environmental impact. There is also a growing emphasis on the adoption

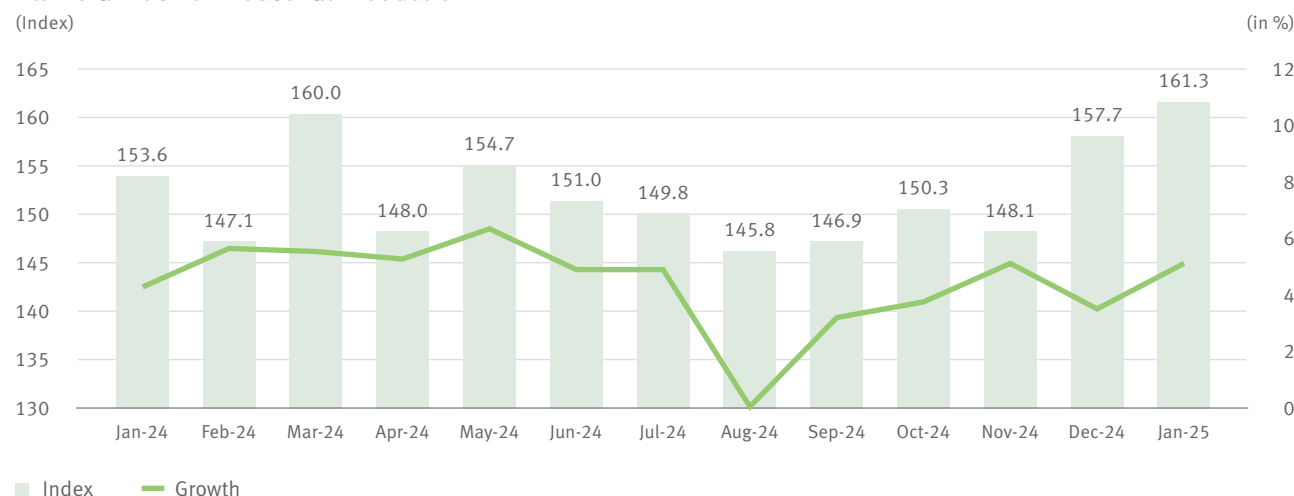
of clean technologies, waste management and reduction of carbon footprint to comply with environmental regulations and global standards.

India's IIP depicted a strong growth in FY25, Mining grew by 4.4%, Manufacturing by 5.5% and Electricity by 2.4% in January 2025. The budget for FY26 has put the government capex figure at ₹11.2 lakh crore, demonstrating growing encouragement for the core sectors of the economy and a fiscal deficit target of 4.4% of GDP. Increased expenditure on the automobile sector and major infrastructure upgrade for railways has also been proposed. As per budget announcements, around 40,000 rail bogies are expected to be converted into Vande Bharat coaches and three major rail corridors were also announced during the budget – the port connectivity corridor, the energy connectivity corridor and the mineral and cement corridor.

Outlook

The government's consistent efforts to ensure structural, fiscal and infrastructural reforms have resulted in rapid industrial growth. The PLI scheme is also expected to act as an impetus for business growth and result in the development of better manufacturing infrastructure within the country. Moreover, business sentiment is likely to improve on the back of continued measures to reduce transaction costs and facilitate ease of doing business.

All India Index of Industrial Production



Source: Ministry of Statistics & Programme Implementation



Management Discussion and Analysis

Policy measures for the Automotive and Industrial sectors

For the automotive and industrial sectors, the Budget included several policy measures aimed at fostering growth, boosting competitiveness and addressing sector-specific challenges.

- **Incentives for Electric Vehicles:** Continued push towards EV adoption through incentives such as tax rebates, subsidies and lower GST rates on electric vehicles and their components could be proposed. Additionally, investments in EV infrastructure like charging stations may be announced.
- **Presumptive taxation regime:** Proposed for non-residents providing technology and support services to electronics manufacturing facilities in India, it will significantly reduce the tax that global players need to pay for investments in the Indian market, thereby encouraging the growth of electronic component and system manufacturers in the automotive sector.
- **Personal Income Tax:** In a significant effort to ease the tax burden on the middle class, substantial tax cuts have been proposed for personal income tax in FY26. This change could result in an increase in disposable income for each taxpayer and could play a crucial role in driving demand for two-wheelers, three-wheelers and entry level cars in the near future.
- **Focus on manufacturing sector and infrastructure investments:** The budget emphasises the development of high-employment industries to promote growth and boost domestic production. Substantial investments in infrastructure support industrial growth including the development of transportation networks and energy supply systems, all expected to enhance the efficiency and competitiveness of India's manufacturing.
- **Investment in technology and digitalization:** Encouragement of digitalization efforts and investments in Industry 4.0 technologies to enhance productivity and efficiency across sectors.



Management Discussion and Analysis

2.2.1 Renewables

During COP28, countries around the world adopted a target to triple renewable energy capacity by 2030 to accelerate energy transition towards a cleaner and greener future. Therefore, global wind-powered electricity generation saw a strong growth in 2024. The IEA expects renewables to account for almost half of global electricity generation by 2030, with the share of wind and solar PV doubling to 30%.

As per Ember, an independent energy thinktank, 593 GW solar power generation capacity was expected to be installed around the world in 2024, a growth of 29% over

the previous year. The combined additions of China, the United States, India, Germany and Brazil remained on track to make up 75% of global solar additions in 2024.

Global wind electricity generation in the first nine months of 2024 climbed by ~7% over the same period in 2023, according to Ember. The historical trends suggested that this figure could spike in the final months of the year, pushing annual generation to a new record.

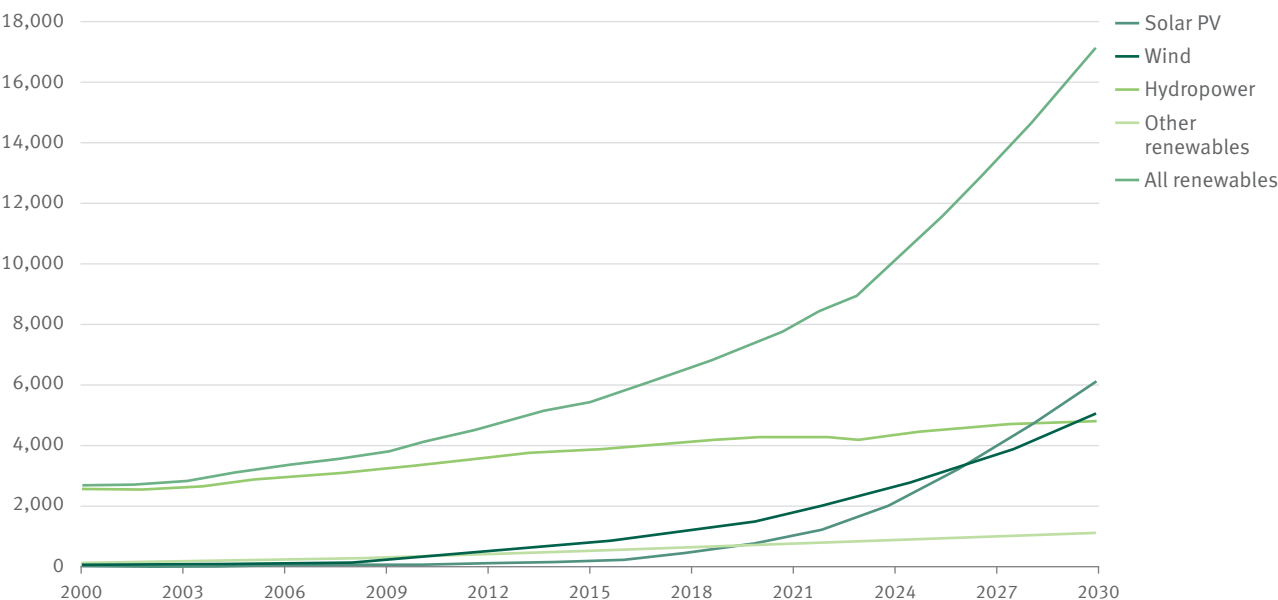
According to Global Energy Monitor (GEM), China, the United States and Germany, collectively generate 64% of the current global wind generation capacity. Wind energy stands as a powerful independent source of clean energy

while also complementing other renewable solutions, to build a versatile and sustainable energy future. Its flexibility makes it a cornerstone in addressing global energy and climate challenges.

Solar and wind energy in India

India’s total electricity generation capacity has reached 452.69 GW, with renewable energy contributing 46.3% of the country’s total installed capacity. Solar power leads the way with 90.76 GW, followed by wind at 47.36 GW. India has vast potential for wind power generation through its coastal and inland wind corridors across the country. In 2024, India added 24.5 GW of solar and 3.4 GW of wind energy to its energy mix. India has set a target to reduce its carbon intensity by less than 45% by the end of the decade, achieve 50% cumulative electric power generation capacity from renewables by 2030 and aims for net zero carbon emissions by 2070. By 2030, India targets 500 GW of renewable energy capacity.

Global electricity generation by technology, 2000-2030 (TWh)



Notes: The electricity generation trajectories for wind and solar PV indicate potential generation, including current curtailment rates. However, they do not project future wind and solar PV curtailment, which may be significant in some countries by 2028. The ‘Increasing VRE Penetration Leads to Rising Curtailment’ section in Chapter 2 discusses some recent trends.



Management Discussion and Analysis

2.2.2 Railways

The railway sector has witnessed rapid development over the past few years, including investments and policy support from the Government of India. The budget allocation for Indian Railways stands at ₹2.65 lakh crore for FY26. With highest ever electrification of sections and significant expansion of India's rail network, the sector is expected to cater to the growing demand for passenger convenience. Besides, development of technology for signalling and telecommunication, laying of new tracks and upgradation of stations are expected to contribute towards the modernisation of railways.

The Indian Railway Board plans to introduce 10,000 new coaches over the next couple of years. All 10,000 coaches are expected to belong to the LHB category, offering advanced safety features and improved passenger amenities.



Management Discussion and Analysis

3. Business overview

A world that is constantly evolving needs an evolutionary technology. Schaeffler is actively engaged in innovating and shaping the global pace of change. With innovative technologies, products and services for CO₂-efficient drives, electric mobility, Industry 4.0, digitalization and renewable energies, the Company is a reliable partner for making motion and mobility more efficient, intelligent and sustainable. Schaeffler India offers a diverse range of products and services across its business segments: Automotive Technologies, Vehicle Lifetime Solutions and Bearings & Industrial Solutions. In addition, with our understanding of systems and comprehensive services, we support automotive aftermarket and industrial distribution markets. Our client-centric approach, coupled with a strong emphasis on innovation and a superior distribution network, consistently reinforces our market leadership. To meet the diverse needs of both our automotive and industrial clients and demand for our cutting-edge products and solutions, we have strategically enhanced our sales and marketing capabilities.

3.1 Operational performance review

Automotive Technologies

The Automotive Technologies division encompasses the E-Mobility and Powertrain & Chassis businesses. Since the beginning of 2024, the comprehensive portfolio of automotive bearing applications and products has been assigned to the Bearings & Industrial Solutions division. The business recorded a growth of 11.6% as compared to the same period last year, maintaining strong order intake even amidst contraction in specific segments. This was backed by a trajectory of business wins and strong performance from the passenger vehicles and tractor segment. In terms of operational performance, localisation has remained a key strategic priority, with

significant progress achieved on important projects such as planetary gear shafts and e-axes. We also remained focused on building our product roadmap to support the evolution of powertrain development across all vehicle segments. Looking ahead, we remain committed to offer a wide range of innovative products to keep our customers at the forefront of automotive trends and technology.

Vehicle Lifetime Solutions

In 2024, the Vehicle Lifetime Solutions business recorded a growth of 3%, as compared to the same period last year. New product introductions and market penetration continues to be a focus area for this division. The recently launched steering and suspension products gained significant momentum, with good market acceptance indicating strong potential for growth and customer engagement. Business acquisitions in areas of front-end auxiliary drives, timings kits, wipers and lubricants also continued during the year. The acquisition of KOOVERS further strengthened our prominence in the Indian automotive aftermarket. Through the year, we continued to broaden reach as well as market penetration by establishing dark stores and hubs across the country, thereby enabling customers to access products on our platform quickly and efficiently.

Bearings & Industrial Solutions

During 2024, the division registered a double-digit growth of 14.1% as compared to the same period last year. The growth was broad based across all sectors and stems from our strategic focus on cultivating new businesses and maintaining a robust trajectory of ongoing business wins. We continued to maintain strong growth in our renewable energy segment. During the year, we also witnessed significant traction in other key sectors that we operate in viz. Power Transmission, Raw Materials, Railways amongst others. This success was driven by

the acquisition of new customers and our concentrated initiatives for developing innovative products and strengthening our portfolio with products made in India. In the two-wheelers segment, we secured new business nominations across different platforms including the new EV segment. The distribution business, which is being represented by over 150 distribution partners pan-India, remains a key focus area and we continued to invest in growing our market share, backed by a strong network of distribution partners.

3.2 Financial performance review

Schaeffler India delivered a robust performance despite global headwinds that exerted some pressure. Total revenue for the year grew 11.8% Y-o-Y to ₹80,763 million. EBITDA amounted to ₹14,969 million, with margins at 18.5%, as compared to 18.7% margin achieved in the previous year. We were able to achieve a PAT margin of 12.1% for the year against 12.6% in 2023.



Management Discussion and Analysis

Automotive Technologies

The Automotive Technologies division contributes ~34% of the revenues for Schaeffler India. Since the beginning of 2024, the comprehensive portfolio of automotive bearing applications and products has been assigned to the Bearings & Industrial Solutions division. During the year, we successfully maintained a strong order intake even amidst contraction. The business grew 11.6% in 2024, as compared to the same period last year.

Vehicle Lifetime Solutions

In 2024, the Vehicle Lifetime Solutions division contributes to ~10% of the revenues for Schaeffler India. The division continued to add new products to the portfolio and expanded the range of products across all categories. We continued to make investments to improve the manufacturing infrastructure, branding activities and training of mechanics. E-commerce channels were also used to facilitate our growth endeavours.

Schaeffler has established a network of partner workshops to adhere to strict quality control measures. We undertake strict measures to prevent the circulation of counterfeit parts and ensure the supply of genuine parts to our partners. We also invest in comprehensive training programmes for mechanics to bridge the skill gap and improve service standards.

Additionally, leveraging technology to enhance operations and customer experience is crucial for us. Mobile apps that allow customers to book services, track their vehicle status and receive real-time updates, along with the use

of data analytics to monitor performance and identify areas for improvement, are examples of how technology can streamline operations, cater to the needs of diverse customers and provide consistent service quality.

Advanced Services: We are also introducing services such as predictive maintenance and remote diagnostics to proactively address potential issues before they become major problems and to enhance overall customer experience.

Sustainability: We are promoting eco-friendly practices in vehicle servicing and encouraging practices such as recycling of used parts and reducing waste to contribute to a greener and more sustainable automotive industry.

KOOVERS, our aftermarket e-commerce subsidiary achieved sales of ₹1,581 million for the year.

Bearings & Industrial

The Bearings & Industrial business contributes to ~44% of the revenues for Schaeffler India. Since the beginning of 2024, the division has also been responsible for the comprehensive portfolio of automotive bearing applications and products which were previously assigned to the Automotive Technologies division. During 2024, the division registered a double-digit growth of 14.1% as compared to the same period last year.

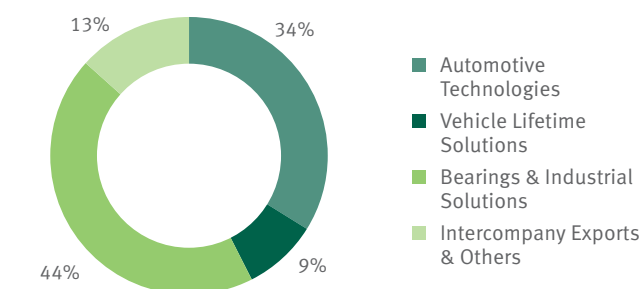
The growth was broad based across all sectors and stems from our strategic focus on cultivating new businesses and maintaining a robust trajectory of ongoing business wins.

Financial performance review

(₹ in mn)			
Particulars	2024	2023	Change (%)
Net Revenue	80,763	72,261	11.8
EBITDA*	14,969	13,528	10.7
Less: Depreciation/Amortisation	2,688	2,191	22.7
Less: Finance cost	35	42	(15.8)
Add: Interest income	929	989	(6.1)
Profit before tax (before exceptional items)	13,175	12,284	7.3
((Less)/add: Exceptional Items)	-	(47)	(100)
Provision for tax	3,398	3,147	8.0
Profit after tax	9,777	9,090	7.6

* Earnings before Interest, Tax, Depreciation and Amortisation

Revenue mix (%): 2024

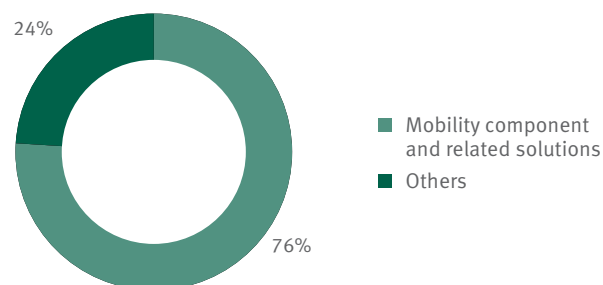


Revenue

(₹ in mn)			
Particulars	2024	2023	Change (%)
Net revenue	80,763	72,261	11.8
Mobility component and related solutions	61,384	56,868	7.9
Others	19,379	15,393	25.9

Management Discussion and Analysis

Revenue mix (%): 2024



Profitability

Particulars	2024	2023	Change (%)
EBITDA	14,969	13,528	10.7
Less: Depreciation/Amortisation	2,688	2,191	22.7
Less: Finance cost	35	42	(15.8)
Add: Interest income	929	989	(6.1)
Profit before tax (before exceptional items)	13,175	12,284	7.3

Taxes

Particulars	2024	2023
Provision for tax	3,398	3,147

Profit after tax

Particulars	2024	2023	Change (%)
Profit after tax (before exceptional items)	9,777	9,090	7.6

Cashflow

Particulars	2024	2023
EBITDA*	14,969	13,528
Income tax	(3,142)	(2,973)
Change in working capital and others	(2,984)	(1,555)
Capital expenditure**	(7,405)	(5,189)
Interest income**	801	809
Free cash flow	2,239	4,620

* Earnings before Interest, Tax, Depreciation and Amortisation

** Figures are net

4. Business outlook

2024 has been a year of steady growth for Schaeffler India. Going forward, we will continue to focus on our strategic objectives to overcome challenges and sustain strong performances and operating metrics. We also remain determined to align our efforts with our sustainability goals (please read the details on page 55) and efficiently implement a well-defined ESG strategy.

5. Internal control systems

In parallel to the risk management system, Schaeffler India has a system of internal controls over financial reporting (IFC), which ensure the accuracy of the accounting system and the related financial reporting. The internal control system provides for well-documented policies and procedures that are aligned with Schaeffler Group standards and processes. It adheres to local statutory requirements for orderly and efficient conduct of business, safeguarding of assets, the detection and prevention of frauds and errors, adequacy and

completeness of accounting records and timely preparation of reliable financial information. The efficacy of the internal checks and control systems are validated by internal auditors.

Our IFC is conceptually based on the regulatory framework, as applicable. The controls defined in the framework are applied at all levels – entity level, process level and IT systems level.

Each year-end, the management assesses the appropriateness and effectiveness of the IFC in place. To this end, we use a standardised methodology to identify the processes relevant to IFC, define the required controls and document them in accordance with uniform requirements. This is then followed up with a review of the defined controls, which is performed using a risk-based approach. The process controls are self-evaluated and are audited by the internal and statutory auditors. Wherever control weaknesses exist, actions to eliminate them are defined and monitored regularly to overcome them.

6. Cautionary statement

Statement made in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations may be 'forward looking statements' within the meaning of applicable securities laws and regulations. Actual results could differ from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the government regulations, tax laws, other statutes and other incidental factors.

Business Responsibility and Sustainability Report

Section A:

General Disclosures

Covers our corporate identity, governance and operational structure, focusing on transparent and responsible business practices.



Read more on **Page 111**

Section B:

Management and Process Disclosures

Outlines our stakeholder engagement, grievance mechanisms and processes supporting our commitment to ESG principles.



Read more on **Page 123**

Section C:

Principle Wise Performance Disclosure

Provides in-depth coverage of our environmental, social and governance (ESG) performance metrics.

Principle 1

128

Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Principle 4

148

Businesses should respect the interests of and be responsive to all its stakeholders

Principle 7

166

Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Principle 2

134

Businesses should provide goods and services in a manner that is sustainable and safe

Principle 5

151

Businesses should respect and promote human rights

Principle 8

168

Businesses should promote inclusive growth and equitable development

Principle 3

138

Businesses should respect and promote the well-being of all employees, including those in their value chains

Principle 6

157

Businesses should respect and make efforts to protect and restore the environment

Principle 9

172

Businesses should engage with and provide value to their consumers in a responsible manner

Section A: General Disclosures

I. Details of the listed entity

1. Corporate Identity Number (CIN) of the Listed Entity

L29130PN1962PLC204515

2. Name of the Listed Entity

Schaeffler India Limited

3. Year of incorporation

April 27, 1962

4. Registered office address

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

5. Corporate address

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kanikar@schaeffler.com

Institutional & Individual Investors

7. Telephone

+91-20-68198400

8. Website

www.schaeffler.co.in

9. Financial year for which reporting is being done

1st January 2024 to 31st December 2024

10. Name of the Stock Exchange(s) where shares are listed

1. BSE Limited

2. National Stock Exchange of India Limited (NSE)

11. Paid-up Capital

As on December 31, 2024 the paid-up capital of the Company stood at ₹ 312,607,340 consisting of 156,303,670 numbers of Equity Shares of ₹ 2/- each.

12. Name and contact details (telephone, e-mail address) of the person who may be contacted in case of any queries on the BRSR report

Name: Neelam Darekar - Sustainability Reporting

Telephone: +91-2068198400

E-mail: Neelam.darekar@schaeffler.com

13. Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).

The disclosures under this report made on a standalone basis (i.e. only for Schaeffler India Limited)

Reporting boundary includes four plants viz Maneja, Savli, Hosur & Talegaon, one under construction plant at Shoolagiri, Tamil Nadu & one corporate office at Pune & seven regional/sales offices. Cost incurred for Shoolagiri plant included in the scope while calculating financial KPIs & for Non-financial parameters Shoolagiri plant has been excluded.

To ensure consistency and comparability of data between the current year and previous year, restatements are made in the comparative year. The relevant changes are highlighted as footnotes in the respective principles. The resulting changes are due to a change in the computation approach or methodology.

14. Name of assurance provider

BSI Group India Pvt. Ltd.

15. Type of assurance obtained

Reasonable assurance for BRSR core parameters.

Business Responsibility and Sustainability Report

II. Products/services

16. Details of business activities (accounting for 90% of the turnover):

Sl. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Automotive Technologies	The Automotive Technologies division develops and manufactures innovative products, components and systems solutions for engine, transmission, and chassis applications for ICE (Internal combustion engine), hybrid as well as electric powertrains.	34%
2.	Bearing & Industrial Solutions	The Bearings & Industrial Solutions division offers a wide range of products that include ball and roller bearings, plain bearings, bearing housings and accessories, linear bearings and ultra precision drives. It also offers lubrication products that includes grease and oils, maintenance products which include a wide range of mounting and dismounting tools, condition monitoring systems to customers across various industrial sectors. These products are distributed through direct sales channels as well as through widespread network of certified distribution partners.	44%
3.	Vehicle Lifetime Solutions	The Vehicle Lifetime solutions business supplies components and holistic repair solutions for the automobile spare parts business under the leading brands of LuK, INA and FAG. It offers comprehensive services to garages under the REPEXPERT brand to cater to the ever-changing customer needs.	9%
4.	Intercompany Exports and Others	Intercompany Exports and others mainly includes exports to Group companies (across regions of America, Aisa pacific, China & Europe), scrap sales & other operating income.	13%

17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover)

Sl. No.	Product/Service	NIC Code	% of total Turnover contribute
1.	Bearings, Engine and transmission products & solutions	28140	100%

Bearing & engine transmission product is common among all the below segments

Sl. No.	Segment	Turnover (₹ Millions)	% of total Turnover contribute
1.	Mobility components and related solutions	61,383.5	76%
2.	Others	19,379.4	24%
	Total	80,762.9	100%

Business Responsibility and Sustainability Report

III. Operations

18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	4	8	12
International	-	-	-

19. Markets served by the entity:

a) Number of locations

Locations	Number
National (No. of States)	26 States & 3 Union Territories
International (No. of Countries)	21

b) What is the contribution of exports as a percentage of the total turnover of the entity?

Particulars	Revenue (₹ Millions)	% of total Turnover contribute
Exports & Others	10,795.9	13%
Total revenue	80,762.9	100%

Note: Refer Q16 (4) for export details

c) A brief on types of customers

Schaeffler India Limited has customers in domestic as well as international markets which are broadly classified in 3 divisions.

1. Our Automotive Technologies division serves customers in the passenger vehicle, commercial vehicle, tractor, and off-highway segments. We cater to key OEMs in the automotive industry.
2. Our Bearing & Industrial Solutions (B&IS) division serves customers in sectors such as railways, wind power, raw materials, power transmission, and two-wheelers. We provide solutions directly to large OEMs (Original Equipment Manufacturers) in these industries and maintain a nationwide distribution network
3. Our Vehicle lifetime solutions (VLS) division serves a diverse set of customers within the automotive sector like OES(OE spares), independent aftermarket customers, fleet operators and dealerships, focusing on parts and comprehensive solutions that support vehicle longevity and reliability

Business Responsibility and Sustainability Report

IV.

20. Details as at the end of Financial Year: FY 2024

a) Employees and workers (including differently abled):¹

Sl. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
	Employees					
1.	Permanent (D)	1,652	1,549	94%	103	6%
2.	Other than Permanent (E)	150	121	81%	29	19%
3.	Total employees (D + E)	1,802	1,670	93%	132	7%
	WORKERS					
4.	Permanent (F)	1,270	1,245	98%	25	2%
5.	Other than Permanent (G)	2,435	2,272	93%	163	7%
6.	Total workers (F + G)	3,705	3,517	95%	188	5%

b) Differently abled Employees and workers:

Sl. No.		Total (A)	No. (B)	% (B/A)	No. (C)	% (C/A)
	Differently Abled Employees					
1.	Permanent (D)	2	2	100%	0	0%
2.	Other than Permanent (E)	0	0	0%	0	0%
3.	Total employees (D + E)	2	2	100%	0	0%
	Differently Abled Worker					
4.	Permanent (F)	1	1	100%	0	0%
5.	Other than Permanent (G)	5	5	100%	0	0%
6.	Total workers (F + G)	6	6	100%	0	0%

¹In the above Snapshot we have not considered allied services like Canteen, Housekeeping, Security, Transportation, construction workers etc.

Business Responsibility and Sustainability Report

21. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B/A)
Board of Directors	9	2	22%
Key Management Personnel	3	1	33%

22. Turnover rate for permanent employees and workers

(Disclose trends for the past 3 years)

	FY 2024			FY 2023 (Turnover rate in previous FY)			FY 2022 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	13.8%	2.2%	10.7%	6.5%	1.0%	4.2%	7.5%	0.9%	4.7%
Permanent Workers	2.7%	0.3%	2.0%	4.1%	0.0%	2.3%	4.1%	0.0%	2.3%

V. Holding, Subsidiary and Associate Companies (including joint ventures)

23. Names of holding/subsidiary/associate companies/joint ventures

Sl. No.	Name of the holding/subsidiary/associate companies/joint ventures (A)	Indicate whether holding/Subsidiary/Associate/Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	INA Holding Schaeffler GmbH & Co. KG, Germany	Ultimate Holding Company	Nil	No
2.	KRSV Innovative Auto Solutions Private Limited	Subsidiary	100%	No

VI. CSR Details

24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013:

Yes

(ii) Turnover (in ₹)

₹80,762.9 mn as on December 31, 2024

(iii) Net worth (in ₹)

₹53,833.0 mn as on December 31, 2024

Business Responsibility and Sustainability Report

VII. Transparency and Disclosures Compliances

25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2024			FY 2023		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes, our grievance redressal mechanisms include - open registers available at all our plant locations, - channels through implementing agencies and NGOs, - the option to send physical letters, and - contact numbers listed on our website. https://www.schaeffler.co.in/en/meta/contact/	Nil	Nil		Nil	Nil	
Investors (other than shareholders)	Yes shareholding pattern of Schaeffler India Limited, consist of Holding Company & Shareholders only. https://www.schaeffler.co.in/en/meta/contact/	Nil	Nil		Nil	Nil	
Shareholders	The Shareholders can file complaint on SEBI SCORES. The Shareholders can reach out to the Secretarial team at investorsupport.in@schaeffler.com for any grievances/queries. There is a Shareholders' Handbook for the guidance and redressal of investor grievances and to educate the Shareholders about their rights as Shareholders, standard procedures, and documentation requirements for certain matters. The Shareholders handbook is available on the Company website at https://www.schaeffler.co.in/en/investor-relations/disclosures/other-disclosures/	1	Nil	These include complaints received through SEBI SCORES and stock exchanges	26	Nil	These include complaints received through SEBI SCORES and stock exchanges
Employees and workers	Yes Under vigil mechanism employee can file complaint through weo.india@schaeffler.com For POSH related complaints, posh@schaeffler.com Compliance, Human rights queries: complianceindia@schaeffler.com . Employees can file any complaint anonymously https://www.bkms-system.net/schaeffler Grievance redressal Policy has formal Grievance redressal procedure, scope & Objective. (Policy doc available on Schaeffler Intranet)	138	Nil	Including one POSH complaint	111	12	Investigation is in progress

Business Responsibility and Sustainability Report

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2024			FY 2023		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Customers	Yes Customers can file complaints on e-mail ids displayed on website. - Key OEM customers have their portals for communicating the concerns. - SPOCs (Special point of contacts) have been defined for each customer. - A dedicated customer care number is pasted on our packaging (MRP stickers) for all products. - In parallel we also have internal system of tracking these concerns through SAP based IQOS. info.in@schaeffler.com aftermarket@schaeffler.com https://www.schaeffler.co.in/en/meta/contact/	46 ¹	Nil ²	¹ - Considered all justified zero km(AF) complaints for the year ² - Number of complaints not closed more than 6 months (AF justified) rounded to nearest digit	78	Nil	
Value Chain Partners	Yes Vigil Mechanism and Whistle-Blower policies are available on the website, which covers value chain partners as well. weo.india@schaeffler.com Each supplier is bound by the SCoC (Supplier code of conduct) which includes contacts details in case of grievance: investigations@schaeffler.com https://www.bkms-system.net/schaeffler	Nil	Nil		Nil	Nil	
Other (please specify)	Yes, Compliance Management System of the Schaeffler Group and Company's Vigil Mechanism/Whistle-Blower mechanism are effective tools towards grievance redressals for both external stakeholders & employees. The policies are available on the Company's website. weo.india@schaeffler.com https://www.schaeffler.co.in/en/meta/contact/	13	Nil		8	Nil	

Note: Employees and workers complaints include health & working conditions, POSH related complaints. In year 2024 we have taken concrete steps to keep record of such complaints.

Business Responsibility and Sustainability Report

26. Overview of the entity's material responsible business conduct issues

Sl. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Water Management	Risk	Water is a primary resource required for Schaeffler India's operations across all the 4 plants. Potential disruptions to water-related operations have been captured by the plants during the Risk Assessment exercises. Disruptions have been anticipated any time during the coming 10 years. In 2024, both the Schaeffler India plants in Baroda were affected by local floods, disrupting the operations.	Freshwater requirement has been reduced (water intensity) at Schaeffler India's operations due to water management projects like recycling of treated water, RWH etc. Ongoing measures will reduce negative impact to the water resource and the availability of water for communities in the vicinity of the Company's operations.	Negative
2.	Diversity & Inclusion	Risk	Firstly, there is an increasing customer expectations that Schaeffler India demonstrates diversity in its workforce. However, the unavailability of skilled women, the challenging operational environment, 24/7 operations etc. makes it difficult to meet the expectations. Schaeffler India has targets for D&I and is finding it challenging to meet them due to paucity of human resources on the supply side.	Schaeffler India has complied and achieved the target set by Schaeffler AG for diversity and inclusion, across the leadership band during 2023. This has been done ahead of schedule. In addition, all the employee levels have been assigned a D&I target of 8% by 2025 and Schaeffler India intends to work with the skilling institutes and human resource consultancies to bridge the skills gap.	Negative
3.	Safety & working conditions	Risk	The Company's nature of operations has a significant involvement of human resources on the production floor. This means that any mishap could impact a wide segment of Schaeffler India's workforce. Injuries or accidents cause significant financial/non-financial losses to the respective individual, which are not easily reversible. The chances of safety incidents causing business operational impact is low considering that the work environment does not have exposure to hazardous substances.	Schaeffler India has established strong controls (both reactive and proactive) to address safety of its workforce, thereby keeping the likelihood of such incidents under control. Additionally, Schaeffler India has a mechanism to conduct a thorough investigation and RCA for any incident, leading to stronger corrective and preventive actions. This further helps in avoiding any such instances in future.	Negative
4.	Biodiversity	Risk	Schaeffler India's operations happen out of facilities that are part of Industrial Parks/Zones, and there are existing clearances from the owning entity to confirm that any Environmental Impact has been assessed before leasing out the premises. The intensity of the risk would be moderate considering that Schaeffler India does not have a direct control on the operations that could cause harm to biodiversity.	Schaeffler India is assessing the baseline on biodiversity impact to draw out any action plans to address the biodiversity impact due to its operations, however minimal it may be. Further, Schaeffler India also gathers inputs from its value chain partners regarding the impact of their operations on biodiversity.	Negative
5.	Energy management	Opportunity	With the experience that Schaeffler India has had till now, the Company foresees significant opportunity in energy efficiency initiatives. It has already achieved its target of 100% renewable operations during 2024.	NA	Positive

Business Responsibility and Sustainability Report

Sl. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
6.	Emissions Management	Risk	The Company foresees potential risk due to unmet stakeholder expectations on emissions management. Risks also arise due to potential disruptions to supply chain operations, attributable to climate change events. Further, Schaeffler India is dependent on its suppliers (primarily steel), being able to develop greener alternatives through R&D so that the embedded carbon footprint of its own products can be controlled.	Schaeffler India has clear agenda of lowering - GHG emissions in own production (Scope 1 and 2 emissions) and - In the supply chain (Scope 3 emissions) - Net Zero CO₂ emissions by 2040. The Company is also constantly looking out for potential sustainable alternatives from its suppliers to avoid emissions at source.	Negative
7.	Human Capital Development	Opportunity	Schaeffler India certainly foresees its approach to human talent development helping it build new skills, that further helps the Company explore market opportunities in the medium to long-term, that were otherwise unexplored. Ex: Robotics, Digitalization. This along with its quality products portfolio puts Schaeffler India in a vantage position.	NA	Positive
8.	Waste Management	Opportunity	With established waste management practices in place, Schaeffler India sees an opportunity from managing waste effectively. Schaeffler India has the mechanisms in place, and is generating secondary revenue from discarded waste from operations (used oil, metal scrap).	NA	Positive
9.	Compliance	Risk	Compliance acts as base for building trust among external stakeholders and also among employees. The recurring nature of compliances and constantly evolving regulations means that there is an increased likelihood of an unintentional miss happening. Non-compliance against regulations will result in relevant penalties.	The Company has digitally enabled comprehensive compliance management system. Schaeffler India's established processes and systems ensure that such scenarios do not occur.	Negative
10.	Data security & Data protection	Risk	Schaeffler India runs digitised operations through software solutions and automation. This also means that any breach into the existing IT setup could cause significant business disruption. As has happened in multiple instances across the industry, the IT breaches can happen unannounced any time, including the near-term.	Schaeffler India's existing IT controls are reviewed regularly to ensure such attempts and attacks are mitigated. These include a robust information security policy based on the ISO/IEC 27001 standard and taking into account sector-specific regulations, monitoring the networks for cyber threats through Security Operations Centre (SOC) to detect and respond to cyber security events, and regular training amongst employees for awareness.	Negative

Business Responsibility and Sustainability Report

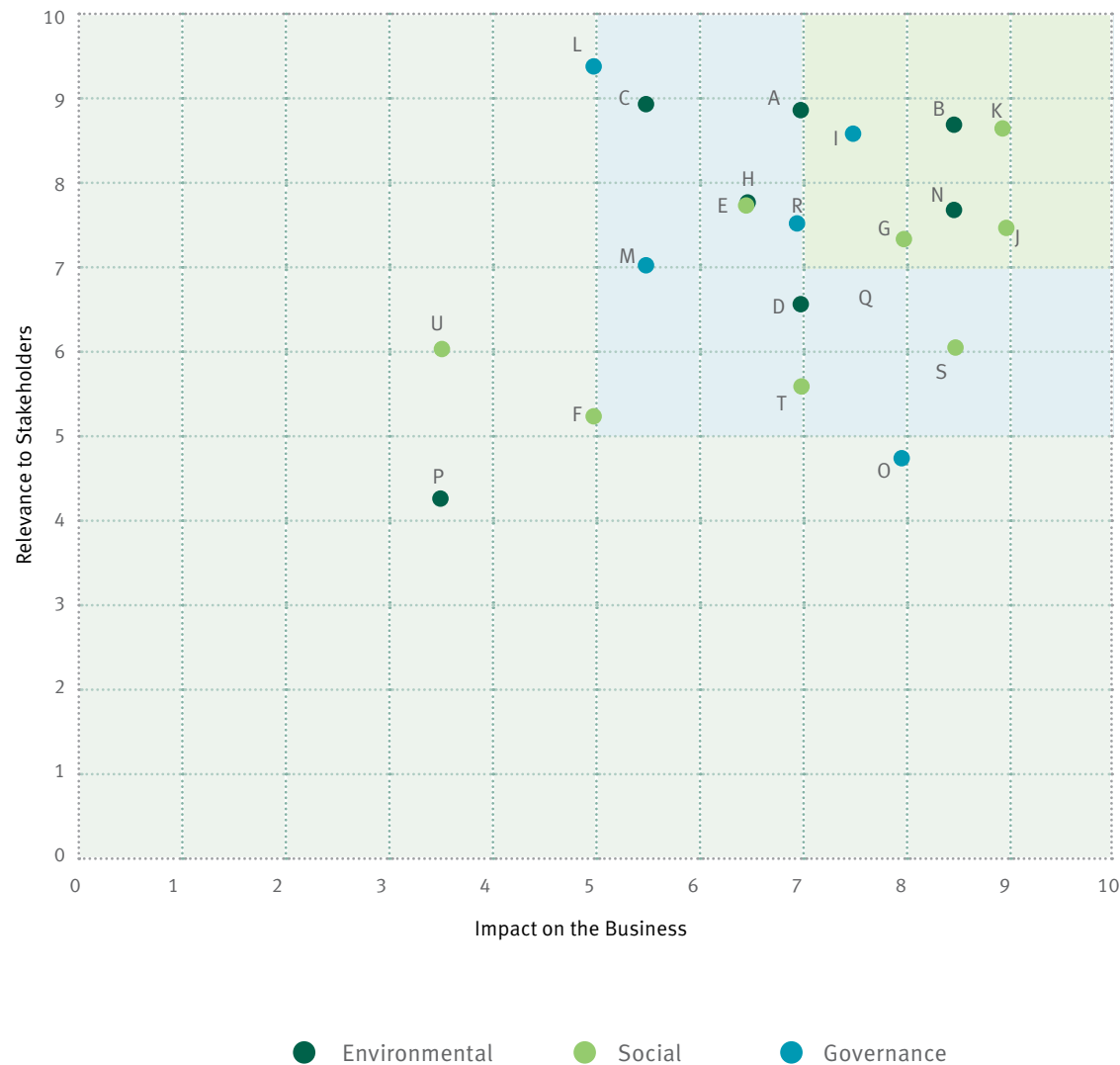
Sl. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
11.	Human Rights	Risk	This encompasses the fundamental rights and freedoms entitled to all individuals. It eliminates child & forced labour, harassment and discrimination and promote respect to individuals throughout their operations and supply chains. Schaeffler India takes a Zero Human Rights violations stance and considers the significant operational and reputational consequences if this is unmet.	With the current policies and support mechanisms available to the workforce, the possibility and impact of human rights non-compliances is limited. Our Code of Conduct (COC) contains principles of human rights and fair treatment. The Company is committed to the United Nations' international code of human rights, the "UN guiding principles on business and human rights", the ten principles of the "UN Global Compact", and the internationally-recognised standards of the eight core conventions of the International Labour Organization (ILO).	Negative
12.	Employees in the value chain	Risk	Schaeffler India has a large number of vendors on its vendor management system and with each of them being compliant to Schaeffler Procurement Policy, our approach ensures wider impact on social and environmental parameters, including their employee rights. At the same time, any potential divergence by vendors from established vendor norms, in their respective operations, could lead to operational and reputational losses for Schaeffler India too.	All the Schaeffler India vendors need to confirm at multiple stages (onboarding and annual assessments) that they have all mechanisms in place to ensure that they zero violations on human rights and labour practices. Schaeffler India also encourages the standout vendors through recognitions and awards. The Company's measures to constantly check and confirm its value chain partners' alignment with signed targets and commitments through STA, CoC, SAQ etc. bring down the likelihood of the risk.	Negative
13.	Vendor management	Risk	Integrated supply chain forms an important part of Schaeffler India's operations. The Company depend on supplier performance to manage its production and delivery to its customers. This significant dependence means that the magnitude of risks due to vendor failures is high.	Schaeffler India has established controls and alternative options for its supplier base to ensure it does not have 'single point of failures', in case of vendor related challenges. The Company has also established proactive measures to maintain a healthy and positive working relationship with its vendors. It further gathers the pulse of the suppliers through regular surveys and assessments.	Negative
14.	Product quality & safety	Opportunity	Schaeffler India's customers value high quality and safe components, since their consumers value these aspects very highly in the automotive segment. Schaeffler India is already known for quality and safety of its products vis-a-vis its peers. This continues to enable strong customer relationships, helping the Company grow and sustain the business.	NA	Positive
15.	Ethics & Transparency	Risk	Considering the scale of Schaeffler India's business and market footprint across segments, a minor mishap on ethics could cause significant reputational loss and business damage.	Schaeffler India's Code of Conduct (COC) contains principles of human rights and fair treatment. The Company is committed to the United Nations' international code of human rights, the "UN guiding principles on business and human rights", the ten principles of the "UN Global Compact", and the internationally-recognised standards of the eight core conventions of the International Labor Organization (ILO). Schaeffler India's strong controls and safeguards give the confidence that the probability of the risk is extremely remote.	Negative

Business Responsibility and Sustainability Report

Sl. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
16.	Economic performance	Opportunity	An enhanced business profile, due to strong financial performance, positions Schaeffler India as a strong contender in the market for new/unexplored business. At the same time, the industry's positive growth trajectory requires companies including Schaeffler India, to use significant natural resources. Schaeffler India sees this as an opportunity to evolve sustainable products with lesser carbon footprint, resulting in responsible business offerings.	NA	Positive
17.	Community Engagement	Opportunity	The opportunity Schaeffler India sees is through the positive impact of its community engagement projects. This helps ensure having a healthy relationship that provides positive momentum to business growth in the region. Considering the timelines associated with realising impacts of the community engagement projects, the opportunity for positive business impact will come in the long-term.	NA	Positive
18.	Transportation & Logistics	Risk	Considering the disruption a failure in supply chain logistics could cause to operations and market sales, the risk magnitude is noteworthy. The Company observed situations where disruptions in upstream/downstream transport and logistics services due to climate events has occurred in the recent past.	Schaeffler India's operations require a diversified supplier base and this means suppliers across geographies. Provisions have also been made to keep track of political events and weather forecasting, and having alternatives during such circumstances.	Negative
19.	Sustainable product design	Opportunity	Schaeffler India supplies to large names in automotive space, thereby having wider end-customer footprint. The Company's footprint is significant in the industrial segment too. The interest of Schaeffler India's clients (and potential clients) in low-carbon inputs both components and raw material, is showing an increase in recent times.	NA	Positive
20.	R&D Innovation and Technology	Opportunity	Schaeffler India's R&D function works in close tandem with the Schaeffler group's R&D agenda. Considering the comprehensive review process within the Schaeffler group, any innovations coming from R&D go through reviews and receive approvals are market-ready. Further, the potential of innovations launched in the market, to tap into the opportunity is significant.	NA	Positive
21.	Customer Relationship Management	Opportunity	Considering that multiple factors influence a customer and their business relationship with the Company, Schaeffler India's existing mechanisms to manage and nurture its customer relationships are strong and seasoned. These include open, clear and regular communications with customers regarding important events and progress of company, and regular surveys to know areas where improvement is required.	NA	Positive

Business Responsibility and Sustainability Report

Financial Materiality



Priority Topics

- B - Energy Management
- I - Data Security & Data Protection
- K - Product Quality & Safety
- G - Diversity & Inclusion
- J - Safety & Working Conditions
- N - Sustainable Product Design

Potential Topics

- A - Waste Management
- C - Emissions Management
- D - Water Management
- E - Transportation & Logistics
- H - Human Rights
- L - Ethics & Transparency
- M - Compliance
- Q - Customer Relationship Management
- R - R&D Innovation and Technology
- S - Human Capital Development
- T - Vendor Management

Horizon Topics

- F - Community Engagement
- O - Economic Performance
- P - Biodiversity
- U - Employees in the Value Chain

Business Responsibility and Sustainability Report

Section B: Management and Process Disclosures

Sl. No.	Disclosure Question	P1	P2	P3	P4	P5	P6	P7	P8	P9
		Ethical & Transparent Business Conduct	Sustainable and Safe Goods	Well-being of Employees	Interest of Stakeholders	Promote Human Rights	Protect & Restore Environment	Public Policy Advocacy	Diversity & Inclusion	Value to Consumers
										
		Businesses should conduct and govern themselves with integrity and in a manner that is ethical, transparent and accountable	Businesses should provide goods and service in a manner that is sustainable and safe	Businesses should respect and promote the well-being of all employees, including those in their value chains	Businesses should respect the interests of and be responsive to all its stakeholders	Businesses should respect and promote human rights	Businesses should respect and make efforts to protect and restore the environment	Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent	Businesses should promote inclusive growth and equitable development	Businesses should engage with and provide value to their consumers in a responsible manner
Policy and management processes										
1.	a) Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
		Yes, the Company has policies which are relevant to NGRBC principles. (See below)								
	b) Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
		Yes, all the relevant policies are approved by the Board of Directors								
	c) Web-link of the Policies, if available	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
		Company policies are available on Schaeffler India official website, also some policies & internal documents are available on company's internal website. https://www.schaeffler.co.in/en/investor-relations/corporate-governance/codes-and-policies/								
2.	Whether the entity has translated the policy into procedures. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
		Yes, all the policies are translated into procedures. Procedures are available on management handbook on the Company's internal website.								
3.	Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
		Yes, per CSRM (Category-specific Requirements Matrix), we extend the policies to the value chain partners, like we have Supplier code of conduct (Now, Business partners code of conduct) applicable to suppliers. https://www.schaeffler.co.in/en/company/purchasing-and-supplier-management/sustainability/								

Business Responsibility and Sustainability Report

Sl. No.	Disclosure Question	P1	P2	P3	P4	P5	P6	P7	P8	P9
4.	Name of the national and international codes/ certifications/labels/standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	ISO 9001:2015 IATF 16949 ISO/TS 22163:2017 Quality Assurance programme certification	ISO 9001:2015 IATF 16949 ISO/TS 22163:2017 ISO 14001:2015 ISO 45001:2018 BIS series	LKSG ILO Convention ISO 45001:2018	ISO 9001:2015 IATF 16949 TISAX BIS series	LKSG ILO Convention ISO 45001:2018	ISO 45001:2018 ISO 14001:2015 ISO 50001:2018 EU-EMAS	BIS Specifications	LKSG ILO Convention	ISO 9001:2015 IATF 16949 Quality Assurance programme certification ISO/TS 22163:2017 TISAX BIS series
		¹ Our IT Procedures are compliant with General Data Protection Regulation ("GDPR") and the Digital Personal Data Protection Act, ("DPDP") 2023.								
		¹ Information security management system (ISMS) is aligned with international standards such as ISO/IEC 27001.								
5.	Specific commitments, goals and targets set by the entity with defined timelines, if any.	Schaeffler India has developed an ambitious and structured programme with long-term goals to advance our commitment towards sustainability. (Refer page 55)								
6.	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	Schaeffler India has the process of monitoring ESG performance to track deviations on time. Schaeffler India conducts regular quarterly reviews of ESG performance with the Top Management and presents the same to the Board of Directors and the suggested changes, if any, are made in the strategy, if required. Also, Monthly reviews are conducted at plants by Plant Managers. Details about progress so far on our targets is available on page 55 in the Annual report.								
P1	Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.	1. Code of Conduct for Directors, Senior Management & Employees 2. Code on Prohibition of Insider Trading 3. Dividend Distribution Policy 4. Policy on Determination of Material Subsidiary 5. Policy on Determination of Materiality for Disclosure of Events or Information 6. ESG Group policy (Internal document) 7. Risk Management Policy 8. Information_Cyber_Security-DataProtection (Internal policy document)				9. Human right compliance policy (Group, Internal policy document) 10. Legal policy (Group Internal policy document) 11. Related Party Transactions Policy 12. Vigil Mechanism or Whistle-Blower Policy 13. Internal Audit Charter 14. Business Integrity Compliance (Group Internal policy) 15. Policy against Sexual Harassment (POSH Policy) 16. Compliance with Anti trust and Competition Law internal guidelines 17. Internal control system policy (Group Internal policy)				
P2	Businesses should provide goods and services in a manner that is sustainable and safe.	1. The Schaeffler Supplier Code of Conduct 2. Sustainability target agreement (Internal document) 3. EnEHS policy (Group policy)				4. Quality & continuous improvement Policy (Group Internal policy) 5. Human right compliance policy (Group Internal policy) 6. ESG Group policy (Group Internal policy)				
P3	Businesses should respect and promote the well-being of all employees, including those in their value chains.	1. Nomination and Remuneration Policy 2. Internal policies: Employee transfers, employee referral, employee death benefit etc. 3. Policy against Sexual Harassment 4. Vigil Mechanism or Whistle-Blower Policy 5. Compliance with Anti trust and Competition Law internal guidelines				6. Code of Conduct for Directors, Senior Management & Employees 7. Internal policies: employee education Assistance, travel, mobile, Petro card, Internal job, relocation, car policy, Parental policy, workman leave policy 8. ESG Group policy (Internal document) 9. Human resource policy (Group Internal policy Document)				

Business Responsibility and Sustainability Report

Sl. No.	Disclosure Question	P1	P2	P3	P4	P5	P6	P7	P8	P9
P4	Businesses should respect the interests of and be responsive to all its stakeholders.	1. Divided distribution policy 2. Code on Prohibition of Insider Trading 3. Policy on Determination of Materiality for Disclosure of Events or Information 4. Code of Fair Disclosure and Conduct; Policy for determination of “Legitimate Purposes” 5. Internal Audit Charter 6. Compliance with Anti trust and Competition Law internal guidelines				7. Risk Management Policy 8. Related Party Transactions Policy 9. Business Integrity Compliance (Internal Policy) 10. Supplier code of Conduct, STA (Sustainability Target Agreement- Internal document) 11. Vigil Mechanism or Whistle-Blower Policy 12. Information_Cyber_Security-DataProtection (Internal policy document)				
P5	Businesses should respect and promote human rights.	1. Code of Conduct for Directors, Senior Management & Employees 2. Human right compliance policy (Group, Internal policy document) 3. Nomination and Remuneration Policy				4. The Schaeffler Supplier Code of Conduct (Internal policy Document) 5. EnEHS policy (Group policy) 6. ESG Group policy (Internal doc)				
P6	Businesses should respect and make efforts to protect and restore the environment.	1. EnEHS policy (Group policy) 2. Emergency Planning 172930 – 172949 (Group Internal policy) 3. ESG Group policy (Internal document) 4. Business continuity, contingency & crisis mgmt.(Group Internal policy)				5. Policy for Preservation of Documents & Archival of Information 6. Sustainability target agreement (Internal Document) 7. Risk Management Policy				
P7	Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.	1. Code of Conduct for Directors, Senior Management & Employees 2. Code on Prohibition of Insider Trading; Code of Fair Disclosure and Conduct; Policy for determination of “Legitimate Purposes” 3. Business Integrity Compliance (Internal Policy)								
P8	Businesses should promote inclusive growth and equitable development.	1. Corporate Social Responsibility Policy 2. The Schaeffler Supplier Code of Conduct				3. Human right compliance policy (Group, Internal policy document) 4. ESG Group policy (Group Internal doc)				
P9	Businesses should engage with and provide value to their consumers in a responsible manner.	1. Cyber security policy 2. Code of Conduct for Directors, Senior Management & Employees 3. Privacy policy 4. Compliance with Anti trust and Competition Law internal guidelines 5. Information security policy, Artificial intelligence(AI) policy (Group, internal policy document)				6. Internal Audit Charter 7. Quality & continuous improvement Policy (Group, internal policy document) 8. Information_Cyber_Security-Data Protection (Group, internal policy document) 9. Internal control system policy (Group)				
	(All are internal policies available on company intranet page.)									

Business Responsibility and Sustainability Report

Sl. No.	Disclosure Question	P1	P2	P3	P4	P5	P6	P7	P8	P9
Governance, leadership and oversight										
7.	Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure). A statement from the MD & CEO, please refer page 21.									
8.	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies). Name of highest authority : Mr. Harsha Kadam Designation : MD & CEO DIN : 07736005 Category : E & NID									
9.	Does the entity have a specified Committee of the Board/Director responsible for decision-making on sustainability related issues? (Yes/No). If yes, provide details. The Company has a structured “Sustainability Network” to set Sustainability targets, to review the performance and follow up actions in defined areas of ESG. Sustainability Network is overseen by six pillars of Leadership Team. Six pillars are – Strategy, Sustainable purchasing, Sustainable production, Sustainable products, Sustainability reporting, People and Culture. The network is responsible for reviewing, monitoring, and discussing key sustainability performance indicators and defining strategy and action plans to achieve them. Team ensures Schaeffler standards, and stakeholders’ expectations are fulfilled. Quarterly reviews in Board meeting are conducted where ESG performance are discussed & suitable changes are made in our strategy if required. In addition, we have the following Board committees in which sustainability related issues are discussed & recommendations are made. 1. The Risk Management Committee: The RM Committee formulated a detailed Risk Management Policy covering the framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee, measures for risk mitigation including systems and processes for internal control of identified risks and Business continuity plan. The RM Committee ensures that appropriate methodology processes and systems are in place to monitor and evaluate risks associated with the business of the Company. The RM Committee monitors and oversee implementation of the Risk Management Policy, including evaluating the adequacy of risk management systems. (For composition of Risk Management Committee refer Corporate Governance Report). 2. The Corporate Social Responsibility (CSR) Committee: The CSR Committee defines the focus areas and indicate the activities to be undertaken by the Company under CSR domain. The CSR Committee formulate the Annual action Plan, monitor the budget under the CSR activities of the Company. The CSR committee reviews status of the CSR projects undertaken towards social cause and further gives directions to uplift the life of the community surrounding, which contributes for sustainability. (For composition of CSR committee please refer CSR report.)									
10.	Details of Review of NGRBCs by the Company:									
Subject for Review		Indicate whether review was undertaken by Director/Committee of the Board/Any other Committee								
		P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances.		Yes, Done by Executive management, relevant committee & Board								
Subject for Review		Frequency								
		P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances.		Periodic reviews by relevant executive management for six pillars & Quarterly by Relevant committee & Board								

Business Responsibility and Sustainability Report

Sl. No.	Disclosure Question	P1	P2	P3	P4	P5	P6	P7	P8	P9
11.	Has the entity carried out independent assessment/evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	Yes, an assurance engagement was carried out by BDO AG to provide assurance about design, implementation and operating effectiveness of Compliance Management System on topics anti corruption, anti-trust and prevention of economic crime. During the EHS audits, as part of the requirements of ISO standards, EHS policy is assessed/evaluated and suitable review is undertaken if required. Independent external agencies Ms. EMAS and Ms. Intechnica are conducting our EHS & energy management systems audits. Also, we have robust internal audit process which carry out a detailed examination of policies & procedures and regulatory requirements. As a part of process, report on the status of compliance is submitted to Board on a regular basis. To comply with best practices and mitigate risks, policies are reviewed and revised periodically by various business leaders, and then approved by the management/Board. Policy review is also part of ISO certification process which is done at HQ level.								
12	If answer to question (1) above is “No” i.e. not all Principles are covered by a policy, reasons to be stated:									
	The entity does not consider the Principles material to its business. (Yes/No)									
	The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles. (Yes/No)									
	The entity does not have the financial or/human and technical resources available for the task. (Yes/No)	Answer to question (1) above is “Yes”, hence this question is Not Applicable								
	It is planned to be done in the next financial year. (Yes/No)									
	Any other reason. (please specify)									

Business Responsibility and Sustainability Report

Section C: Principle Wise Performance Disclosure

PRINCIPLE 1

Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	2	Refreshing Integrity & Security @ Schaeffler	100%
	5	Operational, Financial Performance, Business Performance & Risk Management, ESG	100%
		Induction of new Independent Director:	
		Interaction with Executive Leadership Team - Operational, Business and Functional details	100%
		Interaction with VP-Legal & CS - Listed entity structure, Regulatory framework, Shareholding structure, Board and Committee composition, Related Party Transaction framework, Insider Trading framework etc.	100%
		Interaction with Head – Internal Audit - Internal Audit framework, Scope and Risk matrix	100%
		Interaction with Group Audit Committee Chairperson - Group Audit framework	100%
Key Managerial Personnel	1	Operational, Financial Performance, Business Performance & Risk Management, ESG	100%
	4	Integrity & Security @ Schaeffler	100%
		Preventing Bribery & Corruption (PBAC)	100%
		New Compliance WBT “Antitrust Compliance”	100%
Employees other than BoD and KMPs ¹	7	Integrity & Security @ Schaeffler (New Joiners)	100%
		Preventing Bribery & Corruption (PBAC) (For new joiners)	100%
		Refreshing Integrity & Security @ Schaeffler (For existing)	99%
		New Compliance WBT “Antitrust Compliance” (For new joiners)	100%
	62	Schaeffler Governance Framework	96%
		Windchill training	
		SIEMENS SINAMICS Training	
		Workshop on Become Master Presenter	
		The Trust Equation (Leadership Essential)	
		NITAL HNO3 Tank Process Implementation Awareness Training	
		Mastering Self-Motivation	

Business Responsibility and Sustainability Report

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
		Managing Export Control Concerns and Compliance in the Sales Process GFR 111 A (Workplace safety) Functional Training on Project Management Finance for Non Finance Electrical Cabinet: Design of special machinery Diversity, Inclusion and Belonging DFMEA Design for Potential Failure Modes and Effects Analysis Quality in Critical Thinking and Problem Solving Communicating Effectively to Improve Your Leadership Brand Coaching Conversations Power BI and Analysis Tools Prevention of Sexual Harassment (POSH) at Workplace Human rights Performance and Goal Management (PMGM)	
Workers ¹	51	Awareness Training of Bearing Handling During Assembly and Roller Visual Defect KAIZEN PRESS SAFETY TOOL SETTING 5S + DOJO Training Addressing Poor Work Habits Prevention of Sexual Harassment (POSH) at Workplace Bearing Assembly Process Chemical Material Handling Cyber Security Awareness Workplace Fire Extinguisher and Fire Hydrant Practical KATA Coaching Machine safety/Workplace Safety Problem Solving and Decision-Making (8D and Other Tools)	79%

¹In the above Snapshot we have not considered allied services like Canteen, Housekeeping, Security, Transportation, construction workers etc.

Business Responsibility and Sustainability Report

2. Details of fines/penalties/punishment/award/compounding fees/settlement amount paid in proceedings (by the entity or by directors/KMPs) with regulators/ law enforcement agencies/judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Monetary					
	NGRBC Principle	Name of the regulatory/enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/Fine	During the year, there were no fines/penalties/punishment/award/compounding fees settlement amount paid in proceedings (by the entity or by directors/KMPs) with regulators/law enforcement agencies/judicial institutions in accordance with the materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015.				
Settlement					
Compounding fee					
Non-Monetary					
	NGRBC Principle	Name of the regulatory/enforcement agencies/ judicial institutions		Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	During the year, there were no imprisonment/punishments against any Directors/KMP				
Punishment					

3. Of the instances disclosed in Question 2 above, details of the Appeal/Revision preferred in cases where monetary or non-monetary action has been appealed.

Not applicable – As during the year, there were no fines/penalties/punishment/imprisonment/award/compounding fees settlement amount paid in proceedings (by the entity or by directors/KMPs) with regulators/law enforcement agencies/judicial institutions in accordance with the materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015.

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes

Business practices of Schaeffler are based on the principles of mutual respect, integrity and fairness which are defined in Schaeffler Code of Conduct, which is available on Schaeffler India website. Clause 2.2 of the Code of Conduct provides guidance on Anti-corruption. The values and principles of code of conduct are implemented while designing the business integrity compliance policy (Internal document)

This policy provides binding instructions on business integrity, particularly in the compliance risk areas below, to reduce the risk of violations of the law.

- Anti-corruption
- Fair competition, Antitrust and competition law
- Avoiding Conflicts of interest
- Prevention of money laundering and financing of terrorism
- Export control & sanctions law
- Business Partner due diligence

Business Responsibility and Sustainability Report

- Proper accounting & financial reporting
- Reporting of misconduct
- Transparency and traceability of transactions

Schaeffler India also has a separate Code of Conduct for Directors, Senior Management & Employees (refer: CoC of Directors, Senior Management & Employees) and Suppliers Code of Conduct (refer: COC_ Suppliers). The relevant policies can be accessed through the web-link provided. The Company also creates awareness about the policy to all its employees, vendors and supply chain partners through physical/virtual training sessions, e-modules Etc. Following are links.

[Coc of directors, senior management & employees](#)

[Supplier Code of conduct](#)

[Group code of conduct](#)

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/corruption:

	FY 2024	FY 2023
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	Nil	Nil

6. Details of complaints with regard to conflict of interest:

	FY 2024 Number	Remark	FY 2023 Number	Remark
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	No Conflict of Interest incidents were reported against Directors	0	No Conflict of Interest incidents were reported against Directors
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	No Conflict of Interest incidents were reported against KMPs	0	No Conflict of Interest incidents were reported against KMPs

7. Provide details of any corrective action taken or underway on issues related to fines/penalties/action taken by regulators/law enforcement agencies/judicial institutions, on cases of corruption and conflicts of interest

Not applicable, as we do not have any instances of corruption/conflicts of interest against Directors and KMPs.

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8. Number of days of accounts payables ((Accounts payable* 365)/Cost of goods/services procured) in the following format:

	FY 2024	FY 2023
Number of days of account payables	64	72

9. Open-ness of business: Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2024	FY 2023
Concentration of Purchases ²	a) Purchases from trading houses as % of total purchases	3.0%	3.0%
	b) Number of trading houses where purchases are made from	331	334
	c) Purchases from top 10 trading houses as % of total purchases from trading houses	35.5%	36.8%
Concentration of Sales	a) Sales to dealers/distributors as % of total sales	16.6%	15.7%
	b) Number of dealers/distributors to whom sales are made	753	755
	c) Sales to top 10 dealers/distributors as % of total sales to dealers/distributors	21.2%	21.8%
Share of RPTs in	a) Purchases (Purchases with related parties/Total Purchases)	43.6%	41.1%
	b) Sales (Sales to related parties/Total Sales)	12.3%	12.6%
	c) Loans & advances (Loans & advances given to related parties/Total loans & advances) ¹	100.0%	100.0%
	d) Investments (Investments in related parties/Total Investments made) ¹	100.0%	100.0%

¹Here we have considered non - current Loans & Non-current investments for calculation.

²Schaeffler India purchases production material directly from Supply Chain Partners and do not involve any trading houses from import/export perspective. Values mentioned here are concerned with domestic dealers/traders & consisting only of non production material.

Business Responsibility and Sustainability Report

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

Total number of awareness programmes held	Topics/principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes (2024)	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes (2023)
25	Supply Chain digitalization: The "SupplyOn" tool is implemented with Production Material suppliers as per group guideline. It covers topics such as Sourcing Module, Web EDI, ASN, GTL, Performance Monitor etc.	95% ²	90%
35	Schaeffler Supplier Sustainability (Carbon emission management and targets, Environmental management certification, Occupational health and safety certification, SAQ and Sustainability Target agreement).	62% ¹	89% ¹

¹Self-Assessment Questionnaire (SAQ) by supplier

²As a percentage of Purchase value from supply chain partners

2. Does the entity have processes in place to avoid/manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.

Yes

All directors are governed by Schaeffler India Code of Conduct for Directors, Senior Management & Employees which includes Conflict of interest (COI) clause.

COI declarations are taken from the Board members on an annual basis. Adequate resolution is agreed about the declared conflict and documented.

We have internal policy document on Business integrity & compliance (Internal Policy) which lays down procedures for the Disclosure and Handling of Conflicts of Interest. Following are links for code of conduct:

[Coc of directors, senior management & employees](#)

[Supplier Code of conduct](#)

[Group code of conduct](#)

[Business integrity & compliance policy \(internal policy\)](#)

Business Responsibility and Sustainability Report

PRINCIPLE 2

Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	FY 2024	FY 2023	Details of improvements in environmental and social impacts
R&D	100%	100%	1. We continue to strive towards improving performance and developing efficient solutions to support customers in meeting their sustainability targets. 2. On one hand, our efforts continue towards localisation of the products and at the same time, investments for improving testing capabilities and competency enhancements aiming for localisation in all aspects marks another step towards sustainability. 3. Because of a diversified product portfolio, other than conventional product enhancements, our new product development and testing capability enhancement for future mobility products for Hybrids and BEVs have also commenced during 2024.
Capex	6.3%	7.4%	

1. 100% of Schaeffler India Limited's R&D spend can be aligned to one or more principles of NGRBC.
2. For capex we already have established machineries & procedures to control the environmental and social impacts of our product and processes, we do regular checks & updates which require no investment as such for time being.

2. Details on Sustainable Sourcing

a) Does the entity have procedures in place for sustainable sourcing?

Yes

Sustainability is an integral part of Schaeffler's DNA. This includes identifying, managing, and optimising the ecological, social, and economic effects in the supplier network. Modern technologies require raw materials, which frequently come from critical regions of the world. Climate change and the increasing scarcity of resources are also affecting our supply chains. In this context, we have made it a key objective to achieve climate neutrality in our supply chains by 2040. We intensify business relationships with our suppliers in order to further develop sustainable practices in their own organization and promote collaboration.

1. We have Sustainable Procurement Policy available on Schaeffler India's website.
2. Supplier Code of Conduct signed by all Schaeffler India suppliers.
3. Self-Assessment Questionnaire (SAQ) is applicable for new supplier as well as existing suppliers. It covers topics such as Company Management, Human Rights and Working Conditions, Health and Safety, Business Ethics, Environment, Responsible Supply Chain Management and Responsible Sourcing of Raw Materials etc. Supplier limitations in SAQ are referred to RSCI audit (Responsible Supply Chain Initiative).
4. Sustainability aspects are included in sourcing approval.

Business Responsibility and Sustainability Report

5. Sustainability Target Agreement (STA) for continuous improvement in sustainability performance with selected production material suppliers as per group guideline/ targets - every year. STA covers, Greenhouse Gas Emissions, Renewable Energy, Waste management, Human rights aspects (Human rights due diligence), Returnable packaging etc.
6. Through our SAQs (Self assessment questionnaire) we ensure that our Business Partners identify the presence and source of minerals by using the Responsible Minerals Initiatives (RMI) reporting templates viz: Conflict Minerals Reporting Template (CMRT), Extended Minerals Reporting Template (EMRT) and Pilot Reporting Template (PRT).
[Sustainability | Schaeffler India](#)

b) If yes, what percentage of inputs were sourced sustainably?

Yes

It is mandatory for all suppliers of Schaeffler India to declare their commitments to our sustainability requirements during onboarding as per qualification requirements. More than 60% of Schaeffler’s inputs are sourced through sustainable sourcing.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for

Schaeffler India has a Prohibited Substance standard which is applicable to all the raw material namely Steel, plastics, rubber, oil, and Lubricants including packaging material. This is the comprehensive standard encompassing all the material compliance related requirement applicable to all the Schaeffler products.

This standards not only addresses the ELV compliance but also includes Compliance with respect to ROHS, REACH, POP, Asbestos free, CLP (classification, labeling and packaging) compliance, TSCA (toxic substance compliance Act), Phthalates free material. Since Schaeffler has global presence and delivers parts across the globe, including, Europe, Americas, Asia pacific, China and other South African Countries, this hazardous and prohibited substance standard ensures inclusion and incorporation of all related and updated applicable material compliance requirement considering global and region wise local customers’ requirement and fulfilling them diligently and demonstrating the compliance by providing the compliance reports in terms of IMDS (international Material data system) reports, ELV, ROHS, REACH, POP ASBESTOS Free compliance report as well as follow Conflict Mineral Report system.

Additionally, Schaeffler India has established a structured process to monitor any new legal regulations issued by the Indian government or other relevant authorities or by the customer. This multilayered evaluation allows for thorough review and ensures proactive measures are taken if any regulations apply to Schaeffler India products from current and future businesses.

We adhere to the three R principle: Reduce, Reuse, and Recycle. To manage our waste, we implement various efficient waste management initiatives that consider environmental impact, social effects, and commercial viability there by we contribute towards circular economy. Our E-Waste is also provided to Original equipment manufacturer and registered recycler, so as per E-Waste guideline, being end user we comply to this requirement laid down in E-Waste rule. We are also committed towards Zero waste to landfill. (For detail please refer to page 60)

- | | |
|------------------------------------|--|
| (a) Plastics (including packaging) | Plastic waste generated from our manufacturing and warehousing locations are recycled through an authorised recycler. |
| (b) E-waste | Waste generated from all locations is safely recycled through an authorised recycler or sent back to original manufacturer. |
| (c) Hazardous waste | Waste generated from manufacturing locations is sent to authorised recyclers or for co-processing, remaining waste is scientifically disposed off in an authorised landfill. We have initiated a pilot project for Zero Waste to landfill at two of our plant locations. |
| (d) Other waste | Metal scraps from the manufacturing process are recycled either by sending them back to the suppliers or authorised recycler. |

Note: Schaeffler India Limited supplies its products to OEM companies, which use these intermediary products in their final product which will be sold to consumer. So, for Schaeffler India Limited consumers are these OEM companies i.e customers and has limited scope to directly reach to consumer.

Business Responsibility and Sustainability Report

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity’s activities (Yes/No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Yes

It is applicable under category of Brand owner & Importer under plastic waste management rules 2016.

Schaeffler India is registered under importer category.

Schaeffler India has applied for registration under brand owner category along with the action plan.

Leadership Indicators

1. Has the entity conducted Life Cycle Perspective/Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

Besides reduction of greenhouse gas emissions in our own production and facilities, we at Schaeffler India aim to reduce our climate footprint along the entire value chain. This includes assessing and reducing CO₂-Emissions arising with our suppliers, as well as the footprint generated by the products during their use phase and in disposal. To this end we conduct life cycle analyses (LCA) on our products.

NIC Code	Name of Product/Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective/Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link.
28140	Ball & Roller Bearing	56%	Cradle-to-gate	No	LCA carried out centrally at group level
28140	Engine Components	15%	Cradle-to-gate	No	
28140	Transmission System	28%	Cradle-to-gate	No	

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products/services, as identified in the Life Cycle Perspective/Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

LCA is carried out as per the Group Guidelines and there were no significant social & environmental concerns identified in LCA. However, Schaeffler has committed for Net Zero emissions from its operations by 2040.

Name of Product/Service	Description of the risk/concern	Action Taken
Nil	Nil	Nil

Business Responsibility and Sustainability Report

3. **Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).**

Indicate input material	Recycled or re-used input material to total material	
	FY 2024	FY 2023
Packaging plastic material	12.1%	15.9%
Plastic granules	19.9%	12.0%
Castings	85.0%	83.1%
Steel	13.6%	17.2%

4. **Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:**

	FY 2024			FY 2023		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	NA			NA		
E-waste						
Hazardous waste						
Other waste						

We are intermediaries in supply chain, where major quantum of our products is directly supplied to the OEMs. Hence the Company has no scope for reclaiming it at the end of its lifecycle.

5. **Reclaimed products and their packaging materials (as percentage of products sold) for each product category.**

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
	Not applicable

We are intermediaries in supply chain, where major quantum of our products is directly supplied to the OEMs. Hence the Company has no scope for reclaiming it at the end of its lifecycle.

Business Responsibility and Sustainability Report

PRINCIPLE 3

Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. a) Details of measures for the well-being of employees:

	% of employees covered by										
Category		Health insurance		Accident insurance		Maternity benefits		¹ Paternity Benefits		² Day Care facilities	
	Total (A)	Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	1,549	1,549	100%	1,549	100%	0	0%	1,549	100%	0	0
Female	103	103	100%	103	100%	103	100%	0	0%	63	61%
Total	1,652	1,652	100%	1,652	100%	103	100%	1,549	100%	63	61%
Other than Permanent employees											
Male	121	121	100%	121	100%	0	0%	0	0%	0	0%
Female	29	29	100%	29	100%	29	100%	0	0	14	48%
Total	150	150	100%	150	100%	29	100%	0	0%	14	48%

b) Details of measures for the well-being of workers:

	% of workers covered by										
Category	Health insurance			Accident insurance		Maternity benefits		¹ Paternity Benefits		² Day Care facilities	
	Total (A)	Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent workers											
Male	1,245	1,245	100%	1,245	100%	0	0%	1,245	100%	0	0%
Female	25	25	100%	25	100%	25	100%	0	0%	25	100%
Total	1,270	1,270	100%	1,270	100%	25	100%	1,245	100%	25	100%
Other than Permanent Workers											
Male	2,272	2,272	100%	2,272	100%	0	0%	353	16%	0	0%
Female	163	163	100%	163	100%	163	100%	0	0%	136	83%
Total	2,435	2,435	100%	2,435	100%	163	100%	353	16%	136	83%

¹Parental leave was not applicable to Male employees in year 2023, from 2024 onwards this is applicable to all permanent male employees across Schaeffler India

²In two plants Day care facility is available, for rest of the plants it is in construction stage. We have plan in place to introduce the facility for our employees in year 2025.

¹In the above Snapshot we have not considered allied services like Canteen, Housekeeping, Security, Transportation, construction workers etc.

Business Responsibility and Sustainability Report

c) Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format –Cost incurred on well-being measures as a % of total revenue of the Company for Current Financial Year and Pervious Financial Year:

	FY 24 (%)	FY 23 (%)
Cost incurred on well-being measures as a % of total revenue of the Company	0.11%	0.06%

2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY 2024			FY 2023		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/NA)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/NA)
PF ¹	100%	100%	Yes	100%	100%	Yes
Gratuity	100%	100%	Yes	100%	100%	Yes
ESI	100%	100%	Yes	100%	100%	Yes
Superannuation benefit (Co Fund + NPS)	100%	100%	Yes	100%	100%	Yes

¹includes family pension scheme.

3. Accessibility of workplaces

Are the premises/offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Our premises and offices are currently accessible to differently abled employees and workers mostly. We follow harmonised guidelines and space standards for barrier free environment for persons with disability. We are progressing towards installing the required facilities to make the premises accessible to differently abled employees and workers. We have basic infrastructure development plan for Differently-abled persons in all the plants. This plan includes:

- Signages
- Separate Entry-Exit for punching
- Elevator, Ramp and Handrails
- Dedicated Parking
- Washrooms/Restrooms are few of them

In addition, to encourage diversity and inclusion, one aspect is to deploy differently abled candidates. In this view, as a regular practice the potential positions are identified in technical as well as non-technical functions. These positions may be filled on on-roll and off-roll basis. Currently, there are approximately 8 differently abled employees and workers deployed in different locations.

Business Responsibility and Sustainability Report

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Schaeffler India Code of Conduct (COC), incorporates principle of Diversity. We have recognised equality as one of the human right and respecting this human right at workplace is priority for the Company. The Company has a long-term commitment towards creating a respectful working environment that is free from prejudice and in which diversity is regarded as a success factor. We believe in respecting each individual and giving equal opportunity at work place regardless of their age, gender, gender identity, ethnic and social background, nationality, religion, world view, disabilities, and sexual orientation. Being a global organization Schaeffler considers cultural diversity as strength.

We strive to create a working environment which is inclusive and free from discrimination, intimidation, and abuse. Our diversity and inclusion policy is under formulation stage.

[Coc of directors, senior management & employees](#)

[Supplier code of conduct](#)

[Group code of conduct](#)

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male ¹	100%	100%	100%	100%
Female	100%	100%	0 ³	0 ³
Total	100%	100%	100%	100%

¹From year 2024 onwards this is applicable to all male candidates across Schaeffler India.

³There is no women worker who has taken maternity leave under permanent workers category.

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No	(If Yes, then give details of the mechanism in brief)	
Permanent Workers	Yes	- For workers we have unions in place wherein workers can file a complaint and/or approach the management at any point of time to resolve their grievances. As an additional measure the Company has well structured grievance mechanism with the clear scope & objectives. - Under Vigil Mechanism and Whistle-Blower Policy, we have defined policy to file a complaint through separate e-mail Ids, Helpline numbers & SPOCs for filing related complaints. (Contact information circulated among employees). - Every plant & offices have ICC committee to deal the issues related to POSH issues through helpline number, e-mail Id, SPOCS.	Under vigil mechanism employee can file compliant weo.india@schaeffler.com
Other than Permanent Worker			POSH related complaints posh@schaeffler.com
Permanent Employees			Compliance related, Human rights queries complianceindia@schaeffler.com dedicated hotline number provided in code of conduct
Other than Permanent Employees			Employee can file any complaint anonymously https://www.bkms-system.net/schaeffler

Business Responsibility and Sustainability Report

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 2024			FY 2023		
	Total employees/workers in respective category (A)	No. of employees/workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees/workers in respective category (C)	No. of employees/workers in respective category, who are part of association(s) or Union (D)	% (D/C)
Total Permanent Employees	1,652	0	0%	1,566	0	0%
Male	1,549	0	0%	1,468	0	0%
Female	103	0	0%	98	0	0%
Total Permanent Workers	2,922	743	25%	1,292	810	63%
Male	2,794	743	27%	1,264	810	64%
Female	128	0	0%	28	0	0%

¹In the above Snapshot we have not considered allied services like Canteen, Housekeeping, Security, Transportation, construction workers etc.

8. Details of training given to employees and workers:

	FY 2024					FY 2023				
	On Health and safety measures			On Skill upgradation		On Health and safety measures			On Skill upgradation	
	Total (A)	No. (B)	% (B/A)	No. (C)	% (C/A)	Total (D)	No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	1,670	653	39%	1433	86%	1573	1294	82%	1475	94%
Female	132	50	38%	109	83%	122	69	57%	102	84%
Total	1,802	703	39%	1542	86%	1695	1363	80%	1577	93%
Worker										
Male	3,517	1,576	45%	1899	54%	3270	1981	61%	1743	53%
Female	188	82	44%	88	47%	259	234	90%	63	24%
Total	3,705	1,658	45%	1987	54%	3529	2215	63%	1806	51%

¹In the above Snapshot we have not considered allied services like Canteen, Housekeeping, Security, Transportation, construction workers etc.

Business Responsibility and Sustainability Report

9. Details of performance and career development reviews of employees and worker:

We have, global Performance & Goal Management (PMGM) system to support the individual performance as well as the personal and professional development of employees. PMGM involves, setting performance goals for the new year, openly discussing employee's career plans and defining appropriate development goals and actions in dialogs between the managers and the employees. For workers, internal performance appraisal mechanism is in place.

	FY 2024			FY 2023		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	1,549	1,549	100%	1,468	1,468	100%
Female	103	103	100%	98	98	100%
Total	1,652	1,652	100%	1,566	1,566	100%
Worker						
Male	1,245	1,245	100%	1,264	1,264	100%
Female	25	25	100%	28	28	100%
Total	1,270	1,270	100%	1,292	1,292	100%

¹In the above Snapshot we have not considered allied services like Canteen, Housekeeping, Security, Transportation, construction workers etc.

10. Health and safety management system:**a) Whether an occupational health and safety management system has been implemented by the entity? (Yes/No). If yes, the coverage such system?**

Yes

Safety is a fundamental value that takes precedence over all business objectives. At all of our plants, we have Occupational Health Centre (OHC) facilities that are staffed by doctors, nurses, and ambulances that operate around the clock. Our health and safety management systems have been implemented in accordance with the International Standards ISO 45001 (Occupational Health and Safety Management System Standard). The coverage is 100%, and it includes all employees and workers. Following the link of the EnEHS policy of Schaeffler Group available on Public domain, applicable to all the entities of Schaeffler Group. [EnEHS Policy – Group](#)

b) What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

We believe that as a responsible organization, it is our duty to prioritise safety in all our operations. It is a critical aspect of our business, and we are committed to instilling a culture of safety across all levels of our organization. We regularly evaluate our safety practices against industry standards to establish a safe and secure workplace for our employees, business partners and contractors, striving to set the benchmark for excellence. On the routine work we have process of Identification of potential work related Risks, Assessment and valuation of risk (HIRA) is done in every risk assessment cycle for all work locations. This risk assessment process is carried out in three stages – to be at local locations across the locations by CFT teams and by engaging third party. Apart from the above process we have following system in place to identify routine and non routine related work.

Business Responsibility and Sustainability Report

1. Regular inspections of the workplace to identify potential hazards and unsafe practices by TPM check list.
2. EHS walk through by Cross functional team along with top management of the location.
3. Group internal Safety audits, External audits acc to ISO 45001.
4. Near miss reporting systems are implemented across the location for employees working at the shopfloor.
5. Creating regular awareness among employees on occupational safety.

c) **Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)**

Yes

In addition to implementing safety measures, we encourage our employees and workers to report health and safety violations such as work hazards, near misses, and unsafe acts among others. We have Incidence reporting system in place where employee can report work related hazards.

- Everyday shopfloor management meeting are conducted where employee can report such incidences or possibility of occurrence
- Every plant has a safety officer to whom worker can report such incidence & decide action plan in case of occurrence of such incident.

Also we have group level incident reporting systems, any employee can report such incidents and the same will be addressed in coordination with EHS regional and Central function.

d) **Do the employees/worker of the entity have access to non-occupational medical and healthcare services? (Yes/No)**

Yes

The employees and workers have access to non-occupational medical and healthcare services. Employees and workers can avail cashless medical claim services from the hospital chains which are covered under group insurance coverage. We are providing health checkups for employees of age 45 and above. Employees are engaged in the mental wellness programmes at offices like yoga, periodic health checkups, regular inspection of workplaces etc. Conducting the health awareness programmes by company medical officers and external doctors on seasonal and lifestyle related diseases etc. Recently we have launched a parenting leave policy which offers expectant parents the opportunity to embrace the joys of parenthood while ensuring smooth transition into their new roles.

Business Responsibility and Sustainability Report

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2024	FY 2023
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.86	0.20
	Workers	0.22	0.10
Total recordable work-related injuries	Employees	3.00	1.00
	Workers	2.00	1.00
No. of fatalities	Employees	0.00	0.00
	Workers	0.00	0.00
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0.00	0.00
	Workers	0.00	0.00

¹In the above Snapshot we have not considered allied services like Canteen, Housekeeping, Security, Transportation, construction workers etc.

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

Ensuring safety is our top priority, and to achieve this,

- We have mandatory safety trainings for all our employees and group level E-Learning for Supervisors
- Safety DOJO training is established in all the locations where employees who must work in Gemba will get hands on experience on all the safety aspects
- We engage cross location team and third-party experts to conduct risk assessments where potential occupational risks are assessed, measures against that are defined in advance
- Walkthrough surveys by CFT (cross functional teams) is conducted on regular basis
- Safety committee meetings are conducted on regular basis headed by senior experts in area, to ensure safety practices are evaluated & well executed at workplace
- Various E-learning modules at induction of new joiner, while Training and awareness sessions on regular basis conducted
- Mock drills and fire drills are conducted to face emergency situations
- Corrective and preventive actions based on our safety walk observations and audit rounds are defined. Our systems are continuously monitored to ensure they function properly
- Additionally, we have installed gas detection systems, fire hydrant and detection systems, personal announcement systems, and fire extinguishers in our facilities to ensure safety of worker at workplace
- We have trained ERT team distributed across all the shifts to react during any emergency, and we have defined a crisis management team for managing the crisis centrally.

Business Responsibility and Sustainability Report

13. Number of Complaints on the following made by employees and workers:

	FY 2024			FY 2023		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working conditions	37	0	-	49	3	-
Health & safety	54	0	-	9	0	-

Note: In year 2024 we have taken more concrete steps to keep record of such complaints.

¹In the above Snapshot we have not considered allied services like Canteen, Housekeeping, Security, Transportation, construction workers etc.

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

Note: Schaeffler India internal assessment Schaeffler India undergo through strict Internal EHS audit & internal control checks as well.

All our factories are ISO 45001 covering health & safety practices.

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/concerns arising from assessments of health & safety practices and working conditions.

- All safety related accidents are being investigated, Post incident/s route cause analysis being done and documented and outcomes from investigation reports are shared across organization.
- Action plan prepared and corrective action have been taken through safety PDCA with why-why analysis.
- Lessons learnt from the incident are shared across the locations for the horizontal deployment of the corrective actions.
- Hazard identification & risk assessment (HIRA) is conducted for all the machines every year, identified risks are mitigated through plan of action.

Business Responsibility and Sustainability Report

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

Employees Yes

Workers Yes

Yes. Our benefits programme follows an integrated approach and provides a range of options to improve financial and social security including notional gratuity, accident insurance & death benevolence to mitigate any unfortunate events.

- In Schaeffler India Limited, employees have death benefit scheme. Under this, in the event of unfortunate demise of employee, beneficiaries receive lump sum amount of 120 months of basic salary +DA last drawn by deceased employee.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

Schaeffler India believes in complying all government rules and regulations including the ones governing its supply chain.

In the supplier onboarding process, all the suppliers have signed the SCoC (Schaeffler Code of Conduct) and confirming their responsibility towards such compliance.

At Schaeffler India, we have regular review for GST and applicable Labour law related compliance for service vendors at plants and focusing on it. Additionally, we are also supporting Government agencies for any such proceedings and information sharing.

3. Provide the number of employees/workers having suffered high consequence work-related injury/ill-health/fatalities (as Data Needed in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/worker		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2024	FY 2023	FY 2024	FY 2023
Employees	0	0	0	0
Workers	0	0	0	0

4. Does the entity provide transition assistance programmes to facilitate continued employability and the management of career endings resulting from retirement or termination of employment?

No.

Business Responsibility and Sustainability Report

5. Details on assessment of value chain partners.

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	62%
Working Conditions	62%

Note: The assessment covering majority of purchasing spent were evaluated through Self-Assessment Questionnaire (SAQ) which is designed to indicate and verify supplier compliance on CSR/Sustainability topic including health & safety practices & working conditions, policies, processes, functions, tools and internal controls etc.

6. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from assessments of health and safety practices and working conditions of value chain partners.

Schaeffler ensures better Health & safety practices and working conditions are followed by value chain partners through execution of the Supplier Code of Conduct document.

Additionally, the health and safety practices as well as the working conditions are assessed through the audits on selected basis: SIA – Supplier Initial Assessment & SSA- Supplier Self-Assessment, Self-Assessment Questionnaire (SAQ) is applicable for registered suppliers (applicable supplier for the year). It covers topics such as Working Conditions, Health and Safety, Business Ethics, Environment, Company Management, Human Rights, Responsible Supply Chain Management and Responsible Sourcing of Raw Materials etc.

Low performers in SAQ is referred to RSCI audit (Responsible Supply Chain Initiative).

During 2024, 2 suppliers had a low SAQ score which were referred to RSCI audit and appropriate measures taken for improvement (One supplier got the RSCI Label, another is under follow-up audit).

Business Responsibility and Sustainability Report

PRINCIPLE 4**Businesses should respect the interests of and be responsive to all its stakeholders****Essential Indicators****1. Describe the processes for identifying key stakeholder groups of the entity.**

We have implemented a dynamic and strategic stakeholder engagement process, which includes following steps:

Identification: Wherein we identify key stakeholder groups from a larger universe of all possible stakeholders. Identification of stakeholder is based on their material influence on the Company's ability to create value and vice-versa.

Prioritisation: We prioritise stakeholders based on their ability to influence company's decision-making and their impact on processes and operations. Presently, we have identified key stakeholders, internal viz. employees & external namely investors/shareholders, customers, suppliers and partners, and communities, regulators.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Yes/No)	Channels of communication (E-mail, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website, Other)	Frequency of engagement (Annually/Half yearly/Quarterly/others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Investors/Shareholders	No	- Annual/Quarterly results publication in newspaper - Annual/Quarterly results intimation via e-mail - Annual report - Investor and analyst meetings - Financial follow-up reports - Earnings conference call - Shareholders plant visit - Quarterly Financials highlights reporting to shareholders - Newspaper Notices	Annually/Half yearly/Quarterly/Others/Event based	Financial performance and business, ESG updates & Strategic priorities, Shareholders meetings
Customers/dealers/distributors	No	- Publications - Media & digital communications - Conferences and customer meets/events - Personal visits - Customer Surveys	As and when required	- Information about products - Product/Service quality and safety - Delivery conditions, feedback

Business Responsibility and Sustainability Report

Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Yes/No)	Channels of communication (E-mail, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website, Other)	Frequency of engagement (Annually/Half yearly/Quarterly/ others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees	No	- Employee surveys - Idea management - Internal media - One-on-one meetings - Conferences - Trainings - Workshops - Publications - Newsletters & reports - Online portals Town hall, Open house meetings	- Ongoing - As and when required	- To inform employees about the organisation's updates, events - To create awareness about business, including codes and values - To understand employee needs and opinions, feedback
Suppliers and Vendors	No	- Contracts/Agreements - SOPs - Guidelines - Training Purchase Orders/Service orders Management meetings	As and when required	- Sustainable sourcing - Clear information of terms condition of supply delivery etc.
Community/Associate partners/NGOs	Yes	- Community meetings - Survey - Visits - Discussions	As and when required	To empower community and promote community development
Union/State Government/Local government bodies	No	- Annual/Quarterly reports - E-mail, hard copy letters - Meetings, as and when required - Communication through portals	- Ongoing - As and when required	- To comply with regulations - To get approvals - To keep regulators informed
Media/Rating Agencies	No	- Press Media Releases - Spokesperson Interviews/media interactions - E-mail Media Interactions - Company Website - Company Social Media Channels	As and when required	- To inform and update on company activities, achievements, and developments. - The engagement aims to maintain transparency, build public trust, and manage the Company's public image. - Key topics include new financial results, product launches, CSR initiatives, and strategic announcements.

Business Responsibility and Sustainability Report

Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

- The Executive Leadership Team (ELT) subordinates to the Board of Directors, is responsible for all the matters related to economic, environmental, and social topics along with other organisational issues. They act as a link between the Board & the Stakeholders. The members of ELT update the Board about economic, environmental, and social related topics during the Board/Committee meetings. ELT is responsible to seek feedback, inputs, suggestions from the Board. ELT take initiative on prioritising our strategies, and action plans to address the issues.
- Materiality Assessment is one of the ways of identifying material issues along with ESG issues in consultation with various stakeholders, which is conducted once in two years. This is done through circulating questionnaire among stakeholders to assess and rank the relative importance of selected ESG topics. Outcome of the assessment is to focus about the ESG initiatives and building a comprehensive strategic framework. Schaeffler India conducted materiality analysis in the reporting year 2022 & 2024. This year along with the financial materiality, the impact materiality was also carried out to arrive at the double materiality outcome. The requirements of the Corporate Sustainability

Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS) were used as guidance for the assessment methods, with both inside-out and outside-in perspectives analysed.

- We have Board Committees which take care of matters related with different stakeholders including economic, environmental, and social topics & update the Board. Viz. Risk Management Committee, Corporate Social Responsibility Committee, Audit Committee etc.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes/No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes

- Schaeffler India conducted a materiality analysis in the reporting year 2024. The requirements of the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS) were used as guidance for the assessment methods, with both inside-out and outside-in perspectives analysed. In consultation with stakeholders, 21 material issues were identified. After taking feedback from the stakeholders, material topics were prioritised. This helped in formulating time bound ESG strategies, short-term/long-term plans and target settings with a monitoring mechanism.

- Sustainability, ESG related risks, Reputation risk, ESG roadmap, Sustainability Targets including status for 2024 – Long-term commitment with focus on short-term goals, these were some of the topics, which were discussed in Risk Management Committee meetings/Board meetings. The above interventions make the organization agile and vigilant towards the ESG.

E.g. circular economy requirements, Schaeffler India has embarked on the journey of zero waste to landfill, thereby all the wastes are either recycled/reprocessed/co-processed engaging with the authorised vendors.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/marginalized stakeholder groups.

Schaeffler India works closely with communities and civil society network to tackle systematic issues that can act as a force multiplier for social transformation and sustainable development. Promoting women social enterprise to bring inclusion of vulnerable groups through Corporate Social Responsibility (CSR) initiatives is a commendable approach adopted by the CSR team. One of such CSR initiatives on skill development, two women enterprises from rural areas have been trained and promoted on sustainable products like jute bags, River Grass products for corporate gifting. Through CSR initiatives, company is providing financial support, mentorship, and capacity-building programmes to women social entrepreneurs. This support can help the enterprises to grow and thrive. Integrating these women enterprises help in promoting economic empowerment and social inclusion.

Business Responsibility and Sustainability Report

PRINCIPLE 5

Businesses should respect and promote human rights

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

	FY 2024			FY 2023		
	Total (A)	No. of employees/ workers covered (B)	% (B/A)	Total (C)	No. of employees/ workers covered (D)	% (D/C)
Employees						
Permanent	1,652	1,538	93%	1,566	1,566	100%
Other than permanent	150	113	75%	129	129	100%
Total Employees	1,802	1,651	92%	1,695	1,695	100%
Workers						
Permanent	1,270	1,229	97%	1,292	1,292	100%
Other than permanent	2,435	61	3%	2,237	22	1%
Total Workers	3,705	1,290	35%	3,529	1,314	37%

¹In the above Snapshot we have not considered allied services like Canteen, Housekeeping, Security, Transportation, construction workers etc.

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2024					FY 2023				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent	1,652	0	0%	1,652	100%	1,566	0	0%	1,566	100%
Male	1,549	0	0%	1,549	100%	1,468	0	0%	1,468	100%
Female	103	0	0%	103	100%	98	0	0%	98	100%
Other than Permanent	150	0	0%	150	100%	129	0	0%	129	100%
Male	121	0	0%	121	100%	105	0	0%	105	100%
Female	29	0	0%	29	100%	24	0	0%	24	100%
Workers										
Permanent	1,270	0	0%	1,270	100%	1,292	0	0%	1,292	100%
Male	1,245	0	0%	1,245	100%	1,264	0	0%	1,264	100%
Female	25	0	0%	25	100%	28	0	0%	28	100%
Other than Permanent	2,435	0	0%	2,435	100%	2,237	0	0%	2,237	100%
Male	2,272	0	0%	2,272	100%	2,006	0	0%	2,006	100%
Female	163	0	0%	163	100%	231	0	0%	231	100%

¹In the above Snapshot we have not considered allied services like Canteen, Housekeeping, Security, Transportation, construction workers etc.

¹Figures of workers for year 2023 are restated due to change in methodology.

Business Responsibility and Sustainability Report

3. Details of remuneration/salary/wages in the following format:

a) Median remuneration/wages: (in ₹)

	Male		Female	
	Number	Median remuneration/salary/wages of respective category	Number	Median remuneration/salary/wages of respective category
Board of Directors (BoD)	7	48,30,000	3	78,35,000
Key Managerial Personnel	2	2,77,27,215	1	1,62,52,404
Employees other than BoD and KMP	1,559	10,42,026	112	6,53,016
Workers	1,889	5,88,612	42	3,49,308

¹In the above Snapshot we have not considered allied services like Canteen, Housekeeping, Security, Transportation, construction workers etc.

b) Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 24 (%)	FY 23 (%)
Gross wages paid to females as % of total wages	4.00%	3.40%

¹In the above Snapshot we have not considered allied services like Canteen, Housekeeping, Security, Transportation, construction workers etc.

4. Do you have a focal point (Individual/Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes

Regional Compliance Officer is first point of contact for issues regarding Human Rights. E-mail id: complianceindia@schaeffler.com.

In addition, anyone can send a mail with questions related to Human rights to humanrights@schaeffler.com OR In case of violation of Human rights, a complaint can be filed via the Schaeffler Whistle Blowing Channel weo.india@schaeffler.com. In addition, at each plant we have Industrial Relations & Admin. Which takes care of Human rights issues at plant level. Also, at company level we have various committees which takes care of Human rights issues E.g. POSH Committee, Townhall meeting by ELT (Executive leadership team).

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

The Schaeffler Human Rights Policy is applicable to all employees from January 1, 2024 within the Schaeffler Group. The policy defines binding instructions for all employees facilitating the respect for human rights and the prevention of human rights violations in all business activities of Schaeffler, including own organisations and the supply chain.

- An appropriate and effective grievance management mechanism allows for the effective prevention, and remediation of adverse human rights-related impacts caused by company and business activities. Regional Compliance Officer is first point of contact for issues regarding Human Rights. complianceindia@schaeffler.com.
- In addition, anyone can send a mail with questions related to Human rights: humanrights@schaeffler.com OR

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- Both employees and affected rights holders outside the Company have the opportunity to submit information about potential human rights violations through the Schaeffler whistleblower system.
- Complaint can be filed by writing to Incident reporting system anonymously Via Business keeper Monitoring system (BKMS) <https://www.bkms-system.net/>. The system is available in over 20 languages which allows for anonymous, confidential, and specially encrypted, secure communication with the department Forensics & Investigations at Schaeffler.
- This information can be also provided the telephone hotline numbers to report verbally at global level.
+55 61 35507564 (Portuguese; English, German), +86 10 65997961 (Chinese, English German)
+49 30 99257146 (German, English, French), +1 213 2791015 (English, Spanish, German).

6. Number of Complaints on the following made by employees and workers:

	FY 2024			FY 2023		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	1	0	There was 1 (One) complaint pending at the beginning of the year 2024, which was resolved in July 2024. The Company received 1 (One) complaint during the year 2024, which was resolved in November 2024.	1	1	The Internal Complaints Committee (ICC) is constituted to redress complaints received regarding sexual harassment. A complaint received in 2022 was investigated in the same year, and the investigation was concluded in 2023, as required by the POSH Act.
Discrimination at workplace	0	0		0	0	
Child Labour	0	0		0	0	
Forced Labour/Involuntary Labour	0	0		0	0	
Wages	0	0		0	0	
Other human rights related issues	0	0		0	0	

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY 2024	FY 2023
Total Complaints Data Needed under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	1	1
Complaints on POSH as a % of female employees/workers	0.3%	0.3%
Complaints on POSH upheld	1	1

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8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

There is an online tool where complainant can lodge complaint anonymously <https://www.bkms-system.net/schaeffler>. Complaints lodged on this platform is accessible only to Compliance department.

Also, aggrieved can file complaints to e- mail id: posh@schaeffler.com. Enquiry is conducted on accused irrespective of complainant. If complainant discloses identity voluntarily and participates in enquiry process, due care is taken by Internal Compliance Committee (includes external member) to follow confidentiality as much as possible. Till such time that enquiry is in process, complainant has option to work from other location (incl work from home). So far, there have been no such instances of adverse consequences to the complainant.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes, respect for human rights is an indispensable part of Schaeffler India corporate responsibility and corporate culture. The Company also expects the same of its business partners. For this reason, the Schaeffler Group and thereby Schaeffler India is committed to the UN Guiding Principles on Business and Human Rights, the principles of the UN Global Compact, the general human rights declaration, the initial eight conventions of the International Labor Organization (ILO), and more.

1. We have the Supplier Code of Conduct, which is signed off with all suppliers of Schaeffler India as per Commodity Specific Requirements. This is also required for all new suppliers who are added to the Schaeffler India supplier base. Fundamental Principles of Supplier Code of Conduct include “Respect of Human rights”.
2. Additionally during new supplier selection for all Production Material category, we have specific questions related to Sustainability in the “new supplier selection questionnaire” (SIA – Supplier Initial Assessment). This questionnaire includes Human rights relevant topics. Any new supplier who is added into the supplier base have to fulfil the requirements related to Sustainability.
3. Schaeffler wants its suppliers to adhere to Sustainability Target Agreement (STA) in which sustainability aspects are defined together with business partners, and their development is monitored over the period of this Agreement.

10. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100%
Forced/involuntary labour	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%
Others – Freedom of association	100%

¹Schaeffler India internal assessment done at 4 plants (assessment is done once in two years).

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11. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 10 above.

We have not received such complaints. However, during the investigation following two areas of concern found.

1. During the investigation it was found that some employees were working beyond Permissible working hour. For tracking of excess working hour & to mitigate this issue Digital tool, Online time tracking system was developed. Which will give accurate data of time tracking.
2. Some of the premises was not having proper infrastructure facilities for physically disabled people. Hence action was initiated to basic infrastructure development plan for differently-abled persons for all the states. (refer P5 (L3) for plan details)

¹ Schaeffler India internal assessment done at 4 plants (assessment is done once in two years).

Leadership Indicators**1. Details of a business process being modified/introduced as a result of addressing human rights grievances/complaints.**

Schaeffler India has received 1 POSH complaint this year, which was resolved during the year immediately. Schaeffler India have taken a step ahead to make employees more agile & vigilant towards POSH issues. Action initiated to cover 100% workforce to undergo Schaeffler Human Rights Policy & Prevention of Sexual Harassment Act.

2. Details of the scope and coverage of any Human rights due-diligence conducted.

Directorate of Industrial Safety and Health carried out their audit including Human Rights & POSH related issues in 2024 and found the plant is in compliance.

Respect for human rights is an integral part of Schaeffler's culture. In designing its human rights processes, Schaeffler follows recognised standards such as the UN Guiding Principles on Business and Human Rights and the National Action Plan for Human Rights (NAP), complies with current legislation, and incorporates stakeholder requirements. Schaeffler thus creates the basis for a comprehensive company-wide human rights due diligence. Human rights due diligence conducted through circulating questionnaire & it has 100% coverage of employees of organization. These efforts are reflected in a large number of measures that encompass the Company's own organization as well as its purchasing network and business partners. The measures are combined in a systematic management approach: the Human Rights Compliance Management System. The Human Rights Compliance Management System comprises 5 fields of action:

1. Accepting Responsibility
2. Identifying Risks
3. Introducing Effective Measures
4. Informing and Reporting
5. Facilitating Grievances

Schaeffler is committed to the respect of human rights in our own company and in our supply chain. Company strived to protect people from being exploited while doing business in a way that is both profitable and ethical

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3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Company recognises importance of meeting the requirements of the Rights of Persons with Disabilities Act, 2016, hence taking steps forward to fulfil those requirement. We are also in the process of making our other premises inclusive and accessible. We have initiated basic infrastructure development plan for Diff-abled persons, in all the plants. This plan includes developing following facilities for differently abled persons, includes following:

1. Signages
2. Separate Entry-Exit for punching
3. Elevator, Ramp and Handrails
4. Dedicated Parking
5. Washrooms/Restrooms are few of them

4. Details on assessment of value chain partners:

We have Self-Assessment Questionnaire (SAQ), which is applicable for overall supplier - as per group guideline & implemented in a phased manner.

It covers the Human rights related topics. Viz: Company Management, Human Rights and Working Conditions, Health and Safety, Business Ethics, Environment, Responsible Supply Chain Management and Responsible Sourcing of Raw Materials.

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual harassment	62%
Discrimination at workplace	62%
Child labour	62%
Forced/involuntary labour	62%
Wages	62%
Others (Ethical recruiting, Working hours, Freedom of association and collective bargaining, Women's Rights, Diversity, equity, and inclusion, Rights of minorities and indigenous peoples, Land, forest and water rights and forced eviction, Use of private or public security forces)	62%

Note: The assessment covering purchasing spent were evaluated using social and environmental criteria through Self-Assessment Questionnaire (SAQ).

5. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 4 above.

During the year 2024, the assessment conducted basis of majority of purchase spent. These suppliers were evaluated using social and environmental criteria through Self-Assessment Questionnaire (SAQ). Low performers in SAQ are referred to RSCI audit (Responsible Supply Chain Initiative). During 2024, 2 suppliers had a low SAQ score which referred to RSCI audit and appropriate measures taken for improvement (One supplier got the RSCI Label, other is under follow-up audit). We are working closely with the suppliers on improving their sustainability rating through improvement action.

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PRINCIPLE 6

Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2024	FY 2023 ³
From renewable sources		
Total electricity consumption (A)(MJ)	15,38,05,840.2	12,63,22,880.4
Total fuel consumption (B)	Nil	Nil
Energy consumption through other sources (C)	Nil	Nil
Total energy consumed from renewable sources (A+B+C)(MJ)	15,38,05,840.2	12,63,22,880.4
From non-renewable sources		
Total electricity consumption (D)(MJ)	26,06,80,074.0	27,69,78,795.3
Total fuel consumption (E)(MJ)	12,25,20,468.0	11,65,54,115.0
Energy consumption through other sources (F)	Nil	Nil
Total energy consumed from renewable sources (D+E+F)(MJ)	38,32,00,542.0	39,35,32,910.3
Total energy consumed (A+B+C+D+E+F)(MJ)	53,70,06,382.2	519855790.7
% of energy consumed from renewable sources (Energy consumed through renewable sources (MJ)/total energy consumed (MJ))	29%	24%
Energy intensity per rupee of turnover (Total energy consumed (MJ)/Revenue from operations (₹))	0.01	0.01
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed (MJ)/Revenue from operations adjusted for PPP (US\$) ¹	0.1	0.1
Energy intensity in terms of physical output (Total energy consumed (MJ)/physical output (number))	1.4	1.4
Energy intensity (optional) – the relevant metric may be selected by the entity	Not applicable	Not applicable
Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency	Yes, M/S BSI Ltd. M/s KPMG, Ms. EMAS and Ms. Intecnica	

¹The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year 2024 is 20.29 & for the year 2023 is 20.20 by [International Monetary Fund](#).

³Numbers for year 2023 are restated due to change in accounting methodology and unit of measurement.

Following Fuel consumption types are included,

1. Fuel consumed in company owned vehicle &
2. Fuel cost reimbursed to employees.

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2. Does the entity have any sites/facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any

No, the entity doesn't have any site or facilities identified as Designated Consumers (DCs) under the Performance, Achieve and Trade (PAT) scheme of the Government of India.

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2024 ³	FY 2023
Water withdrawal by source (in kilolitres)		
(i) Surface water	Nil	Nil
(ii) Groundwater	1,30,726.0	98,878.0
(iii) Third party water	1,78,165.9	1,55,264.9
(iv) Seawater/desalinated water	Nil	Nil
(v) Others ²	696.0	Nil
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	3,09,587.9	2,54,142.9
Total volume of water consumption (in kilolitres)	2,14,211.9	1,74,081.9
Water intensity per rupee of turnover (Total Water consumed (KL)/Revenue from operations (₹))	0.000003	0.000002
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption (KL)/Revenue from operations adjusted for PPP (US\$)) ¹	0.00005	0.00005
Water intensity in terms of physical output (Total Water consumed (KL)/Physical output (number))	0.0006	0.0005
Water intensity (optional) – the relevant metric may be selected by the entity	Not applicable	Not applicable
Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency	Yes, M/S BSI Ltd. M/s KPMG, Ms. EMAS and Ms. Intechnica	

¹The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year 2024 is 20.29 & for the year 2023 is 20.20 by [International Monetary Fund](#).

²In CY2024, Corporate, Regional & sales offices' water consumption data is added.

³Other includes rainwater harvested from Hosur.

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4. Provide the following details related to water discharged:

Parameter	FY 2024	FY 2023
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
No treatment	0.0	0.0
With treatment – please specify level of treatment	0.0	0.0
(ii) To Groundwater		
No treatment	0.0	0.0
With treatment – please specify level of treatment	0.0	0.0
(iii) To Seawater		
No treatment	0.0	0.0
With treatment – please specify level of treatment	0.0	0.0
(iv) Sent to third-parties		
No treatment	0.0	0.0
With treatment –Primary, secondary & tertiary treatment	95,376.0	80,061.0
(v) Others		
No treatment	0.0	0.0
With treatment – please specify level of treatment	0.0	0.0
Total water discharged (in kilolitres)	95,376.0	80,061.0
Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency	Yes, M/s KPMG, Ms. EMAS and Ms. Intechnica	Yes, M/s KPMG, Ms. EMAS and Ms. Intechnica

Treated water is used in gardening, green belt development as per the consent condition in Talegaon, Savli & Hosur plant. Hence total value from this is not accounted in above table.

As per the consent conditions, treated water is partially discharged in the sewers in Maneja plant. This value is reflected in the above table.

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Yes

Three out of the four locations, Talegaon (Pune), Savli (Vadodara) and Hosur are zero discharge plants where the treated water is reused for processes, gardening, etc. At Maneja (Vadodara), wastewater after treatment is partially discharged to the sewage drain which leads to a common effluent treatment facility. Efforts have been made to recover and reuse the treated water back into the facility for gardening. We Implemented reuse of the STP Treated water at noncontact washroom points and Re-use of RO Reject to reduce freshwater consumption.

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6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit ¹	FY 2024	FY 2023
NOx	Metric tonnes	6.4	6.2
SOx	Metric tonnes	0.5	0.5
Particulate matter (PM)	Metric tonnes	12.2	12.2
Persistent organic pollutants (POP)	Metric tonnes	Not available	Not available
Volatile organic compounds (VOC)	Metric tonnes	16.5	13.9
Hazardous air pollutants (HAP)	Metric tonnes	Not available	Not available
Others – please specify	Metric tonnes	Nil	Nil
Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.		Yes, Ms. EMAS and Ms. Intechnica	Yes, Ms. EMAS and Ms. Intechnica

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Please specify unit	FY 2024 ⁴	FY 2023 ³
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	tCO ₂ e	8,886.1	8,864.4
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available) ²	tCO ₂ e	0.0	55,088.0
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 emissions (tCO ₂ e)/Revenue from operations (₹))	tCO ₂ e/₹	0.0000001	0.0000009
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 emissions (tCO ₂ e)/Revenue from operations adjusted for PPP (US\$)) ¹	tCO ₂ e/US\$	0.000002	0.000018
Total Scope 1 and Scope 2 emission intensity in terms of physical output (Total Scope 1 and 2 emissions (tCO ₂ e)/total physical output (number))	tCO ₂ e/number	0.00002	0.00018
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	Units	Not applicable	Not applicable
Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.		Yes, M/S BSI Ltd. M/s KPMG, Ms. EMAS and Ms. Intechnica	

¹The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year 2024 is 20.29 & for the year 2023 is 20.20 by [International Monetary Fund](#) (IMF).

²Scope 2 emission for year 2024 is zero on account of usage of renewable energy & also company purchased International Renewable energy certificates (IREC) to compensate existing emissions.

³In year 2023, scope 1 emission values have been restated considering refrigerant consumption in GHG calculation. Scope 2 emission is restated due to change in emission factor (India specific Emission factor considered).

⁴In CY 2024, Corporate, regional & sales offices' emissions have been included.

Emission factors used for fuels & refrigerants are sourced from [IPCC- GHG protocol](#)

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8. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

Yes

Schaeffler India has implemented energy efficiency programmes to reduce energy consumption, resulting in lower emissions and cost savings. Our initiatives on energy efficiency includes Old Chiller replacement, Nova Machine Motor Replacement, Replacement of old Compressors, Bell furnace cover installation to save waste heat due to radiation, reduce air pressure in Jupitormachine, Barrel Heater Jacket Installation on IMD Machine, Exchange Broach Hydraulic motor.

Schaeffler India has achieved 100% renewable energy in year 2024 by purchase of iRECs, through power purchase agreements and installation of rooftop solar panels in plants.

Additionally Schaeffler India has taken concrete measures on reducing the scope1 emission by alternate fuels and converting the conventional type furnaces into modern or electric furnaces to reduce 90% of emissions. The CO₂ emission which cannot be reduced will be adjusted by doing carbon offset programme. For details Please refer: Annexure E to directors report: Conservation of energy.

9. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2024	FY 2023 ¹
Total Waste generated (in metric tonnes)		
Plastic waste (A)	316.5	306.5
E-waste (B)	2.8	0.6
Bio-medical waste (C)	0.05	0.19
Construction and demolition waste (D)	Nil	Nil
Battery waste (E)	11.9	1.5
Radioactive waste (F)	Nil	Nil
Other Hazardous waste. Please specify, if any. (G)	1,084.8	1,148.0
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector) ²	29,937.2	26,154.0
Total (A+B + C + D + E + F + G + H)	31,353.2	27,610.8
Waste intensity per rupee of turnover (Total waste generated (MT)/Revenue from operations (₹))	0.0000004	0.0000004
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated (MT)/Revenue from operations adjusted for PPP (US\$))	0.000008	0.000008
Waste intensity in terms of physical output (Total waste generated (MT)/physical output (number))	0.00008	0.00008
Waste intensity (optional) – the relevant metric may be selected by the entity	Not applicable	Not applicable
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	30,401.5	26,649.4
(ii) Re-used	Nil	Nil
(iii) Other recovery operations	Nil	Nil
Total	30,401.5	26,649.4

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Parameter	FY 2024	FY 2023 ¹
Waste intensity (MT of Waste Recycled Recovered/Total Waste generated)	97%	97%
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	315.9	335.3
(ii) Landfilling	137.1	156.5
(iii) Other disposal operations	Nil	Nil
(iv) Waste sent for co processing	492.1	447.9
Total	945.2	939.8
Waste intensity (MT of Waste disposal/Total Waste generated)	3%	3%
Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.	Yes, M/S BSI Ltd. M/s KPMG, Ms. EMAS and Ms. Intechnica	

¹For year 2023 waste figures are restated due to better accounting practices.

²The major portion of Non – hazardous waste about 82% constitute of metal scrap & castings, which is sent back to steel industry & foundries for recycling.

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your Company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

Schaeffler India has adopted the group EnEHS policy where it states, In principle, the generation of waste should be avoided. The quantities of waste generated must be kept as low as possible and further reduced (e.g. by adapting behaviour or production technologies). If waste cannot be avoided or further reduced, it must be separated in accordance with local legislation and handed over to recycling and disposal companies in the following descending order of priority: Reprocessing, material recovery (recycling), thermal recovery (incineration) and disposal.

Non - hazardous waste constitute mainly of MS scrap & castings is sent back to steel mills & foundries for recycling. Other non-hazardous wastes generated are wood, cartons, paper, gunny bags, plastic wastes and maintenance scraps. Schaeffler India has recycled 30253 MT waste in CY 2024.

Schaeffler India has executed the agreement for preprocessing & coprocessing of the Hazardous waste – ETP Sludge & Grinding sludge with the authorised parties and sent 642 Tonnes of hazardous waste for co-processing in Cement plants.

For the chemicals and substances used in Schaeffler India plants, control system called BAFF, a substance control system which allows only approved substances for controlling the procurement of non-standard and highly toxic chemicals. Schaeffler in the design stage itself considers optimising the design of the product and process in coordination with the Tooling department to reduce the waste generated during production. Register of declarable substance is maintained and compliance with REaCh and RoHS standards achieved.

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11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals/clearances are required, please specify details in the following format:

Sl. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval/clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any
The Company has no operations or offices in or around ecologically sensitive areas.			

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web-link
Not Applicable. As no projects were undertaken by the Company that required to carry out Environmental Impact Assessment				

13. Is the entity compliant with the applicable environmental law/regulations/guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Yes. We have complied with all applicable laws, regulations and guidelines				
Sl. No.	Specify the law/regulation/guidelines which was not complied with	Provide details of the non-compliance	Any fines/penalties/action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
Nil				

Leadership Indicators

1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

For each facility/plant located in areas of water stress, provide the following information:

Schaeffler India operations are not falling under any water stressed areas.

(i) Name of the area
Schaeffler India operations are not falling under any water stressed areas.

(ii) Nature of operations
Schaeffler India operations are not falling under any water stressed areas.

(iii) Water withdrawal, consumption and discharge in the following format:
Schaeffler India operations are not falling under any water stressed areas. Hence not applicable.

Business Responsibility and Sustainability Report

2. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 2024	FY 2023
Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	325,267.5	359,006.3
Total Scope 3 emissions per rupee of turnover (Total Scope3 GHG emissions (tCO ₂ e)/Revenue from operations (₹))	Units	0.000004	0.000005
Total Scope 3 emission intensity (in terms of physical output) – (Total Scope3 emissions (tCO ₂ e)/total physical output (number))	Units	0.000851	0.000994
Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency		Yes, M/s KPMG, Ms. EMAS and Ms. Intechnica	

Note: Upstream Scope 3.1: Purchase of goods and services has been evaluated.

3. With respect to the ecologically sensitive areas Data Needed at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Even though our operations are not situated in ecologically sensitive areas, we make a conscious effort to conserve and sustain local biodiversity around our operations. E.g. Green belt development to increase the biodiversity within the premises, lake development activities in the villages surrounding the plant.

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions/ effluent discharge/waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sl. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1.	Renewable Energy	Purchased iRECs	Renewable energy sources consist of RE from PPA & generation from internal Solar Photovoltaic (PV). To offset emissions from the grey power, International Renewable Energy Certificates (iRECs) have been purchased.
2.	Energy Efficiency	Old Chiller replacement, Nova Machine Motor Replacement, Replacement of old Compressors, Bell furnace cover installation to save waste heat due to radiation, reduce air pressure in Jupitormachine, Barrel Heater Jacket Installation on IMD Machine, Exchange Broach Hydraulic motor	0.91 GWh savings achieved
3.	Fresh water withdrawal	Generation of process DM water using Treated STP water, Reduce water consumption of cooling tower by reducing daily blow-down water quantity, Treated water reuse in de-oiler & poly dosing tank	14,782 m ³ achieved
4.	Zero Waste to landfill	Hazardous waste sent for Co-Processing	642 tonnes of Hazardous waste sent for Co-proceession material to cement industry

Business Responsibility and Sustainability Report

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/web-link.

Yes, Schaeffler India has Business Continuity, contingency and crisis management policy, where its primary objective is to provide basic regulations for Business Continuity, in particular for Contingency Management with focus on hazard prevention and maintaining customer supply, and for Crisis Management. All employees within the scope of the policy are required to follow it. Schaeffler India has established several escalation stages, which are disruption, emergency, emergency with crisis potential, local/regional crisis, and crisis. It is mandatory to report any situation that does not meet the criteria of these stages. The purpose of having a plan is to develop a more proactive, comprehensive, and integrated approach to strengthen our ability to prepare for, mitigate, and respond to disasters that may occur. We have the highest standards of IT security and systems. We also have a robust information technology disaster recovery plan in conjunction with the business continuity plan. We follow our Schaeffler procedure “Contingency Management with Focus on the Ability to Supply” available in the Management Handbook (Internal document). Our procedure specifies what production and distribution at the site as well as relevant support/service functions must do to be able to continue customer supply in the event of resource outages or other defined situations with emergency potential. This Group procedure (P) regulates the technical, organisational, environmental and safety-oriented measures and the responsible areas/departments for preventing hazards to persons and equipment and ensuring that contact with the customer is maintained and the customer is supplied with goods and services even in contingency situations. In addition we have Risk management system in place where we report potential risk with valuation criteria and also action plan is defined to mitigate those risk.

6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

As a responsible organization Schaeffler India has an ambitious target of becoming climate neutral in the supply chain (upstream - Scope 3) by 2040.

We have taken various measure to mitigate and reduce the impact on the environment such as:

- Sustainable supply chain with 62% of suppliers have been evaluated on SAQ,
- Reduction of the emission by optimising the transportation by implementing the CDC’s (consolidated distribution centre-warehouse)
- Schaeffler India is working with customers to implement returnable packaging to reduce the packaging wastes.

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

We have assessed 62% of our production material suppliers through Schaeffler Self-Assessment Questionnaire (SAQ). SAQ covering various aspects such as environmental impacts and certifications. Schaeffler encouraging all suppliers for better environmental practices through ISO 14001 certifications.

No. of value chain partners that were assessed	% of value chain partners (by value of business done with such partners) that were assessed	Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard
193	62%	No negative environmental impacts on its value chain

Business Responsibility and Sustainability Report

PRINCIPLE 7

Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators**1. a) Number of affiliations with trade and industry chambers/associations**

Schaeffler India Limited has 7 affiliations with trade and industry chambers/associations.

b) List the top 10 trade and industry chambers/associations (determined based on the total members of such body) the entity is a member of/affiliated to.

Sl. No.	Name of the trade and industry chambers/associations	Reach of trade and industry chambers/associations (State/National)
1.	The Automotive Component Manufacturers Association of India (ACMA)	National
2.	The Confederation of Indian Industry (CII)	National
3.	Indo-German Chamber of Commerce (IGCC)	National
4.	Employers Federation of India at Chennai	State
5.	Hosur Industries Association	State
6.	Federation of Gujarat Industries	State
7.	Gujarat Chamber of Commerce & Industry	State

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

Sl. No.	Name of Authority	Brief of the case	Corrective action taken
Nil	Nil	Nil	Nil

During the current financial year, Company did not receive any adverse orders from regulatory authorities regarding anti-competitive conduct. As a result, there is no corrective action required or underway.

Business Responsibility and Sustainability Report

Leadership Indicators

1. Details of public policy positions advocated by the entity:

Sl. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly/ Others – please specify)	Web-link, if available
1.	BIS Technical Committee PGD13- The First Revision of IS 4216 -Cages for Needle Roller Bearings Specification	As a committee member, Schaeffler India was assigned to review this Indian standard. After evaluating the standard for global changes, Schaeffler India recommended the committee to reaffirm the standard	The p-draft will be available in public domain when BIS publishes as Wide Circulation draft for comments by Indian public. It is usually available in BIS portal (https://www.bis.gov.in/) with user log in. When the IS standard goes for final print, the same is notified in "The Gazette of India".		Not available
2.	BIS Technical Committee PGD13- Major amendment of IS 4773:2023: Rolling Bearings — Plummer Block Housings — Boundary Dimensions. IS 6457: 2024: SINGLE ROW CYLINDRICAL ROLLER BEARINGS — SPECIFICATION	Schaeffler India is the primary drafter of the new version of IS 4773, year 2023 in 2024, Schaeffler India again revised the technical draft after comments from the committee members	The p-draft will be available in public domain when BIS publishes as Wide Circulation draft for comments by Indian public. It is usually available in BIS portal (https://www.bis.gov.in/) with user log in. When the IS standard goes for final print, the same is notified in "The Gazette of India".		Not available
3.	BIS Technical Committee PGD13- Major amendment of IS 6457: 2024: SINGLE ROW CYLINDRICAL ROLLER BEARINGS — SPECIFICATION	Schaeffler India was the primary drafter of the new version of IS 6457, year 2023. We created a new technical draft that was reviewed by other members of the BIS PGD13 committee. In 2024 Schaeffler India again revised based comments	The revision of the IS 6457:2024 was wide circulated and finally notified through the "The Gazette of India" # CG-DL-E-16082024-256401		https://www.services.bis.gov.in/php/BIS_2.0/bisconnect/knownyourstandards/Indian_standards/isdetails_mnd/31689
4.	BIS Technical Committee PGD13- Major amendment of IS 3090:2023 INSTALLATION AND MAINTENANCE OF ROLLING BEARINGS — CODE OF PRACTICE	We contributed in re-drafting the standard IS 3090:2023 and in 2024 final revision	The p-draft will be available in public domain when BIS publishes as Wide Circulation draft for comments by Indian public. It is usually available in BIS portal (https://www.bis.gov.in/) with user log in. When the IS standard goes for final print, the same is notified in "The Gazette of India".		
	BIS Technical Committee MTD16 – amendment of IS17111 -Heat - Treated steels, alloy steels and free - Cutting steels - Ball and roller bearing steels	Schaeffler contributed in recommending addition of new material grade in the standard. This is pending within the MTD16 committee The IS17111-2019 was indeed reaffirmed as IS17111-2024	No		

Business Responsibility and Sustainability Report

PRINCIPLE 8**Businesses should promote inclusive growth and equitable development****Essential Indicators****1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

According to applicable laws, SIA (Social Impact Assessment) is not required for any of the projects undertaken by us. However, as a part of our commitment to giving back to society, the Company assesses the need and evaluates the impact of major CSR projects. The impact assessment of CSR projects is aligned as per CSR Rules of 2014.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web-link	Relevant Web-link
Not applicable						

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

We have not undertaken any new projects that requires Rehabilitation and Resettlement (R&R). Most of our plants and projects are operating on a land which is part of industrial development corporation.

Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In ₹)
Not applicable					

3. Describe the mechanisms to receive and redress grievances of the community.

We are committed towards community development not only around plant sites but also other areas. We are also involved in redressing their grievances and concerns. We maintain open registers at all our locations, in which community stakeholder groups can voice their concerns. Additionally the CSR team of the organization, through its implementing agencies (NGOs) engages with the community members. The concerns are discussed and addressed through the elected members of Panchayats, other bodies and consequently a formal application of the concerns is submitted to Schaeffler India.

Our grievance redressal mechanisms include

- open registers available at all our plant locations,
- channels through implementing agencies and NGOs,
- the option to send physical letters, and
- contact numbers/e-mail id listed given on website: <https://www.schaeffler.co.in/en/meta/contact/>

Business Responsibility and Sustainability Report

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2024	FY 2023
Directly sourced from MSMEs/small producers	20.0%	17.8%
Directly from within India	85.0%	86.4%

Note: Figures for FY 2023 are revised due to change in methodology of computation

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent/ on contract basis) in the following locations, as % of total wage cost.

Location	FY 2024	FY 2023
Rural	57.8%	57.8%
Semi-urban	0.05%	0.05%
Urban	23.3%	23.2%
Metropolitant	18.9%	18.9%

(Place categorized done as per RBI Classification System - rural/semi-urban/urban/metropolitan) :Home | Government of India (<https://censusindia.gov.in/census.website/>)

¹For calculation we are considering total number employees & workers reported in ‘Section A’ IV.a

²In the above Snapshot we have not considered allied services like Canteen, Housekeeping, Security, Transportation, construction workers etc.

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

According to applicable laws, SIA (Social Impact Assessment) is not required for any of the projects undertaken by us during FY 2023.

Details of negative social impact identified	Corrective action taken
	Not applicable

Business Responsibility and Sustainability Report

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

Sl. No.	State	Aspirational District ¹ / Aspirational Blocks ²	Amount spent (in ₹ Million)
1.	Gujarat	Narmada	14.6
2.	Madhya Pradesh	Chhatarpur	30.5
3.	Maharashtra	Surgana (Nashik)	27.4

¹ 1. out of 112 aspirational districts notified by NITI Aayog (Sl. No. 36 as per list).

² 2. out of 112 aspirational districts notified by NITI Aayog (Sl. No. 63 as per list).

³ 3. The Aspirational Blocks Programme (ABP) is based on Aspirational District Programme focuses on the development of the 500 most backward blocks of the country.(Sl. No. 276 as per list of Aspirational Blocks).

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized/vulnerable groups? (Yes/No)

No. Our suppliers are selected based on their performance on various parameters and standards including cost, quality, delivery, technology, and sustainability. Before being awarded a project, all suppliers must comply with the established sourcing guidelines. Also, we work with MSME suppliers to further on technical (technology aspects) and quality upgradation.

(b) From which marginalised/vulnerable groups do you procure?

Not applicable as answer to above question (a) is “No”.

(c) What percentage of total procurement (by value) does it constitute?

Not applicable as answer to above question (a) is “No”.

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

Sl. No.	Intellectual Property based on traditional knowledge	Owned/Acquired (Yes/No)	Benefit shared (Yes/No)	Basis of calculating benefit share
1.	Nil	Nil	Nil	Nil

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Not applicable, as there are no adverse orders in intellectual property related disputes wherein the usage of traditional knowledge was involved.

Name of authority	Brief of the Case	Corrective action taken
Nil	Nil	Nil

Business Responsibility and Sustainability Report

6. Details of beneficiaries of CSR Projects:

Sl. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized group
1.	Women Skill Development Project	200	100%
2.	Schaeffler India HOPE Engineering Scholarship Programme	95	100%
3.	Schaeffler Skill Development Center - Hosur, Phase II	310	67%
4.	Watershed Project Hosur (Jal Sanghamam)	5,383	100%
5.	Mobile Science Lab – Vadodara	5,660	100%
6.	Nitara project: Promoting livelihood for women and differently abled	105	100%
7.	Lok Vidhyalaya:providing holistic quality educational support - Phase II	554	100%
8.	Support to Mook Dhvani School - Phase II	196	100%
9.	Mobile Health Unit Phase II – Vadodara	30,640	74%
10.	Jal Jeevika - Watershred Project	4,254	100%
11.	Quest On Wheels - Heritage & Educational Trips	2,378	100%
12.	STEP Vadodara	305	100%
13.	Schaeffler Skill Development Center (STEP Center) – Pune	209	79%
14.	Energy-Efficient Cookstove Project	38,866	100%
15.	Mobile Health Unit – Talegaon	13,891	94%
16.	Wadi - Agro Horti Forestry Project	2,400	100%
17.	Pre-Vocational Education Programme in Govt. Schools	1,985	100%
18.	Mobile Science Lab – Hosur	5,641	100%
19.	Mobile Health Unit – Hosur	5,003	100%
20.	Community Development Project	119	100%
21.	Disaster Relief	600	100%
22.	Schaeffler Social Innovation Fellowship Programme	10	-

Business Responsibility and Sustainability Report

PRINCIPLE 9

Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators**1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

We, at Schaeffler India, have a robust mechanism in place for tracking and responding to customer complaints.

- Our Schaeffler Global Handbook procedure outlines a detailed process for receiving and addressing customer complaints and feedback.
- The entire complaint management system is managed through SAP IQOS identifying the entire process including the countermeasures required to address the complaints or feedback received.
- Customer concerns or complaints are addressed by Key Account contact manager for the respective key account.
- For other regional accounts, concerns or complaints are first handled by Sales Head of the respective business unit and it is escalated to the necessary function (Quality, Delivery etc.)

Note:¹ Schaeffler India Limited supplies its products to OEM companies, which use these intermediary products in their final product which will be sold to consumer. So, for Schaeffler India Limited consumers are these OEM companies i.e. customers and has limited scope to directly reach to consumer.

2. Turnover of products and/services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover	
Environmental and social parameters relevant to the product	100%	We follow the Legal Metrology (Packaged Commodities Rules) 2011 guidelines for product labelling. REACH, IMDS guidelines are followed 100% to ensure that products meet regulation for restricted & hazardous elements.
Safe and responsible usage	100%	All products are designed and manufactured in accordance with Schaeffler internal product safety guidelines. "Recyclable" symbol is printed on the outer packaging of the product.
Recycling and/or safe disposal	100%	All our products are in accordance with the Global Material Governance Standards and we adhere to the particular threshold of restricted elements to ensure we do not exceed it. We are in accordance with IMDS (International Material Data System) which is a globally accepted system for declaring the safe usage and disposal of parts.

3. Number of consumer complaints in respect of the following:

	FY 2024		Remarks	FY 2023		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	Nil	Nil	-	Nil	Nil	-
Advertising	Nil	Nil	-	Nil	Nil	-
Cyber-security	Nil	Nil	-	Nil	Nil	-
Delivery of essential services	Nil	Nil	-	Nil	Nil	-

Business Responsibility and Sustainability Report

	FY 2024		Remarks	FY 2023		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Restrictive Trade Practices	Nil	Nil	-	Nil	Nil	-
Unfair Trade Practices	Nil	Nil	-	Nil	Nil	-
Other	46 ¹	Nil ²	¹ - Considered all justified zero km(AF) complaints for the year ² - Number of complaints not closed more than 6 months (AF justified)	78	Nil	-

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	0	NA
Forced recalls	0	NA

5. Does the entity have a framework/policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes

Cyber security is not just anchored in one area at Schaeffler but extends across several functions. We have robust and effective cyber security procedures laid out by group. We follow the group policies on cyber security and data privacy. We are governed by Code of conduct which ensure, "Protection of personal data". We are committed to protecting the data of our customers and employees. We have a privacy policy at group level to which we adhere to. It is available on company website at <https://www.schaeffler.co.in/en/meta/privacy-policy/>. In addition we have internal information and cyber security policy. Additionally, we have an internal framework in place to address cybersecurity and risks related to data privacy. This policy helps to meet legal and normative requirements on information security and data protection, as well as the requirements of our customers. To ensure compliance with these requirements, regular risk assessments and effectiveness controls are carried out in the form of internal and external information security assessments.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on safety of products/services.

There were no such instances occurred during the reporting year

7 Provide the following information relating to data breaches:**a) Number of instances of data breaches.**

Nil, there were no instances of reportable data breaches.

b) Percentage of data breaches involving personally identifiable information of customer.

Nil, there were no instances of reportable data breaches.

c) Impact, if any, of the data breaches.

NA, as answers to above question is nil.

Business Responsibility and Sustainability Report

Leadership Indicators

1. Channels/platforms where information on products and services of the entity can be accessed (provide web-link, if available).

Information regarding products is available in the Products & solutions section of our website: <https://www.schaeffler.co.in/en/products-and-solutions/>

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

- Based on customer request our Application and Technical Service Team regularly visits and makes customer team aware on safe and responsible usage. From our side also we regularly seek customer permission to present Technical Seminars which cover various aspects including the product Safety and user safety.
- Also we are regularly conducting customer meets where all the customers of a region are invited and such knowledge on safety as well as queries are handled.
- We educate our consumers on fitment guidelines to ensure safe usage of our product parts. All the specifications and information on safe and responsible usage of our products is made available in the product catalogue
- SPOCs (Special point of contacts) have been defined for each customer. More details about our products and services can be found on the following link: <https://www.schaeffler.co.in/en/products-and-solutions/>

Note: Schaeffler India Limited supplies its products to OEM companies, which use these intermediary products in their final product which will be sold to consumer. So, for Schaeffler India Limited consumers are these OEM companies i.e. customers and has limited scope to directly reach to consumer.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

We follow procedure “Contingency Management with Focus on the Ability to Supply” available in the Management Handbook (Internal document). Procedure specifies what production and distribution at the site as well as relevant support/service functions must do to be able to continue customer supply in the event of resource outages or other defined situations with emergency potential. This Group procedure (P) regulates the technical, organisational, environmental and safety-oriented measures and the responsible areas/departments for preventing hazards to persons and equipment and ensuring that contact with the customer is maintained and the customer is supplied with goods and services even in contingency situations. In case of any risk with respect to product delivery to customer (Force majeure) customers are notified in advance as per the agreed terms, through mails, calls, distribution network & sales representatives for any disruption in services.

Manufacturing plant would usually inform the Product Management Team of any such disruption. Accordingly, the customers who are likely to be impacted are identified and a formal communication informing them of the risk/disruption is done along with recovery measures (if any are identified at that point). We also maintain sufficient safety stock in our warehouses to cater to contingencies and are able to inform customers in advance in case of any unforeseen risks like supply chain disruptions etc. So we have robust process to deal with contingent situation so as to avoid risk of disruption/discontinuation of essential services to customer.

Note: Schaeffler India Limited supplies its products to OEM companies, which use these intermediary products in their final product which will be sold to consumer. So, for Schaeffler India Limited consumers are these OEM companies i.e. customers and has limited scope to directly reach to consumer.

Business Responsibility and Sustainability Report

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products/services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

Yes.

We do display information on the product over and above what is mandated as per law. As an example, based on customer request, we do provide a Unique Identification number on selected product type, which allows us to trace back the manufacturing & assembly details of products. More details about our products and services can be found on the following link: <https://www.schaeffler.co.in/en/products-and-solutions/>.

We Conduct customer surveys to gauge consumer satisfaction with respect to major products, significant locations of operation, or the entity as a whole once in two years. (We have conducted this survey recently in year 2023). Feedback output is analysed, discussed, based on that we define our strategy to resolve issues if any. E.g. In survey if we find customer dissatisfaction about delivery terms, we find who all the customer who raised concern about delivery. We work upon how we can improve & measures are implemented accordingly.

Note: Schaeffler India Limited supplies its products to OEM companies, which use these intermediary products in their final product which will be sold to consumer. So, for Schaeffler India Limited consumers are these OEM companies i.e. customers and has limited scope to directly reach to consumer.

Independent Assurance Opinion Statement

bsi.

INDEPENDENT ASSURANCE OPINION STATEMENT

To the Directors of Schaeffler India Limited (SIL)

Holds Statement No.: **BSIV 822696**

Introduction

The **British Standards Institution (BSI)** has been engaged by **Schaeffler India Limited (SIL)** to provide an independent reasonable assurance of the sustainability information (described in the "Scope") included in the Business Responsibility and Sustainability Report (BRSR) for the period January 1, 2024 to December 31, 2024 (CY 2024).

Scope

The scope of engagement agreed upon with SIL includes the following:

The independent reasonable assurance covers sustainability information pertaining to BRSR-Core, Key Performance Indicators (KPIs) in accordance with Annexure-I of the Securities and Exchange Board of India (SEBI) vide Circular-number SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122, dated 12th July 2023.

This sustainability information is included in the SIL's BRSR for the period January 1, 2024 to December 31, 2024 (CY 2024).

BSI has performed a reasonable assurance engagement on whether the SIL's disclosures in the BRSR-Core are fairly presented, in all material respects in accordance with the reporting criteria (refer table below).

Sustainability information subject to reasonable assurance	Period subject to assurance	Reporting criteria
BRSR Core (Refer Annexure I of SEBI vide Circular number SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122, dated July 12, 2023)	January 1, 2024 to December 31, 2024	- Regulation 34(2)(f) of SEBI's Listing Obligations and Disclosure Requirements (SEBI LODR) - BRSR Core - Framework for assurance and ESG disclosures for value chain (SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122, dated July 12, 2023) - Guidance Note for Business Responsibility & Sustainability Reporting Format issued by SEBI (Annexure II - SEBI/HO/CFD/CMD-2/P/CIR/2021/562)

The independent reasonable assurance covers the following BRSR Core KPIs which are included in SIL's BRSR report for CY 2024:
(*'P'* represents the 9 Principles of the National Guidelines for Responsible Business Conduct (NGRBC) / *'E'* represents Essential Indicators, within each Principle in the BRSR Format)

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- Green-house gas (GHG) footprint – P6:E7
- Water footprint – P6:E3 and P6:E4
- Energy footprint – P6:E1
- Embracing circularity – P6:E9
- Enhancing employee wellbeing and safety – P3:E1(c) and P3:E11
- Enabling gender diversity in business - P5:E3(b) and P5:E7
- Enabling inclusive development - P8:E4 and P8:E5
- Fairness in engaging with customers and suppliers - P9:E7 and P1:E8
- Open-ness of business - P1:E9

[The details of subject matters and their boundaries within the scope is described in Appendix A and Appendix B in this independent assurance opinion statement].

Opinion Statement

We have conducted a reasonable assurance engagement covering the sustainability information pertaining to BRSR Core KPIs for the period January 1, 2024 to December 31, 2024 (CY 2024), covering disclosures on Green-house gas (GHG) footprint, water footprint, energy footprint, embracing circularity, enhancing employee wellbeing and safety, enabling gender diversity in business, enabling inclusive development, fairness in engaging with customers and suppliers, open-ness of business.

In our opinion, the accompanying sustainability information is fairly presented, in all material respects, in accordance with the reporting criteria stated above.

Methodology

Our assurance engagement was carried out in accordance with ISAE3000 (Revised) assurance standard following the principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our work was designed to gather evidence on which to base our conclusion. We undertook the following activities:

- Discussion with managers and staff in SIL involved in sustainability-management, BRSR-report preparation, provision of data & information, implementation of controls, etc were carried out
- Document review of relevant systems, policies, controls and procedures where available
- Review of supporting evidence for claims made in the reports
- Visit of the 3 major factories and the Corporate Office of SIL to confirm the data collection processes, record management practices, and check evidence physically
- A sample-based assessment of the reliability and quality of information covered as part of the BRSR Core KPIs with samples considered based on criticality of data points in line with requirements of Reasonable Assurance

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Schaeffler India Limited

Integrated Annual Report 2024

Independent Assurance Opinion Statement



- Excluded the new factory construction site near Bengaluru from scope of Attributes & Indicators like P9:E7, P8:E5, P5:E3 (b), P3:E11, P3:E1 (c), P6:E9, P6:E7, P6:E4, P6:E3, P6:E1

Responsibility

SIL is responsible for the preparation and fair presentation of the sustainability information described in the "Scope" above in accordance with the agreed criteria. BSI is responsible for providing an independent assurance opinion statement to stakeholders of SIL, giving our professional opinion based on the scope and methodology described.

Independence, Quality Control and Competence

BSI is independent to SIL and has no financial interest in the operation of SIL other than for the assurance of the sustainability statement contained in the Business Responsibility and Sustainability Report.

This independent assurance opinion statement has been prepared for the stakeholders of SIL, only for the purposes of verifying its statements relating to BRSR Core (Annexure I) as notified by SEBI vide Circular number SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122, dated July 12, 2023), more particularly described in the Scope above.

This independent assurance opinion statement is prepared based on review by BSI, of information presented to it by SIL. In making this independent assurance opinion statement, BSI has assumed that all information provided to it by SIL is true, accurate and complete. BSI accepts no liability to any third party who places reliance on this statement.

BSI applies its own management standards and compliance policies for quality control, in accordance with ISO/IEC 17021-1:2015 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

BSI is a leading global standards and assessment body founded in 1901. The BSI assurance team that conducted the assurance has extensive experience in conducting assurance & verification over environmental, social & governance (ESG), and GRI Standards 2021, AA1000AS, ISO 14001, ISO 45001, ISO 14064, ISO 14068, ISO 50001, and ISO 9001, etc. The assurance is carried out in line with the BSI Fair Trading Code of Practice.

Issue Date: 25-03-2025

For and on behalf of BSI:

Sabhyasachi Ghosh
Lead Assurer

Theuns Kotze
Managing Director BSI India

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**Appendix A: BRSR Attributes**

BRSR KPI		Type of Assurance	Value
PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment			
Attribute: Green-house gas (GHG) footprint			
P6:E7	Total Scope 1 GHG emissions tCO ₂ e	Reasonable	8,886.1
	Total Scope 2 GHG emissions tCO ₂ e	Reasonable	0
	GHG emission intensity (Scope 1 +2) (Total tCO ₂ e / Revenue from operations) tCO ₂ e/INR	Reasonable	0.0000011
	GHG emission intensity (Scope 1 +2) (Total tCO ₂ e / Total Revenue from operations adjusted for PPP) tCO ₂ e/USD	Reasonable	0.000002
	GHG emission intensity (Scope 1 +2) (Total tCO ₂ e / Numbers of FGs)	Reasonable	0.000023
Attribute: Water footprint			
P6:E3	Total volume of water withdrawal KL	Reasonable	309,587.9
	Total volume of water consumption KL	Reasonable	214,211.9
	Water consumption intensity (KL / Revenue from operations) KL/INR	Reasonable	0.000003
	Water consumption intensity (KL / Total Revenue from operations adjusted for PPP) KL/USD	Reasonable	0.000054
	Water consumption intensity (KL / Numbers of FGs)	Reasonable	0.00056
P6:E4	Water discharge by destination & levels of Treatment	Reasonable	95,376 KL After Primary+ Secondary+ Tertiary treatment
Attribute: Energy footprint			

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Independent Assurance Opinion Statement



BRSR KPI		Type of Assurance	Value
P6:E1	Total energy consumed (from renewable and non-renewable sources) MJ	Reasonable	53,70,06,382.2
	% of Energy consumed from renewable sources	Reasonable	29%
	Energy intensity (Megajoules / Revenue from operations) MJ/INR	Reasonable	0.01
	Energy intensity (Megajoules / Total Revenue from operations adjusted for PPP) MJ/USD	Reasonable	0.1
	Energy intensity (Megajoules / Numbers of FGs)	Reasonable	1.4
Attribute: Embracing circularity - details related to waste management by the entity			
P6:E9	Plastic waste, MT	Reasonable	316.5
	E-waste, MT		2.8
	Biomedical waste, MT		0.05
	Construction & Demolition waste, MT		0.0
	Battery waste, MT		11.9
	Radioactive waste, MT		0.0
	Hazardous waste, MT		1,084.8
	Other non-hazardous waste MT		29,937.2
	Total waste generated MT	Reasonable	31,353.2
	Waste intensity (MT / Revenue INR from operations) MT/INR	Reasonable	0.0000004
	Waste intensity (MT / Total Revenue INR from operations adjusted for PPP) MT/USD	Reasonable	0.000008
	Waste intensity (MT / Nos of finished FG)	Reasonable	0.00008
	For each category of waste, waste recovered through recycling, reusing or recovery – Absolute & Intensity	Reasonable	30,401.5 MT 97%

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BRSR KPI		Type of Assurance	Value
	For each category of waste, waste disposed by nature of disposal – Absolute & Intensity Breakup is as follows - a. Incineration b. Landfill c. Coprocessing	Reasonable	945.2 MT 3% 315.9 MT 137.1 MT 492.1 MT
PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains			
Attribute: Enhancing Employee Wellbeing and Safety			
P3:E1 (c)	Spending on measures towards well-being of employees and workers (cost incurred on wellbeing measures as a % of total revenue of the company)	Reasonable	0.11%
P3:E11	Details of safety related incidents for employees and workers including contract-workforce a. Number of permanent disabilities b. LTIFR c. Number of fatalities	Reasonable	0 0.40 0
PRINCIPLE 5 Businesses should respect and promote human rights			
Attribute: Enabling Gender Diversity in Business			
P5:E3 (b)	Gross wages paid to females as % of wages paid by the entity	Reasonable	4%
P5:E7	Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	Reasonable	01
	Complaints on POSH as a % of female employees / workers		0.3%
	Complaints on POSH upheld		01
PRINCIPLE 8 Businesses should promote inclusive growth and equitable development			

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Independent Assurance Opinion Statement



BRSR KPI		Type of Assurance	Value
Attribute: Enabling Inclusive Development			
P8:E4	Percentage of input material (inputs to total inputs by value) sourced from Suppliers: a. Directly sourced from MSMEs/ small producers & b. Directly from within India	Reasonable	20% 85%
P8:E5	Job creation in smaller towns – Wages paid to persons employed in smaller towns (permanent or non-permanent/ on contract) as % of total wage cost	Reasonable	Rural – 57.8% Semi-urban – 0.05% Urban – 23.3% Metropolitan – 18.9%
PRINCIPLE 9 - Businesses should engage with and provide value to their consumers in a responsible manner			
Attribute: Fairness in Engaging with Customers and Suppliers			
P9:E7	Instances involving loss / breach of data of customers as a percentage of total data breaches or cyber security events	Reasonable	0%
PRINCIPLE 1 - Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable			
Attribute: Fairness in Engaging with Customers and Suppliers			
P1:E8	Number of days of accounts payable	Reasonable	64
Attribute: Open-ness of business (audited data provided by Financial Auditors)			
P1:E9	Concentration of purchases	Reasonable	
	a. Purchases from trading houses as % of total purchases		3.0%
	b. Number of trading houses where purchases are from		331
	c. Purchases from top 10 trading houses as % of purchases from trading houses		35.5%
	Concentration of sales	Reasonable	
	a. Sales to dealers / distributors as % of		16.6%

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BRSR KPI		Type of Assurance	Value
	total sales		
	b. Number of dealers / distributors to whom sales made		753
	c. Sales to top 10 dealers / distributors as % of total to dealers / distributors		21.2%
	Share of RPTs (as respective percentage) in –	Reasonable	
	• Purchases		43.6%
	• Sales		12.3%
	• Loans & advances		100.0%
	• Investments		100.0%

Exclusions: The new factory construction site near Bengaluru is excluded from scope of Attributes & Indicators like P9:E7, P8:E5, P5:E3 (b), P3:E11, P3:E1 (c), P6:E9, P6:E7, P6:E4, P6:E3, P6:E1

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Independent Assurance Opinion Statement

**Appendix B:**

List of locations which form the boundaries of the sustainability information pertaining to "Green-house gas (GHG) footprint, water footprint, energy footprint, embracing circularity, enhancing employee wellbeing and safety, enabling gender diversity in business, enabling inclusive development, fairness in engaging with customers and suppliers, open-ness of business".

S.NO	Location	Type
1.	National – India	- Offices in India (including the SIL's Registered Office) and Sales/Regional Offices across all States and Union Territories of India 2 factories in Gujrat, 1 in Maharashtra and 1 in Tami Nadu

Exclusions: The new factory construction site near Bengaluru is excluded from scope of Attributes & Indicators like P9E7, P8E5, P5:E3 (b), P3:E11, P3:E1 (c), P6:E9, P6:E7, P6:E4, P6:E3, P6:E1

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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.

Directors' Report

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

Directors' Report

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.

Directors' Report

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

Directors' Report

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;

- 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 review period, 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 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:

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

¹ Satish 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

- | | | |
|--|--|--|
| <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> |
|--|--|--|

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

Corporate Governance Report

1. Company's Philosophy on Code of Corporate Governance

The Company recognises its role as a corporate citizen and endeavours to adopt the best practices and the highest standards of corporate governance. The Company believes that governance practices enable the Management to direct and control the affairs of the Company in an efficient manner and to achieve the Company's goal of maximising value for all its stakeholders. The core principles of Corporate Governance are:

- Lay emphasis on integrity and accountability.
- Incorporate practices aimed at a high level of business ethics and effective supervision.
- Provide for enhancement of value for all stakeholders.

During the year under review, the Company complied with the provisions relating to corporate governance as provided under the SEBI (Listing Obligations Disclosure Requirement) Regulation, 2015 ("SEBI Listing Regulations"). The Corporate Governance Report, together with a certificate confirming the compliance is provided in the Report on Corporate Governance, which forms part of the Integrated Annual Report.

The basic philosophy of Corporate Governance in the Company is to achieve business excellence and dedicate itself for increasing long-term shareholder value, keeping in view the needs and interests of all its stakeholders. It is important for the Company to

achieve economic success and to act responsibly towards the environment, people and society. These principles are also articulated through the Company's Code of Conduct which is applicable to the Board, Senior Management and every single employee of the Company. Under its comprehensive Code of Conduct, the Company is committed to a culture of sustainability and views it as a prerequisite for the Company's long-term success.

2. Board of Directors

Your Board of Directors closely monitor the performance of the Company, approves the business plans, reviews the strategy and strives to achieve organisational growth. Your Board ensures statutory and ethical conduct and place high importance on the internal financial reporting.

(A) Composition of Board

- The Managing Director is entrusted with the Management of your Company. He is assisted by Core Management Team and Senior Executives comprising of experts from the respective fields.
- The 'Board of Directors' is constituted with appropriate combination of Executive Directors, Non-Executive Directors, Independent Directors and Women Directors, as per the prevailing regulatory requirements. As on December 31, 2024, the Company had 9 (Nine) Directors, consisting of which 7 (Seven) Directors are

Non-Executive Directors, including 1 (One) Non-Executive Women Director and out of these 7 (Seven), 4 (Four) are Independent Directors including 1 (One) Independent Women Director.

- None of the Directors on the Board is a member of more than 10 (Ten) committees or a Chairperson of more than 5 (Five) committees as stipulated in Regulation 26(1) of the SEBI Listing Regulations across all the Indian Public Companies, in which he/she is a Director.

The annual disclosure for the committee position and other Directorship has been provided by the Directors.

- The names and categories of the Directors on the Board, their attendance at Board Meetings, last Annual General Meeting held during the year, number of Directorships held by them in Indian Companies and Committee Chairmanship/ Membership held by them in Indian Public Companies as of December 31, 2024, are given below. For reckoning the maximum number of Chairmanships/ Memberships in committees, only 2 (Two) committees viz. 'Audit Committee' and 'Stakeholders Relationship Committee' of the Board have been considered.

Corporate Governance Report

Name of Director and Director Identification No. (DIN)	Category ¹	No. of Directorship Including Schaeffler India Ltd. ²	Committee Positions ²		Name of Listed Company	Attendance in Board Meetings held in 2024	Attended last AGM held on April 26, 2024
			Membership (Chairpersonship) in Audit and Stakeholders Relationship Committee	Membership (Chairpersonship) in all Committee			
Eranti V. Sumithasri (07087197)	NE & ID	1	1(1)	3(1)	Schaeffler India Limited	6	Yes
Arvind Balaji (00557711)	NE & ID	9	4(0)	8(1)	Schaeffler India Limited India Nippon Electricals Limited	6	Yes
Amit Kalyani (00089430)	NE & ID	8	3(0)	10(1)	Schaeffler India Limited Bharat Forge Limited Kalyani Steels Limited BF Utilities Limited Kalyani Investment Company Limited BF Investment Limited Hikal Limited	3	Yes
N V Sivakumar ³ (03534101)	NE & ID	8	6(5)	14(7)	Schaeffler India Limited Computer Age Management Services Limited 3M India Limited Kennametal India Limited	1	NA ⁴
Renu Challu (00157204)	NE & ID	1	0(2)	1(2)	Schaeffler India Limited	5	Yes
Dharmesh Arora (05350121)	NED & NID	1	0(0)	1(1)	Schaeffler India Limited	6	Yes
Andreas Schick (09257160)	NED & NID	1	1(0)	2(0)	Schaeffler India Limited	4	Yes
Jens Schüler ⁵ (10422738)	NED & NID	1	0(0)	2(0)	Schaeffler India Limited	5	Yes
Harsha Kadam (07736005)	E & NID	1	1(0)	3(0)	Schaeffler India Limited	6	Yes
Hardevi Vazirani (10212814)	E & NID	1	2(0)	3(0)	Schaeffler India Limited	6	Yes
Satish Patel (00690869)	E & NID	1	2(0)	3(0)	Schaeffler India Limited	0	NA ⁴

¹E & NID: Executive and Non-Independent Director, NE & NID: Non-Executive and Non-Independent Director, NE & ID: Non-Executive and Independent Director.

²Company Directorships includes directorships in all listed and Indian Public limited companies and excludes Private limited companies, foreign companies and Section 8 companies. The details of Committee Chairmanships/ Memberships are disclosed as per Regulation 26 of the SEBI Listing Regulations and other Committees of the Board of Directors.

³Appointed as Non-Executive Independent Director effective from November 6, 2024

⁴Not Applicable

⁵Appointed as Non-Executive Non-Independent Director effective from January 1, 2024

Notes:

Satish Patel was superannuated from the Company effective from February 12, 2024

Harsha Kadam was re-appointed as a Managing Director & CEO for a further period of 3 (Three) years effective from October 1, 2024 up to September 30, 2027

Arvind Balaji was Re-appointed of as an Independent Director for a further period of 5 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 effective from November 5, 2024

N. V. Sivakumar was appointed as an Independent Director for a term of five years effective from November 6, 2024 up to November 5, 2029

Amit Kalyani was re-appointed as Independent Director for a further period of 5 years effective from February 11, 2025, up to February 10, 2030

Corporate Governance Report

(v) Executive Directors:

- Harsha Kadam, Managing Director & CEO holds a bachelor's degree in Mechanical Engineering from Bangalore University and Diploma in Finance and Marketing from IGNOU. He has done Executive Development course in Marketing from IIM Bangalore and Executive Management Programme from National University of Singapore and has a vast experience in various functions like Sales, Manufacturing and Product Design/Development.
- Hardevi Vazirani, Director-Finance & CFO, holds Bachelor of Commerce degree from MS University, Vadodara. Hardevi completed Diploma in Business Management from ICFAI, Hyderabad and Diploma in Computer Studies from NCC UK, Management Programmes from INSEAD, IIM-Bangalore, Certified Accounting Specialist, from Accoalist Institute, Germany, and Global Leadership Excellence Programme, International Management Training and Regional Management Pool programme of Schaeffler Group.

(vi) Independent Directors:

- Renu Challu, holds a Master's degree in Economics (Gold Medalist) from University of Lucknow and has a vast experience in Banking and Finance. Renu Challu retired on account of completion of her second term as an Independent Director on November 5, 2024.
- Amit Kalyani, holds a Bachelor's degree in Mechanical Engineering from Bucknell University, Pennsylvania, USA and a Harvard Business School OPM graduate. He is a YPO member and has a vast experience in manufacturing and technology.

- Arvind Balaji, holds a Bachelor's degree in Mechanical Engineering from BITS Pilani, a Master's degree in Manufacturing System Engineering from Stanford University and an MBA in Finance from Wharton School, University of Pennsylvania and has a vast experience in the investment banking, financing and M&A transactions.
- Eranti V. Sumithasri, holds Master's degree in Computer Science & Engineering from University of Connecticut, USA and Bachelor's degree in Computer Science from Visvesvaraya College of Engineering, India and has a vast experience in Business Leadership, Technology, Consulting and Financial Services industry.
- N. V. Sivakumar, Chartered Accountant, from Institute of Chartered Accountants of India and Bachelor of Commerce from Loyola Academy Secunderabad, India

(vii) Non-Independent Directors:

- Andreas Schick studied Automotive Engineering at the University of Munich and has a vast experience in Production and Supply Chain Management.
- Dharmesh Arora holds Bachelor's degree in Mechanical Engineering from University of Mumbai and TRIUM Global Executive MBA degree from NYU Stern School of Business; London School of Economics and HEC Paris. He has a vast experience in the Automotive Industry.
- Jens Schüler is Economist from the Johannes Gutenberg University Mainz.

None of the Directors is related inter-se.

Directors' shareholding in the Company

Harsha Kadam holds 500 Equity Shares and Eranti V. Sumithasri holds 50 Equity Shares of the Company and none of the other Directors hold any Equity Share of the Company as on December 31, 2024.

(B) Board Meeting(s) during 2024

The gap between any two meetings did not exceed 120 days. 6 (Six) Board Meetings were held during 2024 on the following dates:

Board Meeting(s)

I February 16, 2024 14:15 Hrs. (IST) Virtual (Bengaluru)	IV July 23, 2024 13:30 Hrs. (IST) Virtual (Bengaluru)
II March 22, 2024 15:00 Hrs. (IST) Virtual (Bengaluru)	V October 23, 2024 13:45 Hrs. (IST) Virtual (Bengaluru)
III April 25, 2024 15:30 Hrs. (IST) Virtual (Bengaluru)	VI December 19, 2024 16:15 Hrs. (IST) Virtual (Bengaluru)

Date

Time

Venue

The details of attendance of each of the Directors at the Board Meeting(s) are given in the table at Point No. 2(A).

Corporate Governance Report

(C) Board Meeting Procedure

Annual Calendar of Board Meetings for the year is usually scheduled in advance in the previous year. The notice convening Board Meeting is sent to each of the Directors along with relevant agenda papers as per the regulatory timelines well in advance of the meeting date. The items in the agenda are supported by comprehensive background information which enable the Board to take informed decisions. All significant developments and material events are brought to the notice of the Board, either as a part of the agenda papers in advance of the meeting or by way of presentations or circulation of relevant documents during the meeting.

The Managing Director briefs the Board on the operational and financial performance of the Company during the previous quarter and trend analysis as compared to the budgets, operational performance and market scenario. During the reporting year, the Managing Director briefed the Board on the employee health & safety, Schaeffler India footprint, ESG, Sustainability Roadmap and Strategy updates and update on economy and market, capacity investment and performance of the Company.

The Board has complete access to all the information of the Company. The following information are provided to the Board as and when occasion arises:

1. Annual operating plans, budgets and any updates;
2. Capital budgets and any updates;
3. Annual and Quarterly results of the Company and its operating divisions or business segments;

4. Minutes of meetings of Audit Committee & other committees of the Board of Directors;
5. Quarterly results, Board meeting minutes of Subsidiary of the Company and other important information about the Subsidiary of the Company;
6. The information on recruitment and remuneration of senior officers just below the level of Board of Directors, including appointment or removal of Chief Financial Officer and the Company Secretary;
7. Show cause, demand, prosecution notices and penalty notices which are materially important;
8. Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems;
9. Any material default in financial obligations to and by the Company or substantial non-payment for goods sold by the Company;
10. Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order which, may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company;
11. Details of any joint venture or collaboration agreement;
12. Transactions that involve substantial payment towards goodwill, brand equity or intellectual property;
13. Significant labour problems and their proposed solutions. Any significant development in Human Resources/Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.;
14. Sale of material nature of investments, subsidiaries, assets, which is not in the normal course of business;
15. Quarterly details of foreign exchange exposure and the steps taken by the Management to limit the risks of adverse exchange rate movement, if material;
16. Non-compliance of any regulatory, statutory or listing requirements which are material in nature.
17. Shareholders' service such as non-payment of dividend, delay in share transfer etc.

(D) Code of Conduct

The Company has laid down a Code of Conduct, for all its Board Members and Senior Management Personnel and all its employees for avoidance of conflicts of interest. The declarations with regards to its compliance have been received for the year 2024 from all the Board Members and Senior Management Personnel.

There were no material financial and commercial transactions, in which Board Members or Senior Management Personnel had personal interest, which could lead to potential conflict of interest with the Company during the year. The Code of Conduct is also available on Company's website on following web link: <https://www.schaeffler.co.in/en/investor-relations/corporate-governance/codes-and-policies/>.

Corporate Governance Report

(E) Familiarisation and training to Directors

Induction, orientation or familiarisation programmes are part of our culture and applicable to all layers of Management and the Board Members, which are designed based upon the position/job requirements.

Guided by the principles of best Corporate Governance Practices, all the Directors including Independent Directors are provided familiarisation trainings through various programmes and workshops which give them insights to the Company, including nature of Industry in which the Company operates, business model of the Company, relevant information of business processes, business development, strategy and business plan of the Company. They are also informed about their role, responsibilities, duties and rights from time to time.

The familiarisation and trainings are provided to all the Directors including Independent Directors. Executive Directors, have additional trainings, workshops and orientations depending upon their role, responsibilities and developments in business.

Following programmes, trainings and workshops were conducted for all Directors during the year 2024:

Sr. No.	Particulars	No. of Hours (approx.)	Faculty/Trainer/Speaker	Participants
1.	Operational, Financial Performance, Business Performance & Risk Management, ESG	12	CEO & CFO	All the Directors
2.	Special Audit Committee meeting	1	CEO & CFO	All the Committee members
3.	Strategy Off-Site with Board of Directors – Aspire 2030. The programme format included presentations and discussions around Strategic Initiatives covering the following: - Organic & Inorganic Growth Strategies across all divisions - Strategic Focus: Key functional strategies for Operations, Manufacturing Footprint, Purchasing & Supplier Management, Innovation, Digitalization, and Human Resource	12	CEO, Business Heads, and Functional Leaders	All the Directors, Group CEO, Business Heads, Asia-Pacific Business Leadership, Functional Leaders, Selected Next Level Leaders
4.	Plant visit	2	Plant Head team	N. V. Sivakumar
5.	Interaction with Executive Leadership Team	3	Executive Leadership Team	N. V. Sivakumar
6.	Interaction with VP-Legal and CS	0.5	VP-Legal and CS	N. V. Sivakumar
7.	Interaction with Head- Internal Audit	0.5	Head – Internal Audit	N. V. Sivakumar
8.	Interaction with Group Audit Committee Chairperson	0.5	Group Audit Committee Chairperson	N. V. Sivakumar

The details of such programmes have been disclosed on the website of the Company on following web-link:
<https://www.schaeffler.co.in/en/investor-relations/corporate-governance/independent-directors/>

(F) Meeting of Independent Directors

As per Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and under the provisions of the Companies Act, 2013, a separate Meeting of the Independent Directors was held on October 22, 2024 inter alia, to review the performance of Non-Independent Directors, Chairperson, Managing Director and the Board as a whole and to assess quality, quantity and timeliness of flow of information between Management and the Board for ensuring effective participation by the Board Members. All Independent Directors namely Renu Challu, Arvind Balaji, and Eranti V. Sumithasri except Amit Kalyani were present at the Meeting.

Corporate Governance Report

(G) Matrix of skills/ expertise/ competence of the Board of Directors

Details of the core skills/ expertise/ competencies identified by the Board of Directors as required in the context of the business(es) and sector(s) in which it operates to function effectively and the names of Directors who possess such skills/ expertise/ competencies:

Core Skills/Expertise/Competence	Business Management	Strategic Management	Leadership	Engineering and Technology	Finance Management	Governance & Board Dynamics
Dharmesh Arora	✓	✓	✓	✓	✓	✓
Harsha Kadam	✓	✓	✓	✓	✓	✓
Hardevi Vazirani	✓	✓	✓	—	✓	✓
Andreas Schick	✓	✓	✓	✓	—	✓
Jens Schüler	✓	✓	✓	—	✓	✓
Eranti V. Sumithasri	✓	✓	✓	✓	✓	✓
Arvind Balaji	✓	✓	✓	✓	✓	✓
N. V. Sivakumar	✓	✓	✓	—	✓	✓
Amit Kalyani	✓	✓	✓	✓	✓	✓

(H) Confirmation of the Board on Independence

Based on the disclosures received from the Independent Directors, the Board of Directors of the Company confirms that the Independent Directors fulfil the conditions specified in the SEBI Listing Regulations and are Independent of the Management.

(I) Talent Management & Succession Planning

Talent Management at Schaeffler focuses on identifying and nurturing potential leaders, to ensure a sustainable leadership pipeline and to build a future ready organisation. This eventually helps the Company in adapting quickly to the dynamic and changing market conditions and to gain a clear competitive edge.

Succession Planning at Schaeffler drives holistic talent management and encourages existing employees to stay and thrive in their current roles and also prepare them for leadership roles in key positions. Executive Coaching Programme, People Leadership Workshop for People Managers & Individual contributors and other focused development programmes were key initiatives launched to build future leadership pipeline and to focus on desired competencies required for key positions.

A systematic approach to strategic workforce planning to assess current business and functional skills, map future needs, identify gaps, and develop efficient strategy to meet those needs has helped the Company to align with our core people strategy. Through focused Talent Mobility plan, we empower our human capital to make thoughtful horizontal and vertical career movements gaining experience across geographies, stay relevant and make meaningful choices to build their expertise.

Corporate Governance Report

3. Audit Committee

(A) Composition of Audit Committee

The Company has duly constituted Audit Committee, with the powers and roles in accordance with the prevailing regulatory requirements. The Committee acts as a link to connect the Management, Auditors and the Board of Directors. As on December 31, 2024, the members of the Audit Committee are:

Sr. No.	Name of Director	Role in the Committee	Category
1.	N. V. Sivakumar	Chairperson	Non-Executive & Independent
2.	Arvind Balaji	Member	Non-Executive & Independent
3.	Amit Kalyani	Member	Non-Executive & Independent
4.	Eranti V. Sumithasri	Member	Non-Executive & Independent
5.	Andreas Schick	Member	Non-Executive & Non-Independent
6.	Hardevi Vazirani	Member	Executive & Non-Independent

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 from the Board of the Company.

Mr. N. V. Sivakumar was appointed as Chairperson and Member of the Audit Committee effective from November 6, 2024.

The Company Secretary acts as the Secretary to the Audit Committee of the Board of Directors of the Company.

(B) Meetings of Audit Committee and Attendance of Members

Details of the Audit Committee Meetings held during 2024 are as follows:

Audit Committee Meeting(s)	I	II	III	IV	V
Dates	February 16, 2024	April 25, 2024	July 23, 2024	October 23, 2024	December 19, 2024
Start Timing	11:15 HRS IST	13:15 HRS IST	10:30 HRS IST	10:30 HRS IST	15:15 HRS IST
Venue (Deemed venue)	Virtual (Hyderabad)	Virtual (Los Angeles)	Virtual (Secunderabad)	Virtual (Secunderabad)	Virtual (Bengaluru)
Attended by	Renu Challu	Renu Challu	Renu Challu	Renu Challu	-
	Arvind Balaji	Arvind Balaji	Arvind Balaji	Arvind Balaji	Arvind Balaji
	Amit Kalyani	-	Amit Kalyani	-	-
	-	E. V. Sumithasri	E. V. Sumithasri	E. V. Sumithasri	E. V. Sumithasri
	Hardevi Vazirani	Hardevi Vazirani	Hardevi Vazirani	Hardevi Vazirani	Hardevi Vazirani
	Andreas Schick	-	Andreas Schick	Andreas Schick	Andreas Schick
	-	-	-	-	N. V. Sivakumar

The Audit Committee invites such Executives as it considers appropriate to be present at the meeting including but not limited to the representative of Statutory Auditors, Cost Auditors and the Internal Auditor of the Company.

All the members of Audit Committee are financially literate and majority of them have Accounting and Financial Management expertise. The erstwhile Chairperson of the Audit Committee, Renu Challu, attended the 61st Annual General Meeting held on April 26, 2024.

The Audit Committee mandatorily reviews:

1. Management Discussion and Analysis of financial condition and results of operations;
2. All Related Party Transactions submitted by Management;
3. Management letters/letters of internal control weaknesses issued by the Statutory Auditors, if any;
4. Internal Audit Reports;
5. The appointment, removal and terms of remuneration of the Chief Internal Auditor; and
6. Statement of deviations, if any.

Corporate Governance Report

(C) Terms of Reference

The terms of reference of the Audit Committee include matters specified in the Companies Act, 2013, Rules made thereunder, the SEBI Listing Regulations and those specified by the Board in writing. Besides having access to all required information within the Company, the Committee may investigate any activity within its terms of reference, seek information from any employee, secure attendance of outsiders with relevant expertise, or obtain legal or other professional advice from external sources, whenever required.

The Audit Committee acts in accordance with the terms of reference which, inter alia, include:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the Financial Statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of Auditors of the Company;
3. Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors;
4. Reviewing, with the Management, the Annual Financial Statements and Auditors' Report thereon before submission to the Board for approval, with particular reference to:
 - (a) Matters required to be included in the 'Directors' Responsibility Statement' to be included in the Board's report in terms of Section 134(3)(c) of the Companies Act, 2013
 - (b) Changes, if any, in accounting policies and practices and reasons for the same
 - (c) Major accounting entries involving estimates based on the exercise of judgement by Management
 - (d) Significant adjustments made in the financial statements arising out of Audit findings
 - (e) Compliance with listing and other legal requirements relating to financial statements
 - (f) Disclosure of any Related Party Transactions
 - (g) Qualifications/Modified opinion(s) in the draft audit report
5. Reviewing, with the Management, the quarterly Financial Statements before submission to the Board for approval;
6. Reviewing, with the Management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue etc.), the statement of funds utilised for purposes other than those stated in the offer document/ prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue or preferential issue or qualified institutions placement and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the Auditors' independence and performance and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the Company with Related Parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluation of internal financial controls and Risk Management systems;
12. Reviewing, with the Management, performance of Statutory Auditors and Internal Auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of Internal Audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with Internal Auditors of any significant findings and follow up thereon;
15. Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of Internal Control Systems of a material nature and reporting the matter to the Board;

Corporate Governance Report

16. Discussion with Statutory Auditors before the Audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle-Blower Mechanism;
19. Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
20. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its Shareholders.
21. Reviewing the utilisation of loans and/ or advances from/investment by the Company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances/existing investments.

4. Nomination and Remuneration Committee

Pursuant to provisions of Section 178 of the Companies Act, 2013 read with Regulation 19 of the SEBI Listing Regulations, Nomination and Remuneration Committee of the Board (hereinafter referred to as 'NRC') is duly constituted.

(A) Composition of NRC

As on December 31, 2024, the members of the NRC are:

Sr. No.	Name of Director	Role in the Committee	Category
1.	Amit Kalyani ¹	Chairperson	Non-Executive & Independent
2.	Dharmesh Arora	Member	Non-Executive & Non-Independent
3.	Arvind Balaji	Member	Non-Executive & Independent
4.	E. V. Sumithasri	Member	Non-Executive & Independent

Renu Challu, erstwhile Chairperson and Member of the NRC ceased to be a Chairperson and Member of the NRC effective from November 5, 2024, upon completion of the second term as an Independent Director from the Board of the Company.

¹ Mr. Amit Kalyani was appointed as Chairperson of the NRC

(B) Meetings of NRC

The erstwhile Chairperson of NRC, Renu Challu attended 61st Annual General Meeting held on April 26, 2024. Details of the Nomination and Remuneration Committee Meetings held during 2024 are as follows:

NRC Meeting(s)	I	II	III	IV
Dates	February 15, 2024	March 22, 2024	July 22, 2024	October 22, 2024
Start Timing	14:00 HRS IST	14:00 HRS IST	10:00 HRS IST	10:15 HRS IST
Venue (Deemed venue)	Virtual (Hyderabad)	Virtual (Mumbai)	Virtual (Secunderabad)	Virtual (Secunderabad)
Attended by	Renu Challu Amit Kalyani Dharmesh Arora Arvind Balaji -	Renu Challu Amit Kalyani Dharmesh Arora Arvind Balaji E. V. Sumithasri	Renu Challu Amit Kalyani Dharmesh Arora Arvind Balaji E. V. Sumithasri	Renu Challu - Dharmesh Arora Arvind Balaji E. V. Sumithasri

(C) Terms of Reference of NRC

The Committee acts as a link between the Management and the Board of Directors. Besides having access to all required information within the Company, the Committee may investigate any activity within its terms of reference, seek information from any employee, secure attendance of outsiders with relevant expertise or obtain legal or other professional advice from external sources, whenever required.

The Committee shall act in accordance with the terms of reference which, inter alia, include:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board, a policy relating to the remuneration of the Directors, Key Managerial Personnel, Senior Management and other employees;

Corporate Governance Report

- 1A. For every appointment of an Independent Director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an Independent Director. The person recommended to the Board for appointment as an Independent Director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
 - (a) use the services of an external agencies, if required;
 - (b) consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - (c) consider the time commitments of the candidates
2. Formulation of criteria for performance evaluation of Independent Directors and the Board of Directors;
3. Devising a policy on Board diversity;
4. Identifying persons who are qualified to become Directors and who may be appointed in Senior Management positions in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
5. Whether to extend or continue the term of appointment of the Independent Directors, on the basis of the report of performance evaluation of Independent Directors;
6. To recommend to the Board, all remuneration, in whatever form, payable to Senior Management.

(D) Annual Performance Evaluation Criteria for Independent Directors:

The criteria for performance evaluation of Independent Directors include (i) Attendance at the meetings, (ii) Preparedness and active participation in meetings, (iii) Staying updated on developments, (iv) Constructive contribution made in the meetings, (v) Being objective and protecting interest of all shareholders, (vi) Engaging as well as challenging Management without being confrontational or obstructionist, (vii) Ensuring integrity of financial statements/internal controls, (viii) Ensuring Risk Management system & mitigation measures are in place (ix) Fulfilment of the independence criteria (as specified in the Listing Regulations) and independence from the Management.

5. Remuneration

(A) Remuneration to the Executive Directors

The Remuneration of Executive Directors (Managing Director and Director-Finance) has fixed as well as variable components. The variable components comprise of 'Short-Term Bonus' and 'Long-Term Bonus' and the criteria for determination are as under:

A. Short-Term Bonus

- (a) Non-Financial Target (20%)
- (b) Free Cash Flow (40%) and,
- (c) Schaeffler Value Added (40%).

Non-Financial Target (NF) : LTIR is the target chosen under NFT. People safety is our top priority with the increase in production demand the risk related to employees are also tend to increase but

as a responsible employer we are continuously focusing on reducing the risk of our employees with technology and innovation keeping us reducing the accident rate trend.

B. Long-Term Bonus

- (a) Service Condition (40%),
- (b) Earning Per Share and Total Shareholders Return (35%) and,
- (c) Climate Neutrality (25%).

Total Shareholders Return (TSR): Relative out performance of Share Price of Schaeffler India Ltd. in comparison of BSE Industrial Index, BSE Auto Index and BSE Capital Goods Index.

Earning Per Share: the target achievement is measured based on the absolute average annual growth of earning per preferred share during the performance period.

Climate neutrality targets are derived from Schaeffler's long-term climate action plan. For each performance period one or more equally weighted targets are set for the climate neutrality target, which are derived from Schaeffler's "Path to climate neutrality".

Rationale:

Free Cash Flow (FCF):

- FCF reflects operational and liquidity performance, a key for short and long-term sustainability;
- FCF reflects ability of the Company to convert it operating performance to cash inflow to meet operational needs and capex for future growth.

Corporate Governance Report

Schaeffler Value Added (SVA):

- RoCE is a value-based performance indicator to reflect how efficiently the Company uses its resources
- SVA is closely linked to RoCE and reflects the interest and needs of all investors

FCF and SVA together reflects holistic view of short and long-term sustainable performance of the Company and returns to shareholders.

The remuneration to Executive Directors/Senior Management is paid in accordance with the Company Policy, as amended from time to time.

The details of remuneration paid for 2024 to the Managing Director and Director – Finance are as follows:

Name	Salary & Performance Bonus	Allowance & Perquisites	Company's contribution to funds	Total
Harsha Kadam Managing Director & CEO	45.2	8.6	1.89	55.7
Hardevi Vazirani (Director Finance & CFO)	6.2	4.9	1.4	12.5
Satish Patel (Director – Finance & CFO) ¹	1.6	0.8	0.2	2.6

¹ Satish Patel has been superannuated from the Company effective from February 12, 2024.

Notes:

- (a) Company's contributions to fund include Superannuation Fund and Provident Fund and exclude the accruals for gratuity as it is funded on the basis of an actuarial valuation for the Company as a whole.

- (b) The Company has entered into Employment Agreement with Executive Directors.
- (c) The details of fixed and variable components of the remuneration of Executive Directors are disclosed in the resolution and explanatory statement for their appointment or for revision in remuneration, as the case may be. The criteria for variable performance linked component have been explained in this Report.
- (d) As per employment agreement, either party can terminate agreement by giving 6 (Six) months' notice in writing. There is no provision for severance fees.
- (e) The Company has no Stock Option Scheme as on December 31, 2024.

Remuneration to the Senior Management

The scheme of variable components comprising Short-Term Bonus and Long-Term Bonus as detailed in point 5 (A) above, is also applicable to the Executive Leadership Team (Senior Management) of the Company.

Details of the Senior Management

Particulars of senior management including the changes therein since the close of the previous financial year is as under:

The senior management of the Company comprises of the following employees:

1. Harsha Kadam
2. Hardevi Vazirani
3. Seshan Iyer
4. Aashish Bhatia¹
5. Santanu Ghoshal²
6. Sameer Mathur
7. Debasish Satpathy³

8. Vinod Acharya
9. Madhurisha Vippatoori
10. Shibi Mathew⁴
11. Omkar Kulkarni⁵
12. Viswanathan Sambasivam⁵
13. Sharad Bhatia⁶
14. Satish Patel⁷

¹ Ceased to be a Member of Senior Management effective from January 8, 2025.

² Ceased to be a Member of Senior Management effective from May 10, 2024.

³ Ceased to be a Member of Senior Management effective from August 19, 2024.

⁴ Appointed as a Member of Senior Management effective from November 4, 2024.

⁵ Appointed as a Member of Senior Management effective from January 1, 2025.

⁶ Appointed as a Member of Senior Management effective from December 2, 2024.

⁷ Ceased to be a Member of Senior Management effective from February 12, 2024.

(B) Criteria for remuneration to the Non-Executive Directors

As per Shareholders' approval by way of an Ordinary Resolution passed at 53rd Annual General Meeting held on April 27, 2016, Non-Executive Directors are paid 'Sitting Fees' for attending Board/Committee Meetings and 'Profit Related Commission' based on performance of the Company.

In view of the responsibilities shouldered, time spent and efforts made by the Non-Executive Directors who are in whole-time employment of the Schaeffler Group, the Board of Directors, on the recommendation of the Nomination and Remuneration Committee, had approved, inter alia, necessary amendments in Nomination and Remuneration Policy, for payment of sitting fees and profit related commission to such Non-Executive Directors.

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Accordingly, effective April 1, 2019, the Non-Executive Directors including the Non-Executive Director of Schaeffler Group, have been paid sitting fees for attending meetings of Board/Committees thereof, unless specifically waived by the concerned Non-Executive Director. The Shareholders approved the payment of sitting fees and profit related commission to be paid to the Non-Executive Directors and the payments have been made accordingly.

The details of sitting fees for attending Board/Committee Meetings held during the year 2024 and profit related commission for the year 2023 paid to them are as follows:

Name of Director	Board Meetings	Audit Committee Meetings	Stakeholders Relationship Committee Meetings	Nomination & Remuneration Committee Meetings	Corporate Social Responsibility Committee Meetings	Risk Management Committee Meetings	Sitting Fees (₹)	Commission (₹)
Avinash Gandhi ¹	-	-	-	-	-	-	-	500,000
Renu Challu	5	4	1	4	-	-	910,000	5,000,000
Arvind Balaji	6	5	-	4	3	-	1,160,000	4,400,000
Amit Kalyani	3	2	-	3	2	-	630,000	4,200,000
Eranti V. Sumithasri	6	4	-	3	-	2	985,000	6,850,000
N. V. Sivakumar	1	1	-	-	-	-	140,000	-
Dharmesh Arora	6	-	-	4	-	3	835,000	4,500,000
Andreas Schick ²	4	4	-	-	-	2	-	-
Jens Schüler ²	5	-	-	-	3	2	-	-

¹ Avinash Gandhi ceased to be Director of the Company w.e.f February 6, 2023.

² Effective April 1, 2019, sitting fees for attending meetings of Board and Committees thereof are paid to the Non-Executive Directors who are in whole- time employment of the Schaeffler Group. Andreas Schick and Jens Schüler have decided not to accept sitting fees and commission.

All the Directors have been reimbursed expenses incurred by them in discharge of their duties. The payments made to a Director in his/her individual capacity have been disclosed.

However, none of these Independent Directors have any material pecuniary relationship or transactions with the Company, its Promoters, its Directors, its Senior Management, Holding Company, Subsidiary Company and its Associates or their promoters, or directors which may affect their independence. The Company has not entered into any materially significant transaction with Promoters, Directors

or their Relatives or its Management that may have potential conflict with the interests of the Company.

During the year, there were no transactions entered with the Non-Executive Directors or their relatives.

6. Stakeholders' Relationship Committee

Pursuant to provisions of Section 178(5) of the Companies Act, 2013 read with Regulation 20 of SEBI Listing Regulations, 'Stakeholders' Relationship Committee' ('SRC') of the Board has been constituted.

(A) Composition of SRC

As on December 31, 2024, the Committee consist of following members:

Sr. No.	Name of Director	Role in the Committee	Category
1.	Eranti V. Sumithasri	Chairperson	Non-Executive & Independent
2.	Harsha Kadam	Member	Executive & Non-Independent
3.	Hardevi Vazirani	Member	Executive & Non-Independent

Renu Challu, erstwhile Chairperson and Member of the SRC ceased to be a Chairperson and Member of the SRC effective from November 5, 2024, upon completion of the second term as an Independent Director from the Board of the Company.

Eranti V. Sumithasri was appointed as Chairperson and Member of the SRC.

(B) Meetings of SRC & Attendance of Members

The Committee meets to deal with matters relating to redressal of complaints from Shareholders regarding transfers, non-receipt of Annual Report, non-receipt of declared dividends etc. and to review effectiveness of Investors' Relations system of the Company.

Details of the SRC Meetings held during 2024 are as follows:

SRC Meeting(s)	I
Dates	April 23, 2024
Start Timing	10:00 HRS IST
Venue (Deemed venue)	Virtual (Hyderabad)
Attended by	Renu Challu
	Harsha Kadam
	Hardevi Vazirani

Corporate Governance Report

The Chairperson of the SRC, Renu Challu, attended the 61st Annual General Meeting held on April 26, 2024.

Ashish Tiwari, VP-Legal & Company Secretary is the Compliance Officer of the Company. During the year 2024, total of 1 (One) complaint was received.

All complaints received during the year 2024 were attended to and resolved satisfactorily. There was no complaint pending as on December 31, 2024.

(C) Terms of Reference of SRC

The Committee acts in accordance with the terms of reference which, inter alia, include:

1. Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.;
2. Review of measures taken for effective exercise of voting rights by shareholders;
3. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;
4. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company;
5. The Committee shall meet at least once a year.

7. Corporate Social Responsibility Committee

The 'Corporate Social Responsibility Committee' ('CSR Committee') of the Board constituted pursuant to the provisions of Section 135 of the Companies Act, 2013, comprises the following members:

(A) Composition of CSR Committee

Sr. No.	Name of Director	Role in the Committee	Category
1.	Arvind Balaji	Chairperson	Non-Executive & Independent
2.	Amit Kalyani	Member	Non-Executive & Independent
3.	Jens Schüler ¹	Member	Non-Executive & Non-Independent
4.	Harsha Kadam	Member	Executive & Non-Independent

¹ Appointed as a Member effective from January 29, 2024

(B) Meetings of CSR Committee & Attendance of Members

During the year 2024, 3 (Three) meetings of CSR Committee were held, details of which are as follows:

CSR Meeting(s)	I	II	III
Dates	February 15, 2024	July 22, 2024	October 22, 2024
Start Timing	15:45 HRS IST	11:30 HRS IST	11:30 HRS IST
Venue (Deemed venue)	Virtual (Chennai)	Virtual (Chennai)	Virtual (Chennai)
Attended by	Arvind Balaji Harsha Kadam Jens Schüler Amit Kalyani	Arvind Balaji Harsha Kadam Jens Schüler Amit Kalyani	Arvind Balaji Harsha Kadam Jens Schüler -

(C) Terms of Reference of CSR

The Committee shall act in accordance with the terms of reference which, inter alia, include:

1. To formulate and recommend to the Board a CSR Policy which will define the focus areas and indicate the activities to be undertaken by the Company under CSR domain;
2. To recommend to the Board necessary amendments, if any, in the CSR Policy from time to time;
3. To formulate the Annual Action Plan, monitor the budget under the CSR activities of the Company;
4. To accomplish various CSR projects of the Company independently or through intermediary agencies, as the case may be.

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8. Risk Management Committee

The ‘Risk Management Committee’ (‘RMC’) has been constituted pursuant to the provisions of Regulation 21 of the SEBI Listing Regulations, comprises of the following members:

(A) Composition of RMC

Sr. No.	Name of Director	Role in the Committee	Category
1.	Dharmesh Arora	Chairperson	Non-Executive & Non-Independent Director
2.	Eranti V. Sumithasri	Member	Non-Executive & Independent Director
3.	Andreas Schick	Member	Non-Executive & Non-Independent Director
4.	Jens Schüler ¹	Member	Non-Executive & Non-Independent Director
5.	Harsha Kadam	Member	Executive & Non-Independent Director
6.	Hardevi Vazirani	Member	Executive & Non-Independent Director
Members of Senior Management			
7.	Sameer Mathur	Member	Chief Operating Officer

Note: Santanu Ghoshal, erstwhile Member of the RMC ceased to be a member of RMC effective from May 10, 2024 on account of his superannuation.

(B) Meetings of RMC & Attendance of Members

The Chairperson of RMC, Dharmesh Arora, attended the 61st Annual General Meeting held on April 26, 2024.

During the year 2024, 3 (Three) meetings of RMC were held, details of which are as follows:

RMC Meeting(s)	I	II	III
Dates	February 15, 2024	April 25, 2024	October 22, 2024
Start Timing	17:00 HRS IST	11:30 HRS IST	13:30 HRS IST
Venue (Deemed venue)	Virtual ((Pune)	Virtual (Bangkok)	Virtual ((Singapore)
Attended by	Dharmesh Arora	Dharmesh Arora	Dharmesh Arora
	-	Eranti V. Sumithasri	Eranti V. Sumithasri
	Andreas Schick	-	Andreas Schick
	Jens Schüler	-	Jens Schüler
	Harsha Kadam	Harsha Kadam	Harsha Kadam
	Hardevi Vazirani	Hardevi Vazirani	Hardevi Vazirani
	Sameer Mathur	Sameer Mathur	Sameer Mathur
	Santanu Ghoshal	-	-

(C) Terms of Reference of RMC

The Committee shall act in accordance with the terms of reference which, inter alia, include:

- The Committee shall formulate a detailed Risk Management Policy which shall include:
 - A framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
 - Measures for risk mitigation including systems and processes for internal control of identified risks; and;
 - Business continuity plan.
- The Committee shall ensure that appropriate methodology processes and systems are in place to monitor and evaluate risks associated with the business of the Company.
- The Committee shall monitor and oversee implementation of the Risk Management Policy, including evaluating the adequacy of risk management systems.
- The Committee shall periodically review the Risk Management Policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity.
- The Committee shall keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken.
- The Committee shall review the appointment, removal and terms of remuneration of the Chief Risk Officer, if any.
- The Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the Board of Directors.
- The Committee shall have powers to seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary.

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9. General Body Meetings & Postal Ballot

Particulars	Meetings		
	61 st AGM	60 th AGM	59 th AGM
Date	April 26, 2024	April 18, 2023	April 27, 2022
Start Timing	3:30 PM IST	3:30 PM IST	3:30 PM IST
Venue / Deemed venue	Video Conferencing/Audio Visual means 15 th Floor, ASTP (Amar Sadanand Tech Park), Baner, Pune – 411 045	Hotel SAYAJI, Pearl Hall, 135/136, Mumbai – Bengaluru Bypass Highway, Wakad, Pune, Maharashtra 411 057	Video Conferencing/Audio Visual means 15 th Floor, ASTP (Amar Sadanand Tech Park), Baner, Pune – 411 045
Resolution passed			
Ordinary Business			
Adoption of accounts at	December 31, 2023	December 31, 2022	December 31, 2021
Declaration of Dividend	Dividend of ₹26 per equity share of ₹2 each	Dividend of ₹24 per equity share of ₹2 each	Dividend of ₹16 per equity share of ₹2 each
Re-appointment of Rotational Director	Dharmesh Arora	Corinna Schittenhelm Andreas Schick	Satish Patel Dharmesh Arora
Special Business			
Appointment of Directors	Hardevi Vazirani as Director Hardevi Vazirani as a Whole-Time Director, designated as Director-Finance	-	Corinna Schittenhelm as Director Andreas Schick as Director
Approval on	-	Material Related Party Transactions	Material Related Party Transactions
	Ratification of Remuneration to the Cost Auditors	Ratification of Remuneration to the Cost Auditors	Ratification of Remuneration to the Cost Auditors

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Postal Ballot

Resolutions passed by way of Postal Ballot during the year:

The Company conducted 3 (Three) Postal Ballots for obtaining approval of the Shareholders of the Company during the year. The details of the resolutions are as under:

Postal Ballot details	Resolutions
Date of Postal Ballot Notice: February 16, 2024 Date of declaration of results: March 21, 2024	To appoint Mr. Jens Schüler as a Director (Non-Executive Non-Independent Director) – Ordinary Resolution
Date of Postal Ballot Notice: October 30, 2024 Date of declaration of results: December 16, 2024	Re-appointment of Mr. Harsha Kadam (DIN: 07736005) as a Managing Director – Ordinary Resolution Re-appointment of Mr. Arvind Balaji (DIN: 00557711) as an Independent Director – Special Resolution Appointment of Mr. N. V. Sivakumar (DIN: 03534101) as an Independent Director – Special Resolution
Date of Postal Ballot Notice: December 11, 2024 Date of declaration of results: January 27, 2025	Re-appointment of Mr. Amit Kalyani (DIN: 00089430) as an independent Director – Special Resolution

All the resolutions were passed with the requisite majority.

Procedure for the Postal ballot:

All the Postal ballot procedures were carried out as per the provisions of Section 108 and 110 and other applicable provisions of the Companies Act, 2013 ('the Act') read with the Companies (Management and Administration) Rules, 2014, ('Rules'), General Circular Nos. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 20/2020 dated May 5, 2020, 09/2023 dated September 25, 2023 and 09/2024 dated September 19, 2024 issued by the Ministry of Corporate Affairs ('MCA') from time to time ('MCA Circulars'), Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), Secretarial Standard - 2 on General Meetings issued by the Institute of Company Secretaries of India ('SS-2') and other applicable laws and regulations (including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force).

The Board had appointed Mr. Suresh Kumar Kabra, Partner of Samdani Kabra & Associates, Company Secretaries, Vadodara as scrutiniser to conduct all the Postal Ballot procedures through remote e-voting process in a fair and transparent manner.

Details of voting pattern of the Special Resolutions passed through Postal ballot are as follows:

Sr. No.	Details of Special Resolution	No. of Shares held	No. of Votes polled	No. of votes in favour	% of votes in favour	No. of votes against	% of votes against
1.	Re-appointment of Mr. Arvind Balaji (DIN: 00557711) as an Independent Director	156,303,670	145,047,213	136,641,843	94.20	8,405,370	5.79
2.	Appointment of Mr. N. V. Sivakumar (DIN: 03534101) as an Independent Director	156,303,670	145,047,215	144,753,042	99.79	294,173	0.20
3.	Re-appointment of Mr. Amit Kalyani (DIN: 00089430) as an Independent Director	156,303,670	145,210,842	127,859,895	88.05	17,350,947	11.94

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10. Means of Communication

Publication of Quarterly Results

Pursuant to provisions of the SEBI Listing Regulations, periodical financial results and other publications of the Company are being published in widely circulated English newspapers (The Economic Times) and a Vernacular Marathi newspaper (Prabhat). Financial results, as soon as they are approved by the Board, are submitted with the Stock Exchanges (BSE & NSE).

The Company voluntarily informs the highlights of the Financial Results to all the Shareholders on quarter basis through emails.

Website of the Company

Apart from quarterly financial results, we also display official news, press releases and other statutory and business information on the website of the Company: www.schaeffler.co.in

Presentations made to Institutional Investors or to Analysts

The Company regularly conducts Investor and Analysts call after the declaration of Financial Results. The Investor presentations made by the Company to Analysts are submitted with the Stock Exchanges (BSE & NSE) and are also uploaded on the website of the Company. The recordings and transcripts of calls are also available on the website of the Company.

11. General Shareholder Information

(i) 62nd Annual General Meeting is scheduled to be held

On : Wednesday, the 30th day of April 2025
At : 3:30 PM IST
Mode : Video Conferencing /Other audio visual means

(ii) Financial Year

The Hon'ble Bench of Company Law Board, New Delhi has approved the petition filed by the Company under Section 2(41) of the Companies Act, 2013 and allowed the Company to continue to follow 'Calendar Year' as the 'Financial Year'.

Financial year of the Company is a twelve-month period starting from January 1 to December 31.

Financial Reporting for the respective quarters of 2025 would be carried out within time limit, as per prevailing regulatory requirements.

(iii) Record Date for Dividend/Cut-off date for e-voting

Wednesday, April 23, 2025

(iv) Date of Book Closure

Not Applicable

(v) Dividend

The Dividend for the year 2024 if declared at the 62nd Annual General Meeting scheduled to be held on April 30, 2025, shall be paid within the time limit prescribed in the Companies Act, 2013.

(vi) Listing of Equity Shares on Stock Exchanges

The Equity Shares of the Company are listed on:

- **BSE Limited (BSE),**
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001, Maharashtra, India.
- **National Stock Exchange of India Limited (NSE),**
Exchange Plaza, C-1, Block "G", Bandra Kurla Complex, Bandra (E), Mumbai – 400 051, Maharashtra, India.

The requisite listing fees have been paid to the Stock Exchanges up to March 31, 2024.

(vii) Custodial Fee to Depositories

The Company has paid Annual Custodial Fees for the year 2024-2025 to the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

Corporate Governance Report

(viii) Stock Code

BSE Limited (BSE)	505790
National Stock Exchange of India Limited (NSE)	SCHAEFFLER
International Security Identification Number (ISIN)	INE513A01022
Corporate Identity Number [CIN]	L29130PN1962PLC204515

(ix) Market Price Data

A summary containing monthly High/Low share prices at BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) is as under:

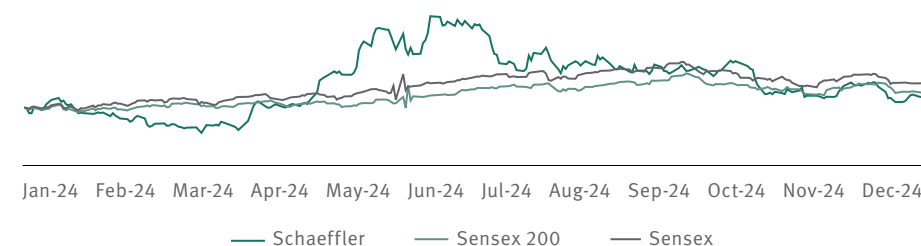
(₹)

Month (For the year 2024)	Equity Shares			
	BSE		NSE	
	High	Low	High	Low
January	3,433.85	3,040.75	3,434.00	3,041.90
February	3,175.85	2,831.00	3,179.90	2,830.00
March	2,989.90	2,699.55	2,988.05	2,743.50
April	3,876.50	2,840.00	3,879.00	2,823.35
May	4,749.30	3,666.65	4,745.00	3,630.65
June	4,950.00	3,790.65	4,951.00	3,786.20
July	4,794.90	3,796.80	4,747.00	3,795.10
August	4,282.05	3,783.95	4,286.40	3,784.90
September	4,045.00	3,755.00	4,049.00	3,752.80
October	4,079.95	3,406.35	4,083.05	3,405.90
November	3,613.80	3,286.65	3,615.85	3,325.00
December	3,781.95	3,258.70	3,780.00	3,256.70

(x) Stock Performance

The performance of the Company's shares related to the BSE SENSEX and BSE SENSEX 200 for the year 2024 is given below:

Schaeffler India versus BSE SENSEX and BSE SENSEX 200 Stock Return (January 1, 2024 to December 31, 2024)



(xi) Registrar and Share Transfer Agent [RTA]

The details are as under:

Name : MUFG Intime India Private Limited
(Formerly known as Link Intime India Private Limited)

Address : “Geetakunj” 1, Bhakti Nagar Society,
Behind ABS Tower, Old Padra Road, Vadodara – 390 015.

Phone No. : 0265 – 3566768

E-mail : vadodara@linkintime.co.in

Website : <https://in.mpms.mufg.com/>

‘MUFG Intime India Private Limited’ is acting as ‘Registrar & Share Transfer Agent’ for Company’s Equity Shares in physical and dematerialised form.

Corporate Governance Report

(xii) Share Transfer System

SEBI has mandated that no share can be transferred in physical mode effective April 1, 2019. Hence, the Company has stopped accepting any fresh lodgement of transfer of shares in physical form.

In terms of amended Regulation 40 of the SEBI Listing Regulations w.e.f. April 1, 2019, transfer of securities in physical form shall not be processed unless the securities are held in the demat mode with a Depository Participant. Further, w.e.f. January 24, 2022, SEBI has made it mandatory for listed companies to issue securities in demat mode only while processing any investor service requests viz. issue of duplicate share certificates, exchange/sub-division/ splitting/ consolidation of securities, transmission/ transposition of securities. Vide its Circular dated January 25, 2022, SEBI has clarified that listed entities/ RTAs shall now issue a Letter of Confirmation in lieu of the share certificate while processing any of the aforesaid investor service request.

Shareholders holding equity shares in physical form are urged to have their shares dematerialised so as to be able to freely transfer them and participate in various corporate actions.

Trading in equity shares of the Company is permitted only in dematerialised form.

With an intention to expedite the process of share transmission, the Board of Directors has delegated authority in favour of Key Managerial Personnel, up to 5,000 shares per application. Further, the Board of Directors has delegated authority with regards to approval for issue of duplicate share certificates in lieu of lost/misplaced certificates, in favour of Stakeholders' Relationship Committee.

During the year, the Company had obtained, on yearly basis, a certificate, from a Company Secretary in Practice, certifying that no share certificate transfer request has been processed in view of restriction on processing transfer in physical mode pursuant to clause 40(1) of the Listing Regulations. Pursuant to the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018, certificates have been received from a Company Secretary in Practice for timely dematerialisation of Shares and for reconciliation of the Share Capital of the Company on a quarterly basis.

(xiii) Information of Dividend

The unclaimed or unpaid amount of dividend declared for the financial year ended on December 31, 2017 is due for transfer to "Investor Education and Protection Fund (IEPF)" on May 24, 2025.

Entitled Members are requested to lodge their claims before the last date for claiming unpaid/ unclaimed dividend as shown in the table below for the dividend in respective years.

Details of unclaimed and unpaid dividend

Dividend for year ended	Date of declaration of dividend	Amount due for transfer to IEPF on	Amount lying unpaid (₹) as on December 31, 2024
December 31, 2017	April 17, 2018	May 24, 2025	1,252,016.45
December 31, 2018	April 30, 2019	June 6, 2026	1,370,880.27
December 31, 2019	June 30, 2020	July 30, 2027	1,330,326.82
December 31, 2020	April 27, 2021	May 28, 2028	968,846.00
December 31, 2021	April 27, 2022	May 28, 2029	2,217,518.00
December 31, 2022	April 18, 2023	April 17, 2030	2,767,989.00
December 31, 2023	April 26, 2024	April 25, 2031	4,378,615.00
Total amount lying unpaid as on	December 31, 2024		14,286,191.54

Corporate Governance Report

(xiv) Distribution of shareholding

Shareholding of Nominal Value of ₹	As on December 31, 2024				Shareholding of Nominal Value of ₹	As on December 31, 2023			
	Number of Shareholders	% of Total Shareholders	Share Amount (₹)	% of Total Share Amount		Number of Shareholders	% of Total Shareholders	Share Amount (₹)	% of Total Share Amount
1 to 1,000	76,408	97.22	4,330,920	1.39	1 to 1,000	69,733	96.75	4,406,680	1.41
1,001 to 2,000	905	1.15	1,383,174	0.44	1,001 to 2,000	980	1.36	1,503,838	0.48
2,001 to 4,000	525	0.67	1,527,858	0.49	2,001 to 4,000	580	0.80	1,687,690	0.54
4,001 to 6,000	197	0.25	998,276	0.32	4,001 to 6,000	217	0.30	1,101,518	0.35
6,001 to 8,000	91	0.12	643,438	0.21	6,001 to 8,000	93	0.13	651,592	0.21
8,001 to 10,000	78	0.1	730,738	0.23	8,001 to 10,000	80	0.11	747,592	0.24
10,001 to 20,000	116	0.15	1,695,452	0.54	10,001 to 20,000	130	0.18	1,936,280	0.62
20,001 to 99,999,999,999	268	0.34	301,297,484	96.38	20,001 to 99,999,999,999	261	0.36	300,572,150	96.15
TOTAL	78,588	100.00	312,607,340	100.00	TOTAL	72,074	100.00	312,607,340	100.00

(xv) Category wise summary of Shareholding [As on December 31, 2024]

Sr. No.	Category	No. of shareholders ¹	No. of shares	%
1.	Promoters (Foreign entities)	4	115,863,235	74.13
2.	Mutual Fund	30	22,401,602	14.33
3.	Foreign Portfolio Investor (Corporate)	178	7,367,899	4.72
4.	Public	72,743	6,914,395	4.42
5.	Other Bodies Corporate	418	738,175	0.47
6.	Others	3,597	3,018,364	1.93
	Total	76,970	156,303,670	100.00

¹ Number of shareholders are clubbed based on unique Permanent Account Numbers.

(xvi) Dematerialisation of Shares and liquidity

99.87% of the Paid-up Equity Share Capital is held in Dematerialised form with National Securities Depository Limited and Central Depository Services (India) Limited as on December 31, 2024.

	NSDL	CDSL	Physical	Total
Shares (nos.)	153,241,317	2,859,404	202,949	156,303,670
Shares (%)	98.04	1.83	0.13	100

(xvii) Outstanding GDRs/ ADRs/ Warrants or any convertible instruments, conversion date and likely impact on equity: NIL

(xviii) Commodity Price Risks or Foreign Exchange Risks and Hedging Activities

The Company has adequate risk assessment and minimisation system in place including for commodities as well as foreign exchange. The foreign exchange risk is managed through the hedging strategy of the Company which is reviewed periodically. The Company does not have material exposure for any commodity and accordingly, no hedging activities for the same is carried out. Therefore, there is no disclosure to offer in terms of circular of SEBI dated November 15, 2018.

Corporate Governance Report

(xix) Plant Locations

The manufacturing activities are being carried out from the plants located at Talegaon (Pune), Maneja (Vadodara), Savli (Vadodara) and Hosur (Krishnagiri).

(xx) Address for correspondence

Shareholders/Beneficial owners are requested to correspond with the Company's RTA as shown in Para (xi) above with respect to any query, request, information or clarification pertaining to shares and are further advised to quote their folio number, DP & Client ID number as the case may be, in all correspondence with the RTA. Additionally, shareholders may correspond with the Company at the following addresses:

Registered & Corporate Office

15th Floor, (ASTP) Amar Sadanand Tech Park, Baner, Pune – 411 045 (MH) India.

Phone : +91 20 68198400

E-mail : investorsupport.in@schaeffler.com

(xxi) Other useful information to shareholders

ECS/NECS Facility

The Company uses "National Electronic Clearing Services" (NECS) facility for remitting dividend to its shareholders wherever available.

To enable remittance of dividend through NECS, Members are requested to provide their account number allotted to them by their respective banks after implementation of CBS. The account number must be provided to the Company in respect of shares held in physical form and to the Depository Participants in respect of shares held in electronic form.

Nomination in Respect of Shares

Section 72 of the Companies Act, 2013 provides facility for making nominations by Members in respect of their holding of shares. Such nomination facilitates transmission of shares from the deceased Member to his/her nominee without being required to go through the process of obtaining Succession Certificates/Probate of the Will, etc. It would, therefore, be in the best interest of the Members holding shares as a sole holder to make such nomination. Members holding shares in physical mode are advised to submit form SH-13 to the Registrar and Share Transfer Agent of the Company for making nomination. Members holding shares in demat form are advised to contact their DP for making nominations. Members are further requested to quote their E-mail IDs, DP ID and Client ID, Telephone/Fax numbers for prompt reply to their communication.

KYC

Please refer to SEBI Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 3, 2021 issued by SEBI that mandates all the listed companies to record the PAN, Address with PIN code, E-mail address, Mobile Number, Bank Account details, Specimen Signature and Nomination by holders of physical securities. Necessary communication for KYC updation has been sent to the shareholders holding shares in physical mode.

Please refer to the SEBI circular dated January 25, 2022 bearing Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 pursuant to Issuance of Securities in dematerialised form in case of Investor Service Requests which states that henceforth listed companies shall issue the securities in dematerialised form only while

processing certain service request. Investors holding securities in physical mode are advised to take a note of instructions mentioned in the said circular and get in touch with MUFG Intime India Private Limited (Erstwhile Link Intime India Private Limited), Registrar and Share Transfer Agent (RTA) of the Company for processing certain service requests. (Link: <https://in.mpms.mufg.com/>)

Members are requested to note that pursuant to the SEBI circulars dated November 3, 2021, December 14, 2021, March 16, 2023, November 17, 2023 and SEBI Master Circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated May 7, 2024, it is mandated that the security holders (holding securities in physical form), whose folio(s) do not have PAN or Choice of Nomination or Contact Details or Mobile Number or Bank Account Details or Specimen Signature updated, shall be eligible for any payment including dividend, interest or redemption in respect of such folios, only through electronic mode with effect from April 1, 2024. Members are requested to take note of the above and ensure compliance to the directions from SEBI.

To avoid any inconvenience by shareholder holding share(s) in Physical form in future for investor service request, they are hereby informed to comply with applicable SEBI requirements.

12. Disclosures

- (i) The Board has received disclosures from the Senior Management relating to material, financial and commercial transactions, where they and/or their Relatives have personal interest. There are no materially significant Related Party Transactions of the Company,

Corporate Governance Report

which have potential conflict with the interest of the Company at large; however, transactions with Related Parties as per requirements of applicable Accounting Standard are disclosed under notes to accounts.

- (ii) All transactions with Related Party, as defined under the Companies Act, 2013, the Listing Regulations, during the year were in ordinary course of business and at arm's length basis and do not attract provisions of Section 188 of the Companies Act, 2013. The Board has approved a policy on dealing with related party transactions, and the same has been uploaded on the Company's website at <https://www.schaeffler.co.in/en/investor-relations/corporate-governance/codes-and-policies/>
- (iii) The Company has established Vigil Mechanism to provide for safeguarding against victimisation of Directors, employees, or any other person who follow such mechanism. The Board has approved Whistle-Blower Policy/establishment of Vigil Mechanism pursuant to the provisions of the Companies Act, 2013 and the SEBI Listing Regulations and is available at <https://www.schaeffler.co.in/en/investor-relations/corporate-governance/codes-and-policies/>.
As per the Policy, no personnel are denied access to the Audit Committee.
- (iv) There have been no instances of non-compliance and no penalties or strictures have been imposed on the Company on any matter relating to the capital markets, either by Stock Exchanges, the Securities and Exchange Board of India or any other statutory authority during the last three years, except for the constitution of Stakeholder

Relationship Committee as required under Regulation 20 of SEBI Listing Regulation for a short period of time during FY 2024, due to delay in identification of suitable candidate for the position and internal alignment.

- (v) The Company has adopted and complied with mandatory requirements as per provisions of the Listing Regulations. Some of the non-mandatory requirements have also been complied with.
- (vi) The requisite certificates from CEO and CFO were placed before the Board Meetings for consideration.
- (vii) The Company has complied with the Corporate Governance requirements specified in Regulations 17 to 27 except as disclosed in point no. (iv) above, and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations. There is no non-compliance with the requirements specified under sub-paras (2) to (10) of Para C of Schedule V of SEBI Listing Regulations.
- (viii) To determine 'Material Subsidiary', the Company has adopted a 'Policy on Determination of 'Material' Subsidiary and the same has been hosted on the website of the Company on the following web link:- <https://www.schaeffler.co.in/en/investor-relations/corporate-governance/codes-and-policies/>.
- (ix) The Company has formulated the Dividend Distribution Policy as required under Regulation 43A of the Listing Regulations and the same is annexed as Annexure - A to this report and also available on the website of the Company at <https://www.schaeffler.co.in/en/investor-relations/corporate-governance/codes-and-policies/>.

- (x) Disclosures required under the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013 have been included in the Directors' Report which forms part of the Annual Report.
- (xi) During the year under review, there were no instances wherein recommendation of any Committee of the Board, which is mandatorily required for approval of the Board, were not accepted by the Board.
- (xii) Details of total fees for all services paid by the Company and its Subsidiary to the Statutory Auditor and all entities in the network firm/network entity of which the Statutory Auditor is a part have been included in the notes to financial statements which forms integral part of the Annual Report.
- (xiii) A Certificate required from a Practicing Company Secretary with regards to debarment / disqualification of any of the Directors on the Board of the Company from being appointed or continuing as Directors of the Company by the SEBI / Ministry of Corporate Affairs or any such statutory authority is annexed to this report.
- (xiv) Details of utilisation of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) of the Listing Regulation: Not Applicable
- (xv) Details of Loans and advances in the nature of loans to firms/companies in which directors are interested, if any by name and amount are provided in the notes to financial statements which forms integral part of the Annual Report

Corporate Governance Report

(xvi) Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the Statutory Auditors of such subsidiaries: Not Applicable as the Company does not have any Material subsidiary as of the date of this report.

13. Demat suspense Account/Unclaimed suspense account

The Company has transferred shares, the certificates of which remained unclaimed to the Unclaimed Suspense Account of the Company and these shares are being held by the Company in Demat form on behalf of the beneficial owners of the said shares.

The disclosures with respect to the Unclaimed Suspense Account are as under:

Particulars	Number of shareholders	Number of shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year	23	10,425
Number of shareholders who approached listed entity for transfer of shares from suspense account during the year	0	0
Number of shareholders to whom shares were transferred from suspense account during the year	0	0
Number of shareholders whose shares were transferred to the Investor Education Protection Fund	1	75
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	22	10,350

The voting rights on the shares in the Unclaimed Suspense Account shall remain frozen till the rightful owner of such shares claims the shares.

Adoption of Discretionary Requirements

[Reg. 27(1) read with Part E of Schedule II of the Listing Regulations]

(A) The Board

E. V. Sumithasri, Non-Executive Chairperson, is entitled to maintain a Chairperson’s office at the Company’s expense which includes office rentals and assistant, car facility and independent advise from the law firm as and when required.

The total expenses incurred for maintaining the Chairperson’s office were ₹9.4 Mn. for FY 2024.

(B) Modified Opinion(s) in Audit Report

The Auditors have issued Audit Report for the year 2024 with unmodified opinion(s).

(C) Reporting of Internal Auditor

The Head of Internal Audit reports to the Chairperson of the Audit Committee.

(D) Separate posts of Chairperson and the Managing Director or the Chief Executive Officer

E. V. Sumithasri is a Chairperson and Independent Director and Harsha Kadam, is designated as Managing Director and Chief Executive Office of the Company.

For and on behalf of the Board

E. V. Sumithasri
Chairperson

Bengaluru: February 27, 2025

DIN: 07087197

To,
The Members of Schaeffler India Limited
Re.: Declaration by CEO

I, Harsha Kadam, Managing Director of Schaeffler India Limited, hereby declare that to the best of my knowledge and belief, all members of the Board of Directors and Senior Management Personnel have confirmed compliance with Company’s Code of Conduct for the year ended on December 31, 2024.

Harsha Kadam
Managing Director & CEO

Pune: February 27, 2025

DIN: 07736005

Corporate Governance Report

Dividend Distribution Policy

(Annexure A to Corporate Governance Report)

1. Introduction

In accordance with the provisions of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2016 made effective from July 8, 2016, the top five hundred listed entities based on market capitalisation (calculated as on March 31 of every financial year) are required to formulate 'Dividend Distribution Policy'. The 'Schaeffler India Limited' is ranked 141 as on the effective date of regulation (published in the Official Gazette on July 8, 2016), and therefore this 'Dividend Distribution Policy' (the Policy) is formulated with an objective and scope as under. This Policy will come into effect from the effective date of regulation i.e. July 8, 2016.

2. Objectives

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations with an ultimate aim to increase the value of investment made by the Shareholders. This Policy is aimed for the investors to take a well informed decision for their investment based upon the Company's criteria to deal with earned/retained profits.

3. Scope

This Policy intends to bring transparency, on the basis to prevailing circumstances in the Company/Industry

– it operates, with respect to deal with distribution of earned/retained profit amongst its existing equity Shareholders. This Policy is and shall be governed under the applicable legal provisions viz;

1. The Companies Act, 2013 (Chapter VIII and other applicable provisions),
2. Securities And Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015,
3. The Companies (Declaration and Payment of Dividend) Rules, 2014 and
4. Any amendment therein made applicable from time to time.

4. Definitions:

- 4.1 **"Act"** means the Companies Act, 2013, or any statutory modification or re-enactment thereof and includes any Rules and Regulations framed thereunder.
- 4.2 **"Company"** means Schaeffler India Limited.
- 4.3 **"Dividend"** Under Section 2(35) of the Companies Act, 2013, "Dividend" includes any 'interim dividend'. In common parlance, "dividend" means the profit of a company, which is not retained in the business and is distributed among the shareholders in proportion to the amount paid-up on the shares held by them.
- 4.4 **"Free Reserves"** means reserves the utilisation of which is not restricted in any manner.
- 4.5 **"Interim Dividend"** means the Dividend declared in a Meeting of the Board of Directors.

- 4.6 **"Member"** means any person who agrees, either by subscribing to the Memorandum of Association of the Company or by applying in writing, to become a Member of the Company and whose name is entered either in the Register of Members of the Company or in the records of the depository as a beneficial owner in respect of the shares of the Company held by him.

5. Policy on Declaration of Dividend

The Company may declare dividend considering;

- (A) The circumstances under which its shareholders can or cannot expect dividend, which includes;
 - (i) The Company's Performance trend,
 - (ii) Past years' (at least 5 years) track record of Dividend Rate, Dividend Outflow including taxes thereon,
- (B) The Company's Financial Parameters, including;
 - (i) Company's Profitability,
 - (ii) Value Added,
 - (iii) Earning per Share (EPS)
 - (iv) Free Cash Flow
- (C) Internal & External Factors, including;
 - (i) Business/Financial Projections for Mid Term Period,
 - (ii) Unplanned Liabilities,
 - (iii) Likely financial risks,
 - (iv) Regulatory Changes,
 - (v) Industry trend, market challenges and growth optimism

Corporate Governance Report

- (D) Mode of utilization of retained earnings, including;
- (i) Business Growth & Expansion,
 - (ii) Market Development,
 - (iii) Better Resources Utilisation,
 - (iv) Research & Development,
 - (v) Reducing Long-Term Liabilities
 - (vi) Dividend And
- (E) Other parameters as decided by the Board, provided the Policy is revised to the extent of incorporating those parameters and disclosed on the Company's website together with its rationale.

6. Target Dividend

- The Company has adopted a progressive dividend policy, intending to sustain or raise the dividend each year, in conjunction with the financial performance and cash profit generation each year.
- Subject to the circumstances and scenarios mentioned in the Policy, the Company shall endeavour to consider a total dividend pay-out ratio in the range of 30% to 50% of the annual standalone profits after tax (PAT) to be announced by the Company from time to time, subject to the applicable rules and regulations.

7. Distribution of Dividend

- (A) Periodicity:
- (i) During the Financial Year –
The Board of Directors of the Company may declare Interim Dividend during any financial year.
 - (ii) On Completion of Financial Year -
The Board of Directors of the Company may recommend a Dividend for respective financial year and may be declared in the Annual General Meeting.
- (B) Dividend Entitlement:
The members, whose name appear in the Register of Members as on the Record Date/ Book Closure, shall be entitled for the dividend.
- (C) Mode of Payment:
The payment of the dividend would be in cash;
- (i) Through electronic clearing services (local, regional or national), direct credit, real time gross settlement, national electronic funds transfer etc. for making payment of dividend. OR
 - (ii) Through issuance of 'payable-at-par' warrants/cheques/demand drafts, in case where bank details are not available or the electronic payment instructions have failed or have been rejected by the bank,

- (D) Transfer to IEPF:

The dividend remained unpaid and unclaimed for a period of 7 (seven) years (as per the provisions of Sections 124(5) of the Companies Act, 2013) shall be transferred to Investors Education and Protection Fund set up by the Government in that regard.

8. Policy Review/Amendments

In case of any subsequent changes in the provisions of the Companies Act, 2013 or any other regulations which makes any of the provisions in the Policy inconsistent with the Act or Regulations, then the provisions of the Act or Regulations would prevail over the Policy and the provisions in the Policy would be modified in due course to make it consistent with law.

i. Statutory Updates

This Policy shall be considered as updated automatically, without any formal approval, to the extent it needs to be aligned with any change in law. An update thereon would be reported to the Board of Directors.

ii. Other updates

All major procedural updates, shall be effective only if, those are carried out after the review and approval of the Board of Directors.

Corporate Governance Report

Corporate Governance Compliance Certificate

For the Financial Year ended December 31, 2024

[Pursuant to Schedule V – Part E of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015]

To the Members of Schaeffler India Limited

We have examined the compliance of the conditions of Corporate Governance by Schaeffler India Limited (“Company”) for the financial year ended December 31, 2024 (“review period”) as per the relevant provisions of Securities and Exchange Board of India (“SEBI”) (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulation”).

The Compliance of conditions of Corporate Governance is the responsibility of the Company’s Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Governance. It is neither an audit nor an expression of an opinion on the Financial Statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations, except for the constitution of Stakeholder Relationship Committee, for a short period of time during FY 2024.

We state that in respect of investor grievances received during the review period, no investor grievance is pending against the Company, as per the records maintained by the Company and presented to the Stakeholders’ Relationship Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Suresh Kumar Kabra
Partner

Samdani Kabra & Asso.
Company Secretaries

ACS No. 9711 | CP No. 9927
ICSI Peer Review # 884/2020
ICSI UDIN: A009711F003979138

Place: Vadodara
Date: February 27, 2025

Corporate Governance Report

Certificate of Non-Disqualification of Directors

[Pursuant to Regulation 34 (3) and Schedule V Part C Clause 10 (i) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

The Members of

Schaeffler India Limited

15th Floor, ASTP (Amar Sadanand Tech Park) Baner, Pune, Maharashtra, India, 411 045

We have examined the Registers, Papers, Books, Records, Forms, Returns, Declarations, Disclosures and other related documents, of **Schaeffler India Limited** ('the Company'), having CIN: L29130PN1962PLC204515, having registered office situated at 15th Floor, ASTP (Amar Sadanand Tech Park) Baner Pune, Pune - 411 045, Maharashtra, India, as produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para C Clause 10(i) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company, its officers and representatives, we hereby certify that none of the Directors on the Board of the Company, as stated below for the Financial Year ending on December 31, 2024, have been debarred or disqualified from being appointed or continuing as Director of the Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of the Director	DIN	Date of Appointment
1.	Mr. Amit Babasaheb Kalyani	00089430	11/02/2020
2.	Mr. Andreas Alois Schick	09257160	28/10/2021
3.	Mr. Arvind Balaji	00557711	06/11/2019
4.	Mr. Dharmesh Subhash Chandra Arora	05350121	06/03/2017
5.	Ms. Eranti Venkataramagupta Sumithasri	07087197	15/07/2020
6.	Ms. Hardevi Gordhandas Vazirani ¹	10212814	13/02/2024
7.	Mr. Harsha Gopal Kadam	07736005	01/10/2019
8.	Mr. Jens Willem Schüler ²	10422738	01/01/2024
9.	Mr. Narumanchi Venkata Sivakumar ³	03534101	06/11/2024
10.	Ms. Renu Challu ⁴	00157204	06/11/2014
11.	Mr. Satish Chunibhai Patel ⁵	00690869	13/02/2019

¹ Ms. Hardevi Vazirani was appointed to be Whole-time Director and Chief Financial Officer of the Company effective from 13.02.2024.

² Mr. Jens Schüler was appointed to be Director of the Company effective from 01.01.2024.

³ Mr. Narumanchi Sivakumar was appointed to be Director of the Company effective from 06.11.2024.

⁴ Ms. Renu Challu ceased to be Director of the Company effective from 05.11.2024 (after business hours).

⁵ Mr. Satish Patel ceased to be Whole-time Director and Chief Financial Officer of the Company effective from 12.02.2024 (after business hours).

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these, based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Suresh Kumar Kabra

Partner

Samdani Kabra & Asso.

Company Secretaries

ACS No. 9711 | CP No. 9927

ICSI Peer Review # 884/2020

ICSI UDIN: A009711F003979281

Place: Vadodara

Date: February 27, 2025

Independent Auditor’s Report

To the Members of Schaeffler India Limited
Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of **Schaeffler India Limited** (‘the Company’), which comprise the Balance Sheet as at **31 December 2024**, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including material accounting policy information and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (‘the Act’) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards (‘Ind AS’) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 December 2024, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (‘ICAI’) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgement were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.
5. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Revenue Recognition (refer note 25 and 48 of the accompanying standalone financial statements) The Company’s revenue principally comprises sale of goods. Revenue from the sale of goods is recognised at point in time when the control of the goods is transferred to the customers, which is on dispatch/ delivery in accordance with the terms of sales contracts. We have identified the recognition of revenue as a key audit matter since the Company has various customers with different terms of trade which increase the risk of error in the timing of revenue recognition. Revenue is determined to be an area involving significant risk in line with the requirements on Standards of Auditing and hence requiring significant auditor attention. The Company and its external stakeholders focus on revenue as a key performance indicator and therefore there could be a risk of material misstatement in so far as revenue recognition is concerned. Considering the aforesaid significance to our audit and the external stakeholders, revenue recognition has been considered as a key audit matter for the current year’s audit.	Our key audit procedures around revenue recognition included, and not limited to, the following: - Obtained an understanding of and assessed the design, implementation and operating effectiveness of management’s key internal financial controls in relation to revenue recognition; - Assessed the appropriateness of the revenue recognition accounting policies of the Company including those relating to variable consideration, by evaluating compliance with the applicable accounting standards; - Selected samples of revenue transactions during the year and inspected underlying customer contracts and shipping documents to identify the terms and conditions relating to the transfer of control of the products sold and assessed the Company’s timing of revenue recognition; - Performed analytical review procedures on revenue recognized during the year to identify any unusual and/or material variances; - Tested selected samples of revenue transactions recorded before and after the financial year end date to determine whether the revenue has been recognised in the appropriate financial period. Evaluated the appropriateness and adequacy of disclosures in the standalone financial statements in respect of revenue recognition with the applicable standards

Independent Auditor's Report on the Audit of the Standalone Financial Statements

Key audit matter	How our audit addressed the key audit matter
Related Party Transactions (refer note 38 of the accompanying standalone financial statements) The Company has entered into several transactions with related parties during the year ended 31 December 2024 and has outstanding balances as the year-end. The Company's related party transactions comprises purchase and sale of goods, purchase of tangible assets, payments for royalty, information technology services and other services, guarantee commission and reimbursements. Each related party operates under different jurisdiction and applies its own pricing model to be compliant with the respective legal and tax (transfer pricing) framework of the respective jurisdiction. We have identified transactions with related parties as a key audit matter due to quantum of transactions, completeness of the disclosures made in the financial statements, compliance with various tax requirements and judgements involved to ensure arm's length pricing, compliance with statutory regulations governing related party transactions such as Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 ('the SEBI listing regulations').	Our key audit procedures around Related party transactions included, and not limited to, the following: - Obtained an understanding and assessed the design, implementation and operating effectiveness of management's key internal financial controls in relation to identification and disclosure of related party transactions and arm's length assessment. - Assessed the compliance with the SEBI listing regulations and the regulations under the Companies Act, 2013, including authorisation and approvals as specified in sections 177 and 188 of the Companies Act, 2013 with respect to the related party transactions, as applicable. - Evaluated the compliance with Indian Transfer Pricing Regulations with respect to arm's length based on the transfer pricing documentation prepared by the Company. This also involved obtaining views from the auditor's internal tax experts regarding the arm's length pricing. - On a sample basis, inspected relevant ledgers, agreements and other information that may indicate the existence of related party relationships or transactions. We also assessed the completeness of related parties with reference to the various statutory registers and declarations maintained by the Company's management. Evaluated the adequacy and appropriateness of the disclosures on related party transactions in the standalone financial statements with the requirements of the applicable accounting standard.

Information other than the Standalone Financial Statements and Auditor's Report thereon

6. The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

7. The accompanying standalone financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS specified under section 133 of the Act and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Independent Auditor's Report on the Audit of the Standalone Financial Statements

8. In preparing the standalone financial statements, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
9. The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
11. As part of an audit in accordance with Standards on Auditing, specified under section 143(10) of the Act we exercise professional judgement and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
 - Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern; and
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Independent Auditor's Report on the Audit of the Standalone Financial Statements

Report on Other Legal and Regulatory Requirements

15. As required by section 197(16) of the Act based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
16. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act we give in the Annexure A a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
17. Further to our comments in Annexure A, as required by section 143(3) of the Act based on our audit, we report, to the extent applicable, that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying standalone financial statements;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in paragraph 17(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended). Further, the back-up of the books of account and other books and papers of the Company maintained in electronic mode has not been maintained on servers physically located in India, on a daily basis. Although, the Company has created a backup of data for the entire year ended December 31, 2024 as of such date.
 - c) The standalone financial statements dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;
 - e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 December 2024 from being appointed as a director in terms of section 164(2) of the Act;
 - f) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 17(b) above on reporting under section 143(3)(b) of the Act and paragraph 17(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);
 - g) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company as on 31 December 2024 and the operating effectiveness of such controls, refer to our separate report in Annexure B wherein we have expressed an unmodified opinion; and
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company, as detailed in note 36 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 December 2024;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 December 2024;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 December 2024;
 - iv. a) The management has represented that, to the best of its knowledge and belief, as disclosed in note 52(5) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

Independent Auditor's Report on the Audit of the Standalone Financial Statements

- b) The management has represented that, to the best of its knowledge and belief, as disclosed in note 52(6) to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c) Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
- v. a) The final dividend paid by the Company during the year ended 31 December 2024 in respect of such dividend declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend and
- b) As stated in note 17 to the accompanying standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year ended 31 December 2024 which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.
- vi. As stated in note 53 to the standalone financial statement and based on our examination, which included enquiries and relevant procedures performed by us on a test check basis, in respect of financial year commencing on 1 January 2024, the Company used an accounting software for maintaining its books of account, which has a feature of recording audit trail (edit log) facility and the same is operating throughout the year for all relevant transactions recorded in the software, except at the database level. Further, during the course of our audit we did not come across any instance of the audit trail (edit log) feature being tampered with in respect of the accounting software where such a feature has been enabled.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Khushroo B. Panthaky
Partner
Membership No.: 042423
UDIN: 25042423BMNQYN8195

Place: Mumbai
Date: 27 February 2025

Independent Auditor's Report on the Audit of the Standalone Financial Statements

Annexure A

referred to in paragraph 16 of the Independent Auditor's Report of even date to the members of Schaeffler India Limited on the standalone financial statements for the year ended 31 December 2024

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we report that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment, capital work-in-progress and relevant details of right-of-use assets.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a regular programme of physical verification of its property, plant and equipment, capital work-in-progress and relevant details of right-of-use assets under which the assets are physically verified in a phased manner over a period of two years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain property, plant and equipment, capital work-in-progress and relevant details of right-of-use assets were verified during the year and no material discrepancies were noticed on such verification.
- (c) The title deeds of all the immovable properties held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in note 3.1 to the standalone financial statements, are held in the name of the Company, except for the following properties, which were transferred as a result of merger of companies wherein the title deeds are in the name of the erstwhile company:

Description of property	Gross carrying value (Rs.)	Held in name of	Whether promoter, director or their relative or employee	Period held	Reason for not being held in name of company
Freehold Land	21.3	LuK India Private Limited	No	Since 8 October, 2018	Property received as a result of merger of companies as stated in note 3.1 to the financial statements wherein the title deeds are in the name of the erstwhile company.

- (d) The Company has not revalued its property, plant and equipment including right-of-use assets or intangible assets during the year.
- (e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended) and rules made thereunder.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year, except for goods-in-transit and inventory lying with third parties. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed as compared to book records. In respect of inventory lying with third parties, these have substantially been confirmed by the third parties and in respect of goods-in-transit, these have been confirmed from corresponding receipt.
- (b) The Company has not been sanctioned working capital limits by banks or financial institutions on the basis of security of current assets at any point of time during the year. Accordingly, reporting under clause 3(ii)(b) of the Order is not applicable to the Company.

Independent Auditor's Report on the Audit of the Standalone Financial Statements for the year ended 31 December 2024

- (iii) (a) The Company has made investment in and provided loan to subsidiary during the year as per details given below:

Particulars	Investment	Loan
Aggregate amount granted during the year:		
- Subsidiary	Nil	530.5
Balance outstanding as at balance sheet date in respect of above cases:		
- Subsidiary	1,424.0	700.0

- (b) In our opinion, and according to the information and explanations given to us, the investment made and terms and conditions of the grant of the loan are, prima facie, not prejudicial to the interest of the Company.
- (c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments/ receipts of principal and interest are regular.
- (d) There is no amount which is overdue for more than 90 days in respect of loan granted to such company.
- (e) The Company has not granted any loans which has fallen due during the year. Further, no fresh loans were granted to any party to settle the overdue loans or advances in nature of loan that existed as at the beginning of the year.
- (f) The Company has not granted any loan, which is repayable on demand or without specifying any terms or period of repayment.
- (iv) In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of section 186 of the Act in respect of loans and investments made and guarantees and security provided by it, as applicable. Further, the Company has not entered into any transaction covered under section 185 of the Act.

- (v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there are no amounts which have been deemed to be deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.
- (vi) The Central Government has specified maintenance of cost records under sub-section (1) of section 148 of the Act in respect of the products of the Company. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) (a) In our opinion and according to the information and explanations given to us, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities by the Company, though there have been slight delays in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, we report that there are no statutory dues referred in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute except for the following:

Independent Auditor's Report on the Audit of the Standalone Financial Statements for the year ended 31 December 2024

Name of the statute	Nature of dues	Amount (₹ in million)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	27.6	AY 2009-10	Income Tax Appellate Tribunal
		0.8	AY 2010-11	Commissioner of Income Tax (Appeals)
		4.2	AY 2011-12	
		4.0	AY 2015-16	
		8.4	AY 2016-17	
		29.3	AY 2017-18	
		46.4	AY 2018-19	
		60.7	AY 2020-21	
State and Central Sales Tax Act	Value added tax and Central sales tax	9.5	FY 2008-09	Sales Tax Tribunal, Ahmedabad
Central Goods and Service Tax Act, 2017	Goods and service tax	25.2	FY 2017-18 and FY 2018-19	Additional Commissioner, Tamil Nadu
		6.7	FY 2017-18	JC Appeal, Vadodara
		10.4	FY 2019-20	
The Customs Act, 1962	Customs Duty	322.0	FY 2017-18 to FY 2022-23	CESTAT, Chennai
		11.9	FY 2018-19 to FY 2022-23	
The Finance Act, 1994	Service Tax	2.7	FY 2016-17 and FY 2017-18	CESTAT, Mumbai

Above amounts are net of amounts paid under protest for Income-tax aggregating to ₹ 39.0 million, Value added tax and Central sales tax aggregating to ₹ 5.8 million, Goods and service tax aggregating to ₹ 4.9 million, Customs Duty aggregating to ₹ 13.1 million and for Service tax aggregating to ₹ 0.3 million.

(viii) According to the information and explanations given to us, we report that no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been previously recorded in the books of accounts.

- (ix) According to the information and explanations given to us, we report that the Company does not have any loans or other borrowings from any lender. Accordingly, reporting under clause 3(ix) of the Order is not applicable to the Company.
- (x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no fraud on the Company has been noticed or reported during the period covered by our audit.
- (b) According to the information and explanations given to us including the representation made to us by the management of the Company, no report under sub-section 12 of section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014, with the Central Government for the period covered by our audit.
- (c) According to the information and explanations given to us, the Company has received whistle blower complaints during the year, which have been considered by us while determining the nature, timing and extent of audit procedures.
- (xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the standalone financial statements, as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act.

Independent Auditor's Report on the Audit of the Standalone Financial Statements for the year ended 31 December 2024

- (xiv) (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system which is commensurate with the size and nature of its business as required under the provisions of section 138 of the Act.
- (b) We have considered the reports issued by the Internal Auditor of the Company till date for the period under audit.
- (xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and accordingly, reporting under clause 3(xv) of the Order with respect to compliance with the provisions of section 192 of the Act are not applicable to the Company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clauses 3(xvi)(a), (b) and (c) of the Order are not applicable to the Company. Further based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.
- (xvii) The Company has not incurred any cash losses in the current financial year as well as the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information in the standalone financial statements, our knowledge of the plans of the Board of Directors and management and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) According to the information and explanations given to us, the Company does not have any unspent amounts towards Corporate Social Responsibility in respect of any ongoing or other than ongoing project as at the end of the financial year. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.
- (xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Khushroo B. Panthaky
Partner
Membership No.: 042423
UDIN: 25042423BMNQYN8195

Place: Mumbai
Date: 27 February 2025

Independent Auditor's Report on the Audit of the Standalone Financial Statements

Annexure B

Independent Auditor's Report on the internal financial controls with reference to the standalone financial statements under Clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the standalone financial statements of Schaeffler India Limited ('the Company') as at and for the year ended 31 December 2024, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note by the ICAI. Those Standards and the Guidance Note require that we comply with ethical

requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Standalone Financial Statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Independent Auditor's Report on the Audit of the Standalone Financial Statements for the year ended 31 December 2024

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 December 2024, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Khushroo B. Panthaky
Partner
Membership No.: 042423
UDIN: 25042423BMNQYN8195

Place: Mumbai
Date: 27 February 2025

Standalone Balance Sheet

as at December 31, 2024

		(₹ in million)	
	Notes	2024	2023
A. ASSETS			
1 Non-current assets			
a) Property, plant and equipment	3.1	17,184.4	11,842.9
b) Right-of-use assets	3.2	855.3	951.6
c) Capital work-in-progress	3.3	4,491.1	4,907.7
d) Intangible assets	3.4	6.0	8.3
e) Financial assets			
(i) Investments in subsidiary	4	1,424.0	1,424.0
(ii) Loans	5	700.0	169.5
(iii) Security deposits	6	166.8	142.0
(iv) Other financial assets	6	5.3	5.0
f) Deferred tax assets (net)	7	405.0	451.8
g) Non-current tax assets (net)	8	670.0	779.1
h) Other non-current assets	9	974.8	1,100.8
Total non-current assets		26,882.7	21,782.7
2 Current assets			
a) Inventories	10	14,541.3	13,111.2
b) Financial assets			
(i) Trade receivables	11	12,738.2	10,492.3
(ii) Cash and cash equivalents	12	4,634.0	690.9
(iii) Bank balances other than (ii) above	13	8,860.9	15,159.5
(iv) Other financial assets	14	560.7	409.1
c) Other current assets	15	763.4	1,044.2
Total current assets		42,098.5	40,907.2
TOTAL ASSETS		68,981.2	62,689.9

		(₹ in million)	
	Notes	2024	2023
B. EQUITY AND LIABILITIES			
1 Equity			
a) Equity share capital	16	312.6	312.6
b) Other equity	17	53,520.4	47,841.0
Total equity		53,833.0	48,153.6
Liabilities			
2 Non-current liabilities			
a) Financial liabilities			
(i) Lease liabilities	18 (a)	325.7	406.5
(ii) Other financial liabilities	19	140.1	108.8
b) Provisions	20	26.5	44.8
Total non-current liabilities		492.3	560.1
3 Current liabilities			
a) Financial liabilities			
(i) Lease liabilities	18 (b)	98.5	104.5
(ii) Trade payables	21		
a) Total outstanding dues of micro enterprises and small enterprises		776.2	1,525.9
b) Total outstanding dues of creditors other than micro enterprises and small enterprises		10,411.1	8,988.7
(iii) Other financial liabilities	22	1,970.4	2,120.0
b) Other current liabilities	23	384.1	416.9
c) Provisions	24	776.2	681.4
d) Current tax liabilities (net)		239.4	138.8
Total current liabilities		14,655.9	13,976.2
Total liabilities		15,148.2	14,536.3
TOTAL EQUITY AND LIABILITIES		68,981.2	62,689.9
Material accounting policies	2		
Notes to the standalone financial statements	3 - 57		

The notes referred to above form an integral part of the standalone financial statements.

As per our report of even date attached

For Walker Chandiok & Co. LLP

Chartered Accountants

Firm's Registration No.: 001076N / N500013

Khushroo B. Panthaky

Partner

Membership No.: 042423

Place: Mumbai

Date: February 27, 2025

For and on behalf of the Board of Directors

E.V. Sumithasri

Chairperson

DIN: 07087197

Place: Bengaluru

Date: February 27, 2025

Harsha Kadam

Managing Director

DIN: 07736005

Hardevi Vazirani

Director-Finance & CFO

DIN: 10212814

Ashish Tiwari

VP - Legal & Company Secretary

Standalone Statement of Profit and Loss

for the year ended December 31, 2024

		(₹ in million)	
	Notes	2024	2023
Income			
Revenue from operations	25	80,762.9	72,261.3
Other income	26	1,219.3	1,248.9
Total income (I)		81,982.2	73,510.2
Expenses			
Cost of materials consumed	27	32,884.7	30,834.7
Purchases of stock-in-trade	28	18,674.4	14,689.7
Changes in inventories of finished goods, stock-in-trade and work-in-progress	29	(1,454.4)	(738.4)
Employee benefits expense	30	5,226.0	4,583.4
Finance costs	31	35.1	41.7
Depreciation and amortisation expense	32	2,687.6	2,190.9
Other expenses	33	10,754.1	9,624.3
Total expenses (II)		68,807.5	61,226.3
Profit before exceptional items and tax (I - II)		13,174.7	12,283.9
Exceptional items (refer Note 51)		-	(47.0)
Profit before tax		13,174.7	12,236.9

		(₹ in million)	
	Notes	2024	2023
Tax expense	34		
Current tax		3,312.5	3,172.9
Deferred tax (credit)		58.1	(52.4)
Tax in respect of prior years		27.4	26.1
Profit for the year (A)		9,776.7	9,090.3
Other comprehensive income			
Items that will not be reclassified subsequently to profit and loss:			
Loss on remeasurement of post employment benefits obligation		(52.9)	(59.3)
Income tax relating to these items		13.3	14.9
Total Other Comprehensive Income for the year (net of tax) (B)		(39.6)	(44.4)
Total comprehensive income for the year (A+B)		9,737.1	9,045.9
Earnings per equity share [Nominal value of share ₹ 2 each]	35		
Basic (in ₹)		62.6	58.2
Diluted (in ₹)		62.6	58.2
Material accounting policies	2		
Notes to the standalone financial statements	3 - 57		

The notes referred to above form an integral part of the standalone financial statements.

As per our report of even date attached

For Walker Chandiok & Co. LLP

Chartered Accountants

Firm's Registration No.: 001076N / N500013

Khushroo B. Panthaky

Partner

Membership No.: 042423

Place: Mumbai

Date: February 27, 2025

For and on behalf of the Board of Directors

E.V. Sumithasri

Chairperson

DIN: 07087197

Place: Bengaluru

Date: February 27, 2025

Harsha Kadam

Managing Director

DIN: 07736005

Hardevi Vazirani

Director-Finance & CFO

DIN: 10212814

Ashish Tiwari

VP - Legal & Company Secretary

Standalone Statement of Cash Flows

for the year ended December 31, 2024

	(₹ in million)	
	2024	2023
Cash flows from operating activities		
Profit before tax	13,174.7	12,236.9
Adjustments for:		
Depreciation and amortisation expense	2,687.6	2,190.9
Finance costs	35.1	41.7
Interest income	(928.7)	(989.0)
Profit on sale of assets (net)	(2.5)	(25.4)
Provisions no longer required written off / (written back)	0.6	(13.4)
Unrealised exchange (gain) (net)	(0.6)	(14.6)
Bad debts written off	0.1	-
	1,791.6	1,190.2
Operating cash flow before changes in working capital	14,966.3	13,427.1
Changes in working capital		
(Increase) in inventories	(1,206.3)	(478.2)
(Increase) in trade and other receivables	(2,185.5)	(342.0)
Increase/(decrease) in trade and other payables	590.9	(477.5)
(Decrease) in other liabilities and provisions	(180.7)	(156.5)
	(2,981.6)	(1,454.2)
Cash generated from operating activities	11,984.7	11,972.9
Income tax paid (net of refunds)	(3,141.5)	(2,972.6)
A Net cash generated from operating activities	8,843.2	9,000.3
Cash flows from investing activities		
Purchase of property, plant and equipment (tangible and intangible, capital work-in-progress, capital advance and capital creditors)	(7,419.4)	(5,195.3)
Proceeds from sale of property, plant and equipment	14.0	6.0
Purchase of investments	-	(1,424.0)
Loan to related parties	(530.5)	(169.5)
Proceeds from / (Investment in) bank deposits (with original maturity of more than 3 months and remaining maturity of less than 12 months)	6,298.3	(245.1)
Interest received	923.3	913.9
B Net cash (used) in investing activities	(714.3)	(6,114.0)

As per our report of even date attached

For Walker Chandiok & Co. LLP

Chartered Accountants

Firm's Registration No.: 001076N / N500013

Khushroo B. Panthaky

Partner

Membership No.: 042423

Place: Mumbai

Date: February 27, 2025

For and on behalf of the Board of Directors

E.V. Sumithasri

Chairperson

DIN: 07087197

Place: Bengaluru

Date: February 27, 2025

Harsha Kadam

Managing Director

DIN: 07736005

Hardevi Vazirani

Director-Finance & CFO

DIN: 10212814

Ashish Tiwari

VP - Legal & Company Secretary

	(₹ in million)	
	2024	2023
Cash flows from financing activities		
Finance costs paid	(9.1)	(12.1)
Principal payment of lease liabilities	(86.8)	(62.8)
Interest on lease liabilities	(26.0)	(29.6)
Dividends paid on equity shares	(4,063.9)	(3,751.3)
C Net cash used in financing activities	(4,185.8)	(3,855.8)
Net (decrease) in cash and cash equivalents (A + B + C)	3,943.1	(969.5)
Cash and cash equivalents at the beginning of year (see note 2 below)	690.9	1,660.4
Cash and cash equivalents at the end of year (see note 2 below)	4,634.0	690.9
	3,943.1	(969.5)

Notes:

- The above cash flow statement has been prepared under the "Indirect Method" as set out in 'Indian Accounting Standard (Ind AS) 7 - Statement of Cash Flow
- Cash and cash equivalents comprise of:

	2024	2023
With scheduled banks as at December 31 :		
Current accounts	769.1	629.9
Deposit accounts (with original maturity of three months or less)	3,864.9	61.0
	4,634.0	690.9

Material accounting policies 2

Notes to the standalone financial statements 3 - 57

The notes referred to above form an integral part of the standalone financial statements.

Standalone Statement of Changes in Equity

for the year ended December 31, 2024

(A) Equity Share Capital

	(₹ in million)
	Amount
As at January 1, 2023	312.6
Changes in equity share capital	-
As at December 31, 2023	312.6
Changes in equity share capital	-
As at December 31, 2024	312.6

(B) Other equity

	(₹ in million)				
	Reserves and surplus				
	Capital reserve	Securities premium	General reserve	Retained earnings	Total
As at January 1, 2023	617.8	600.0	4,218.4	37,110.2	42,546.4
Profit for the year	-	-	-	9,090.3	9,090.3
Other Comprehensive Income for the year	-	-	-	(44.4)	(44.4)
Total Comprehensive Income for the year	-	-	-	9,045.9	9,045.9
Dividends	-	-	-	(3,751.3)	(3,751.3)
As at December 31, 2023	617.8	600.0	4,218.4	42,404.8	47,841.0

	(₹ in million)				
	Reserves and surplus				
	Capital reserve	Securities premium	General reserve	Retained earnings	Total
Profit for the year	-	-	-	9,776.7	9,776.7
Other Comprehensive Income for the year	-	-	-	(39.6)	(39.6)
Change of valuation (net of deferred tax liability ₹ 2.0 million)	-	-	-	6.2	6.2
Total Comprehensive Income for the year	-	-	-	9,743.3	9,743.3
Dividends	-	-	-	(4,063.9)	(4,063.9)
As at December 31, 2024	617.8	600.0	4,218.4	48,084.2	53,520.4

Nature and purpose of reserves:

- Capital reserve on account of Scheme of Amalgamation (refer Note 47).
- Securities premium is used to record premium received on issue of equity shares and it will be utilised in accordance with provisions of the Companies Act, 2013.
- General reserve is created out of profits earned by the Company by way of transfer from surplus in the Statement of Profit and Loss. The Company can use this reserve for payment of dividends and/or issue of fully paid-up shares.
- Retained earnings are the profits that the Company has earned till date, less any transfers to General reserve and payment of dividend. It is utilised in accordance with the provisions of the Companies Act, 2013.

Material accounting policies 2

Notes to the standalone financial statement 3 - 57

The notes referred to above form an integral part of the standalone financial statements.

As per our report of even date attached

For Walker Chandiok & Co. LLP

Chartered Accountants

Firm's Registration No.: 001076N / N500013

For and on behalf of the Board of Directors

Khushroo B. Panthaky

Partner

Membership No.: 042423

Place: Mumbai

Date: February 27, 2025

E.V. Sumithasri

Chairperson

DIN: 07087197

Place: Bengaluru

Date: February 27, 2025

Harsha Kadam

Managing Director

DIN: 07736005

Hardevi Vazirani

Director-Finance & CFO

DIN: 10212814

Ashish Tiwari

VP - Legal & Company Secretary

Notes to the Standalone Financial Statements

for the year ended December 31, 2024

1. Corporate information

Schaeffler India Limited ('the Company') is a public limited company domiciled and incorporated in India and having its registered office at 15th Floor, ASTP (Amar Sadanand Tech Park), Baner, Pune - 411045. Maharashtra. The Company's shares are listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) in India.

The Company is engaged in the development, manufacturing and distribution of high-precision roller and ball bearings, engine systems and transmission components, chassis applications, clutch systems and related machine building manufacturing activities. The Company's manufacturing units are located in the State of Gujarat at Vadodara and Savli, in the State of Maharashtra at Talegoan (Pune) and in the State of Tamilnadu at Hosur.

2. Basis of preparation and material accounting policies

2.1 Basis of preparation

- (i) These financial statements of Schaeffler India Limited ('the Company') have been prepared in accordance with Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under section 133 of the Companies Act, 2013 (the 'Act') and other relevant provisions of the Act.

The accounting policies adopted in the preparation of these financial statements are consistent for all the periods presented.

The financial statements are presented in Indian Rupees, which is the Company's functional currency and all values are rounded off to the nearest million with one decimal place, except when otherwise indicated.

- (ii) The financial statements have been prepared on a historical cost convention basis, except for the following:

- certain financial assets and liabilities (including derivatives) that are measured at fair value;
- defined benefit plans - net defined benefit (asset) / liabilities – Fair value of plan assets less present value of defined benefit obligation.

2.2 Current and non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III of the Act. Based on the nature of the products and time taken between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its normal operating cycle as twelve months for the purpose of current or non-current classification of assets and liabilities.

Deferred tax assets and deferred tax liabilities are classified as non-current assets and non-current liabilities.

2.3 Material accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with Ind AS requires the Company's management to make estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities. Actual results could differ from those estimates.

Estimates and judgements are reviewed on an ongoing basis. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstance. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

The key assumptions concerning the future and other key sources of estimating uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

a) Impairment of assets

The evaluation of applicability of indicators of impairment of assets requires assessment of external factors (significant decline in asset's value, significant changes in the technological, market, economic or legal environment, market interest rates etc.) and internal factors (obsolescence or physical damage of an asset, poor economic performance of the asset etc.) which could result in significant change in recoverable amount of the assets.

Notes to the Standalone Financial Statements

for the year ended December 31, 2024

b) Determination of the estimated useful lives

The Company uses its technical expertise along with historical and industry trends for determining the economic life of an asset/component of an asset. The useful lives are reviewed by management periodically and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the remaining useful life of the assets.

c) Current and deferred taxes

Significant management judgement is required to determine the amount of current and deferred taxes that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

d) Employee benefits

Management's estimate of the Company's obligation is determined based on actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the Company's management considers the interest rates of Government bonds. Future salary increases and gratuity increases are based on expected future inflation rates for India.

Refer Note 42 for details of the key assumptions used in determining the accounting of these plans.

e) Provision for inventory obsolescence

The inventories are valued at lower of cost and net realisable value after providing for cost of obsolescence wherever considered necessary. Estimates of net realisable value are based on the most reliable evidence available at the time the estimates are made, of the amount the inventories are expected to realise. These estimates take into consideration fluctuations of price or cost directly relating to events occurring after the end of the period to the extent that such events confirm conditions existing at the end of the period.

2.4 Property, plant and equipment and intangible

Property, Plant and Equipment (PPE) are stated at cost of acquisition or construction (including directly attributable expenses thereto), net of impairment loss if any, less depreciation / amortisation. Cost includes financing costs of borrowed funds attributable to acquisition or construction of qualifying fixed assets, up to the date the assets are put to use.

If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

Capital work in progress is carried at cost, less any recognised impairment loss. Depreciation of these assets commences when the assets are substantially ready for their intended use. Advances given towards acquisition or construction of PPE outstanding at each reporting date are disclosed as Capital Advances under "Other non-current Assets".

An item of PPE is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of PPE is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

Cost of assets not ready for intended use, as on the reporting date, is shown under capital work-in-progress. Advances given towards acquisition of property, plant and equipment outstanding as at reporting date are disclosed as "other non-current assets".

Intangible assets are initially recognised at cost.

Intangible assets with definite useful lives are amortised on a straight-line basis so as to reflect the pattern in which the asset's economic benefits are consumed.

Expenditure pertaining to research is expensed out as and when incurred. Expenditure incurred on development is capitalised if such expenditure leads to creation of an asset, otherwise such expenditure is charged to the statement of profit and loss.

Depreciation / amortization

- (i) Leasehold land is amortised over the period of lease using straight-line method (SLM) and included in depreciation and amortization in statement of profit and loss statement.

Notes to the Standalone Financial Statements

for the year ended December 31, 2024

Useful lives are reviewed by the Company's management at each reporting date and revised, if appropriate.

- (ii) The useful lives have been assessed based on technical advice, taking into account the nature of the PPE and the estimated usage of the asset on the basis of management's best estimation of obtaining economic benefits from those classes of assets. The estimated useful life is reviewed periodically, with the effect of any changes in estimate being accounted for on a prospective basis.

Such classes of assets and their estimated useful lives are as under:

No.	Nature	Estimated Useful Life
1	Buildings	25-30 Years
2	Plant and equipments	3-8 Years
3	Furniture & fixtures	5-10 Years
4	Office equipments	5 Years
5	Vehicles	5 Years
6	Software	3 Years

- (iii) Depreciation on additions / deletions to PPE during the year is provided on pro-rata basis with reference to the date of additions/deletions except low value of items costing INR 5,000 or less which are fully depreciated in the year when the assets are put to use.
- (iv) Depreciation on subsequent expenditure on PPE arising on account of capital improvement or other factors is provided for prospectively over the remaining useful life.
- (v) Intangible assets (software) are recorded at its acquisition price and amortised on the straight-line method over a period of three years.

2.5 Leases

Effective January 1, 2020, the Company has adopted Ind AS 116 Leases which introduces single accounting model and requires a lessee to recognize assets and liabilities for all leases subject to recognition exemptions. The Company adopted Ind AS 116 Leases using modified retrospective approach.

Company as a lessee

The Company's lease asset classes primarily consist of leases for land and buildings. The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right-to-use the underlying assets.

Right-of-use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. The useful life of Right-of-use assets varies from 2 to 10 years.

Lease liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease

Notes to the Standalone Financial Statements

for the year ended December 31, 2024

payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset is classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

2.6 Impairment of non-financial assets

The carrying amounts of assets are reviewed at each reporting date to determine if there is any indication of impairment based on internal/external factors. Assessment of indication of impairment of an asset is made at the year end. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the Company measures its 'value in use' on the basis of estimated discounted cash flows of projections based on current prices. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

When an impairment loss subsequently reverses, the carrying amount of the asset or a cash-generating unit is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset earlier.

2.7 Inventories

Inventories comprise of all costs of purchase, conversion and other costs incurred in bringing the inventories to their present location and condition.

Raw materials are valued at the lower of cost and net realisable value. Cost is ascertained on a moving weighted average basis, except for goods in transit which is ascertained on a specific identification basis.

Work-in-progress, finished goods and traded goods are carried at the lower of cost and net realizable value. Cost is determined on a weighted average basis. In case of work-in-progress and manufactured finished goods, cost includes material, labour and production overheads. Fixed production overheads are allocated on the basis of normal capacity of production facilities.

Net realisable value of work-in-progress and finished goods is determined with reference to the estimated selling price less estimated cost of completion and estimated costs necessary to make the sale of related finished goods as applicable.

Stores, spares and tools other than obsolete and slow-moving items are carried at cost.

2.8 Foreign currency transactions

Initial recognition

Foreign currency transactions are translated in the functional currency, by applying to the foreign currency amount, the exchange rate between functional currency and foreign currency prevailing at the date of transaction.

Conversion

Foreign currency monetary items as at reporting date are translated using the closing exchange rate on that date.

Exchange differences

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the year end exchange rates are recognised in the Statement of Profit and Loss in the year in which they arise, except exchange differences arising from the translation of qualifying cash flow hedge to the extent that the hedges are effective, which are recognized in Other Comprehensive Income (OCI).

Notes to the Standalone Financial Statements

for the year ended December 31, 2024

2.9 Revenue recognition

Revenue from sale of goods is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. Company recognized revenue at a point-in-time. The point-in-time is determined when the control of the goods or services is transferred which is generally determined based on when the significant risks and rewards of ownership are transferred to the customer. Apart from this, the Company also considers its present right to payment, the legal title to the goods, the physical possession and the customer acceptance in determining the point in time where control has been transferred. The Company assesses promises in the contract that are separate performance obligations to which a portion of transaction price is allocated.

In determining the transaction price, the Company considers below, if any:

Variable consideration

This includes discounts, incentives, volume rebates, etc. It is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved. It is reassessed at end of each reporting period.

Contract balances

Trade receivables: A receivable represents the Company's right to an amount of consideration that is unconditional i.e. only the passage of time is required before payment of consideration is due.

Contract assets: Contract assets recognised in accordance with Ind AS 115, effective from January 1, 2021, shall be amortise on systematic basis that is in consistence with the transfer to customer with goods or services to which assets relates.

Contract liabilities: A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. Contract liabilities are recognised as revenue when the Company performs under the contract.

Significant payment terms

Generally, the Company provides credit period ranging from 60 to 75 days.

Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the amortised cost and at the effective interest rate applicable.

2.10 Employee benefits

a) Short-term employee benefits

Employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits and are recognised in the period in which the employee renders the related service and comprises part of compensated absences paid on annual basis.

b) Post-employment benefits

Defined benefit plans

All employees are covered under Employees' Group Gratuity Scheme, which is a defined benefit plan. The Company contributes to a fund maintained with Life Insurance Company (LIC) on the basis of the year end liability determined based on actuarial valuation using the Projected Unit Cost Method. Remeasurements of the net defined benefit liability, which comprise actuarial gains/losses, return on plan assets (excluding interest) and the effect of asset ceiling (if any, excluding interest) are recognized in Other Comprehensive Income. Net interest expense and other expenses related to defined benefit plans are recognised in the Statement of Profit and Loss.

Defined contribution plans

All other employees are covered under contributory provident fund benefit of specific percentage contribution of basic salary. Certain employees are also covered by a Company managed superannuation fund. Both are defined contribution schemes and the contributions are charged to the Statement of Profit and Loss of the year, when the contributions to the respective funds are due. There are no obligations other than the contributions payable to the respective funds.

Long-term employee benefits

Provision for long-term employee benefits comprise of compensated absences. These are measured on the basis of year end actuarial valuation in line with the Company's rules for compensated absences. Remeasurement gains or losses are recognized in statement of profit and loss in the period in which they arise.

Notes to the Standalone Financial Statements

for the year ended December 31, 2024

2.11 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

Financial assets are recognized initially at fair value. Transaction costs that are directly attributable to the acquisition of financial assets (other than financial assets not recorded at fair value through profit and loss) are added to the fair value of financial assets. Transaction costs directly attributable to the acquisition of financial assets at fair value through profit and loss are recognised immediately in Statement of Profit and Loss.

With the exception of trade receivables, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price as disclosed under Revenue recognition policy.

Subsequent measurement

For the purposes of subsequent measurement, financial assets are classified into below categories:

- Financial assets at amortized cost;
- Financial assets including derivatives at fair value through profit or loss (FVTPL)
- Financial assets at fair value through other comprehensive income (FVTOCI)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

(i) Financial assets at amortized cost

Financial assets are subsequently measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- the financial asset is held within a business where the objective is to hold these assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the Effective Interest Rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade and other receivables, loans and other financial assets.

(ii) Financial assets including derivatives at fair value through profit or loss (FVTPL)

Financial assets are measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are immediately recognized in the Statement of Profit and Loss.

(iii) Financial assets at fair value through other comprehensive income (FVTOCI)

Financial assets are measured at fair value through Other Comprehensive Income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and contractual terms of the financial asset give rise to cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding. Derivative instruments included in FVTOCI category are measured initially as well as at each reporting date at fair value. Movement in fair value is recognized in OCI.

Derecognition

A financial asset is derecognized when the right to receive cash flows from the asset has expired or the Company has transferred its rights to receive

Notes to the Standalone Financial Statements

for the year ended December 31, 2024

cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party and the Company has transferred substantially all risks and rewards of the asset or has transferred control of the asset to a third party. On derecognition of a financial asset in its entirety, the differences between the carrying amounts at the date of derecognition and the consideration received is recognized in the Statement of Profit and Loss.

Impairment of financial assets

The Company applies the expected credit loss (ECL) model for measurement and recognition of impairment losses on trade receivables or any other financial assets that result from transactions that are within the scope of “Ind AS 115 – Revenue from Contracts with Customers”. The Company follows the simplified approach for recognition of impairment loss allowance on receivables (net of advances). The application of the simplified approach does not require the Company to track changes in credit risk. As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on trade receivables. Impairment loss allowance (or reversal) during the period is recognized in the Statement of Profit and Loss. This amount is reflected under the head ‘Other expenses (or other income)’ in the Statement of Profit and Loss.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as measured at amortised cost or financial liabilities at fair value through profit or loss (FVTPL). A financial liability is classified as at FVTPL if it is classified as held for trading or is a derivative or it is designated as such on initial recognition. The Company’s financial liabilities include trade payables and other payables.

Equity instruments issued by the Company are classified as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Subsequent measurement

Financial liabilities, including derivatives, which are designated for measurement at FVTPL are subsequently measured at fair value. Other financial liabilities such as deposits are measured at amortised cost using Effective Interest Rate (EIR) method.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Derivative instruments

The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to highly probable and forecast transactions. These forward contracts are stated at fair value at each reporting date. Changes in the fair value of these forward contracts that are designated and effective as hedges of future cash flows are recognised directly in cash flow hedge reserve under OCI, net of taxes and the ineffective portion is recognised immediately in the Statement of Profit and Loss. Amounts accumulated in cash flow hedge reserve are reclassified to Surplus (Profit and loss balance) in the same period during which the forecasted transaction occurs.

Hedge accounting is discontinued prospectively when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. For forecasted transactions, any cumulative gain or loss on the hedging instrument recognised in cash flow hedge reserve is retained until the forecasted transaction occurs. If the forecasted transaction is no longer expected to occur, the net cumulative gain or loss recognised in cash flow hedge reserve is immediately transferred to the Statement of Profit and Loss for the period.

Notes to the Standalone Financial Statements

for the year ended December 31, 2024

2.12 Income and deferred taxes

Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the provisions of the Indian Income Tax Act, 1961. Deferred tax is provided using the liability method on temporary differences between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax is measured based on the tax rates and tax laws enacted or substantively enacted at the balance sheet date. Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses.

Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

Deferred tax relating to items recognized outside Statement of Profit and Loss is recognized outside Statement of Profit and Loss. Deferred tax items are recognized in correlation to the underlying transaction either in Other Comprehensive Income or directly in Equity.

At each reporting date, the Company reassesses unrecognized deferred tax assets. It recognises unrecognized deferred tax assets to the extent that it has become probable that sufficient future taxable income will be available against which such deferred tax assets can be realised.

2.13 Investment in subsidiaries

Investment in subsidiaries, associates and joint venture is carried at cost. Refer note 2.6 above for impairment of non-financial assets.

2.14 Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made of the amount of obligation. Provisions are not discounted to its present value and are determined based on best estimates required to settle the obligation at the reporting date. These are reviewed at each reporting date and adjusted to reflect the current best estimates.

A disclosure by way of a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Contingent assets are not recognised or disclosed in the financial statements.

2.15 Warranties

Provisions for the expected cost of warranty obligations are recognised at the time of sale of the relevant products, at the best estimate of the expenditure required to settle the Company's obligation.

2.16 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders, by the weighted average number of equity shares outstanding during the period.

Diluted earnings per share is computed by dividing the net profit or loss for the year attributable to the equity shareholders, by the weighted average number of equity and equivalent diluted equity shares outstanding during the year except where the results would be antidilutive.

2.17 Cash and cash equivalents

Cash and cash equivalents include cheques in hand, cash at bank and deposits with banks having original maturity of not more than three months.

2.18 Fair value measurement

The Company's accounting policies and disclosures require the measurement of fair values for both financial and non-financial assets and liabilities. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company has an established control framework with respect to the measurement of fair values. The Company's management regularly reviews significant unobservable inputs and valuation adjustments. If third party information is used to measure fair values, then the Company's management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

Notes to the Standalone Financial Statements

for the year ended December 31, 2024

When measuring the fair value of a financial asset or a financial liability, the Company uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value includes discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result from general approximation of value and the same may differ from the actual realised value. Further information about the assumptions made in measuring fair value is included in the Note 2.12 on financial instruments

2.19 Segment Reporting - Identification of Segments:

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Company's Chief Operating Decision Maker ("CODM") to make decisions for which discrete financial information is available. Based on the management approach as defined in Ind AS 108, the CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments.

2.20 Business combinations

As part of its transition to Ind AS, the Company elected to apply "Ind AS 103 - Business Combinations", to only those business combinations that occurred on or after the date of transition to Ind AS i.e. January 1, 2016. Business combinations arising from transfers of interests in entities that are under the common control of the shareholder that controls the Company are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established; for this purpose comparatives are revised. The assets and liabilities acquired are recognised at their carrying amounts. The identity of the reserves is preserved as they appear in the financial statements of the Company in the same form in which they appeared in the financial statements of the acquired entities. The difference, if any, between the consideration and the amount of share capital of the acquired entities is treated as capital reserve. Transaction costs are expensed as they are incurred in respective periods.

2.21 Exceptional items

When items of income and expense within statement of profit or loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such material items are disclosed separately as exceptional items.

2.22 Recent accounting pronouncements

Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from January 1, 2025.

Notes to the Standalone Financial Statements

for the year ended December 31, 2024

3.1 Property plant and equipment

	(₹ in million)						
	Freehold land ¹	Buildings	Plant and equipments	Furniture & fixtures	Office equipments	Vehicles	Total
Gross carrying amount							
As at January 1, 2023	40.7	2,975.9	16,378.2	678.3	318.8	4.3	20,396.2
Additions	-	880.0	2,323.4	386.0	154.8	1.0	3,745.2
Disposals	-	-	21.0	0.6	6.5	-	28.1
As at December 31, 2023	40.7	3,855.9	18,680.6	1,063.7	467.1	5.3	24,113.3
Additions	-	233.0	7,280.3	196.0	219.3	9.0	7,937.6
Disposals	-	-	75.7	30.3	93.7	-	199.7
As at December 31, 2024	40.7	4,088.9	25,885.2	1,229.4	592.7	14.3	31,851.2
Accumulated depreciation							
As at January 1, 2023	-	490.0	9,185.9	340.0	189.6	-	10,205.5
Depreciation for the year	-	139.8	1,662.7	206.8	76.1	1.6	2,087.0
Deletions	-	-	19.8	0.4	1.9	-	22.1
As at December 31, 2023	-	629.8	10,828.8	546.4	263.8	1.6	12,270.4
Depreciation for the year	-	162.4	2,017.1	274.4	127.5	3.2	2,584.6
Deletions	-	-	71.1	27.7	89.4	-	188.2
As at December 31, 2024	-	792.2	12,774.8	793.1	301.9	4.8	14,666.8
Net Block							
As at December 31, 2023	40.7	3,226.1	7,851.8	517.3	203.3	3.7	11,842.9
As at December 31, 2024	40.7	3,296.7	13,110.4	436.3	290.8	9.5	17,184.4

Note:

Buildings include ₹ 250, being cost of five ordinary shares of ₹ 50 each of Nariman Bhavan Premises Co-operative Society Limited and ₹ 500 being cost of ten ordinary shares of ₹ 50 each of Parekh Market Premises Co-operative Society Limited, which entitle the ownership.

¹The title deeds of immovable properties included in property plant and equipment are held in the name of the Company, except title deeds of immovable properties having gross carrying amount aggregating ₹ 21.3 million (2023: ₹ 21.3 million) and net carrying amount aggregating ₹ 21.3 million (2023: ₹ 21.3 million), which have been transferred to the Company, pursuant to the Schemes of Amalgamation (refer Note 47) and their title transfer proceedings are under progress.

Notes to the Standalone Financial Statements

for the year ended December 31, 2024

3.2 Right-of-use of assets¹

	(₹ in million)			
	Leasehold land	Buildings	Vehicles	Total
Cost				
As at January 1, 2023	540.6	742.1	5.5	1,288.2
Additions for the year	-	11.6	9.4	21.0
Disposals	-	-	-	-
As at December 31, 2023	540.6	753.7	14.9	1,309.2
Additions for the year	15.5	-	-	15.5
Disposals	15.5	-	-	15.5
As at December 31, 2024	540.6	753.7	14.9	1,309.2
Accumulated amortisation				
As at January 1, 2023	3.4	248.6	5.5	257.5
Depreciation for the year	5.8	92.9	1.4	100.1
Deletions	-	-	-	-
As at December 31, 2023	9.2	341.5	6.9	357.6
Depreciation for the year	4.4	92.2	1.9	98.5
Deletions	2.2	-	-	2.2
As at December 31, 2023	11.4	433.7	8.8	453.9
Net Block				
As at December 31, 2023	531.4	412.2	8.0	951.6
As at December 31, 2024	529.2	320.0	6.1	855.3

¹Lease contracts entered by the Company majorly pertains to land and building taken on lease to conduct business activity in ordinary course of business (refer Note 49).

3.3 Capital work-in-progress

	(₹ in million)
	Total
As at January 1, 2023	2,493.4
Additions	6,165.9
Deductions	-
Assets capitalised during the year	3,751.6
As at December 31, 2023	4,907.7
Additions	7,523.2
Deductions	-
Assets capitalised during the year	7,939.8
As at December 31, 2024	4,491.1

Capital work-in-progress ageing schedule

	2024				
Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	2,506.0	1,741.8	204.4	38.9	4,491.1
Projects temporarily suspended	-	-	-	-	-
Total	2,506.0	1,741.8	204.4	38.9	4,491.1

There is no capital work-in-progress, whose completion is overdue or has exceeded its cost compared to its original plan

Capital work-in-progress ageing schedule

	2023				
Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	4,191.8	516.2	198.8	0.9	4,907.7
Projects temporarily suspended	-	-	-	-	-
Total	4,191.8	516.2	198.8	0.9	4,907.7

There is no capital work-in-progress, whose completion is overdue or has exceeded its cost compared to its original plan

Notes to the Standalone Financial Statements

for the year ended December 31, 2024

3.4 Intangible assets

	(₹ in million)	
	Software	Total
Cost		
As at January 1, 2023	14.3	14.3
Additions	6.4	6.4
Disposals	-	-
As at December 31, 2023	20.7	20.7
Additions	2.2	2.2
Disposals	0.1	0.1
As at December 31, 2024	22.8	22.8
Accumulated amortisation		
As at January 1, 2023	8.6	8.6
Amortisation for the year	3.8	3.8
Deletions	-	-
As at December 31, 2023	12.4	12.4
Amortisation for the year	4.5	4.5
Deletions	0.1	0.1
As at December 31, 2024	16.8	16.8
Net Block		
As at December 31, 2023	8.3	8.3
As at December 31, 2024	6.0	6.0

4. Investments (non-current)

		(₹ in million)	
	No. of shares (face value of ₹ 10 each fully paid-up unless otherwise specified)	2024	2023
(i) Investments (at cost) (refer Note 38)			
Equity investments in subsidiary company, unquoted			
KRSV Innovative Auto Solutions Private Limited	12,04,758	1,424.0	1,424.0
Total		1,424.0	1,424.0

In the year 2023 the Company has acquired 100% shares 1,204,758 of ₹ 10/- each of KRSV Innovative Auto Solutions Private Limited (in the following “Koovers”) for a total purchase consideration of ₹ 1,424.0 million in 100% cash consideration. Consequently, Koover’s has become a subsidiary of the Company. (refer Note 51)

5. Loans (non-current)

	(₹ in million)	
	2024	2023
(ii) Loans		
Loans to related parties		
Considered good - Unsecured	700.0	169.5
Credit impaired	-	-
Less: Allowance for credit losses	-	-
Total	700.0	169.5

Non-current loans to related parties represents loan given to KRSV Innovative Auto Solutions Private Limited, Bengaluru (a subsidiary) ₹ 700.0 million (December 31, 2023: ₹ 169.5) for working capital requirement, out of which Nil (December 31, 2023: ₹ Nil) is impaired.

Name of the loanee	Rate of Interest / Due Date	Secured/ unsecured	2024	2023
KRSV Innovative Auto Solutions Private Limited	8.5%-8.7%	Unsecured	700.0	169.5
	Various			

Notes to the Standalone Financial Statements

for the year ended December 31, 2024

6. Financial assets (non-current)

	(₹ in million)	
	2024	2023
(iii) Security deposits	166.8	142.0
Total	166.8	142.0
Breakup of security deposit		
Considered goods secured	-	-
Considered goods unsecured	166.8	142.0
Which have significant increase credit risk	-	-
Credit impaired	-	-
(iv) Other		
Bank deposits with remaining maturity of more than 12 months ¹	5.3	5.0
Total	5.3	5.0
Total (iii)+(iv)	172.1	147.0

¹Includes deposits of ₹ nil million (2023: ₹ nil million) under lein.

7. Deferred tax assets (net)

	(₹ in million)	
	2024	2023
Deferred tax liabilities		
Amortisation of contract assets	70.4	45.0
Exchange loss on cash flow hedges	5.6	0.2
(A)	76.0	45.2
Deferred tax assets		
Excess of depreciation / amortisation on property, plant and equipment provided in accounts over depreciation / amortisation under tax laws	240.5	268.4
Provision for employee benefits	188.0	175.2
Provision for expenses and others	21.9	25.3
Allowance for expected credit loss	5.1	5.0
Leases	25.5	23.1
(B)	481.0	497.0
Net deferred tax assets (B - A)	405.0	451.8

Movement in deferred tax assets/(liabilities) net

	(₹ in million)						
	Depreciation	Provision for employee benefits	Provision for expenses and others	Allowance for expected credit loss	Leases	Amortisation of contract assets	Exchange gain / (loss) on cash flow hedges
As at January 1, 2023	234.2	145.7	25.4	8.4	19.0	(41.2)	(7.0)
<i>(Charged)/ credited to:</i>							
Statement of Profit and Loss	34.2	14.6	(0.1)	(3.4)	4.1	(3.8)	6.8
Other Comprehensive Income	-	14.9	-	-	-	-	-
As at December 31, 2023	268.4	175.2	25.3	5.0	23.1	(45.0)	(0.2)
<i>(Charged) / credited to:</i>							
Statement of Profit and Loss	(27.9)	(0.5)	(3.4)	0.1	2.4	(25.4)	(5.4)
Other Comprehensive Income	-	13.3	-	-	-	-	-
As at December 31, 2024	240.5	188.0	21.9	5.1	25.5	(70.4)	(5.6)

Notes to the Standalone Financial Statements

for the year ended December 31, 2024

8. Non-current income-tax assets (net)

	(₹ in million)	
	2024	2023
Advance tax recoverable (net of provisions for tax ₹ 2,351.2 million, 2023: ₹ 2,289.5 million)	670.0	779.1
Total	670.0	779.1

9. Other non-current assets

	(₹ in million)	
	2024	2023
VAT, excise and others receivable (paid under protest)	46.1	77.3
Stamp duty (paid under protest, refer note no. 36 d)	250.0	250.0
Other balance with government authorities	76.2	79.5
Capital advance, considered good	315.3	508.1
Contract assets	287.2	185.9
Total	974.8	1,100.8

10. Inventories

(Valued at the lower of cost and net realisable value)

	(₹ in million)	
	2024	2023
Raw materials and components (including goods-in-transit ₹ 1,819.4 million; 2023: ₹ 2,129.2 million)	3,645.0	3,766.8
Work-in-progress	801.3	612.7
Finished goods	3,341.4	3,387.3
Stock-in-trade (including goods-in-transit ₹ 2,662.0 million; 2023: ₹ 1,898.9 million)	5,982.2	4,670.5
Stores and spares (including goods-in-transit ₹ 3.3 million; 2023: ₹ 19.1 million)	771.4	673.9
Total	14,541.3	13,111.2

The Company follows suitable provisioning norms for writing down the value of Inventories towards slow moving and non-moving inventory. As at December 31, 2024, provision for write-down of inventories to net realisable value is ₹ 731.7 million (2023: ₹ 949.3 million).

11. Trade receivables

	(₹ in million)	
	2024	2023
Other than related parties ¹	10,590.9	8,601.8
From related parties (refer Note 38)	2,167.9	1,910.5
Less: Allowance for expected credit loss	(20.6)	(20.0)
	12,738.2	10,492.3
Of which;		
secured, considered good	18.6	19.9
unsecured, considered good	12,734.4	10,484.2
which have significant increase in credit risk	5.8	8.2
	12,758.8	10,512.3
Less: Allowance for expected credit loss	(20.6)	(20.0)
Total	12,738.2	10,492.3

¹Includes receivable of ₹ 25.5 million (2023: ₹ 5.3 million), from a private limited companies in which an Independent Director is a Director.

The Company's exposure to currency risk and credit risk related to trade receivables are disclosed in Note 40 A(i) and C.

Trade receivables ageing

	(₹ in million)						
Particulars	2024						
	Current but not due	Outstanding for following periods from due date of payment					Total
		< 6 months	6 months – 1 year	1-2 years	2-3 years	> 3 years	
Undisputed Trade Receivables – considered good	12,574.2	10.4	1.4	163.1	1.4	2.5	12,753.0
Undisputed Trade Receivables – which have significant increase in credit risk ¹	-	-	0.6	0.1	0.0	-	0.7
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	5.1	-	-	5.1
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Gross receivables	12,574.2	10.4	2.0	168.3	1.4	2.5	12,758.8
Less: Allowance for credit losses							(20.6)
Net receivables							12,738.2

¹Values less than ₹ 1 million.

Notes to the Standalone Financial Statements

for the year ended December 31, 2024

(₹ in million)							
Particulars	2023						Total
	Current but not due	Outstanding for following periods from due date of payment					
		< 6 months	6 months – 1 year	1-2 years	2-3 years	> 3 years	
Undisputed Trade Receivables – considered good	10,255.1	152.8	93.8	-	-	2.4	10,504.1
Undisputed Trade Receivables – which have significant increase in credit risk ¹	-	1.7	-	-	-	-	1.7
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	6.5	-	-	-	-	6.5
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Gross receivables	10,255.1	161.0	93.8	-	-	2.4	10,512.3
Less: Allowance for credit losses							(20.0)
Net receivables							10,492.3

12. Cash and cash equivalents

	(₹ in million)	
	2024	2023
Balances with banks:		
on current accounts	769.1	629.9
on deposit accounts (with original maturity of 3 months or less)	3,864.9	61.0
Total	4,634.0	690.9

The Company has been sanctioned an unsecured working capital limit of ₹ 1,550 million by banks. The Company has utilised partial limit of ₹ 74 million for one day during the reporting period.

13. Bank balances other than Cash and cash equivalents

	(₹ in million)	
	2024	2023
Bank deposits with original maturity of more than 3 months and remaining maturity of less than 12 months ¹	8,846.6	15,148.1
Restricted deposits (unclaimed dividend)	14.3	11.4
Total	8,860.9	15,159.5

¹Includes deposits of ₹ 156.9 million (2023: ₹ 229.5 million) under lein.

14. Other current financial assets

	(₹ in million)	
	2024	2023
(i) Security deposits	29.3	28.3
Total	29.3	28.3
Breakup of security deposit		
Considered goods secured	-	-
Considered goods unsecured	29.3	28.3
Which have significant increase credit risk	-	-
Credit impaired	-	-
(ii) Other		
Other receivables - related parties (refer Note 38)	184.7	61.1
Interest accrued - fixed deposits	319.4	311.0
Interest accrued - others	4.9	4.8
Interest accrued on loans to related parties (refer Note 38)	-	3.1
Derivative forward exchange contracts	22.4	0.8
Total	531.4	380.8
Total (i)+(ii)	560.7	409.1

15. Other current assets

	(₹ in million)	
	2024	2023
Unsecured and considered good		
Balance with Government authorities	420.5	706.5
Advances for supply of goods and services	277.3	277.1
Export incentives receivable	48.0	51.1
Advances to employees	4.0	5.1
Prepaid expenses	13.6	4.4
Total	763.4	1,044.2

Notes to the Standalone Financial Statements

for the year ended December 31, 2024

16. Equity share capital

	(₹ in million)	
	2024	2023
Authorised capital		
627,500,000 equity shares of ₹ 2 each (2023: 627,500,000 equity shares of ₹ 2 each)	1,255.0	1,255.0
Total	1,255.0	1,255.0
Issued, subscribed and paid-up		
156,303,670 fully paid-up equity shares of ₹ 2 each (2023: 156,303,670 fully paid-up equity shares of ₹ 2 each)	312.6	312.6
Total	312.6	312.6

Details of Promoters shares holding

		2024		
S. No.	Promoter name	Number of shares held	% of total shares	% change during the year
1	Schaeffler Schweinfurt Beteiligungs GmbH	42,645,915	27.28%	-
2	Schaeffler Bühl Verwaltungs GmbH	32,142,865	20.56%	-
3	Schaeffler Verwaltungsholding Sechs GmbH	23,462,255	15.01%	-
4	Industriewerk Schaeffler INA-Ingenieurdienst GmbH	17,612,200	11.27%	-
		2023		
S. No.	Promoter name	Number of shares held	% of total shares	% change during the year
1	Schaeffler Schweinfurt Beteiligungs GmbH	42,645,915	27.28%	-
2	Schaeffler Bühl Verwaltungs GmbH	32,142,865	20.56%	-
3	Schaeffler Verwaltungsholding Sechs GmbH	23,462,255	15.01%	-
4	Industriewerk Schaeffler INA-Ingenieurdienst GmbH	17,612,200	11.27%	-

a) Reconciliation of shares outstanding at the beginning and at the end of the year:

	(₹ in million)	
	2024	2023
Equity shares	No. of shares	Amount
Shares outstanding at the beginning of the year	156,303,670	312.6
Shares outstanding at the end of the year	156,303,670	312.6

b) Rights, preferences and restrictions attached to equity shares:

The Company has a single class of equity shares having par value of ₹ 2 per share. Accordingly, all equity shares rank equally with regard to one vote per share held. The dividends proposed by the Board of directors is subject to the approval of shareholders at the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation of the Company, the equity shareholders are eligible to receive assets of the Company, after distribution of all preferential amounts, in the proportion to their shareholding.

c) Shares held by ultimate holding company and/ or their subsidiaries/ affiliates:

	(₹ in million)	
	2024	2023
Name of Shareholders	No. of Shares held (of ₹ 2 each)	Amount
Schaeffler Schweinfurt Beteiligungs GmbH (affiliates)	42,645,915	85.3
Schaeffler Bühl Verwaltungs GmbH (affiliates)	32,142,865	64.3
Schaeffler Verwaltungsholding Sechs GmbH (affiliates)	23,462,255	46.9
Industriewerk Schaeffler INA-Ingenieurdienst GmbH (affiliates)	17,612,200	35.2
Total	115,863,235	231.7

Notes to the Standalone Financial Statements

for the year ended December 31, 2024

d) Particulars of shareholders holding more than 5% shares of a class of shares:

Name of Shareholders	2024		2023	
	No. of Shares held	% of shareholding	No. of Shares held	% of shareholding
Schaeffler Schweinfurt Beteiligungs GmbH	42,645,915	27.28%	42,645,915	27.28%
Schaeffler Buhl Verwaltungs GmbH	32,142,865	20.56%	32,142,865	20.56%
Schaeffler Verwaltungsholding Sechs GmbH	23,462,255	15.01%	23,462,255	15.01%
Industriewerk Schaeffler INA-Ingenieurdienst GmbH	17,612,200	11.27%	17,612,200	11.27%

- e) The Company in aggregate has not issued, any equity shares allotted as fully paid up pursuant to contract without consideration received in cash, bonus shares issued and shares bought back during the period of 5 years immediately preceding the financial year.

17. Other equity

		(₹ in million)	
		2024	2023
Capital reserve		617.8	617.8
	(A)	617.8	617.8
Securities premium		600.0	600.0
	(B)	600.0	600.0
General reserve		4,218.4	4,218.4
	(C)	4,218.4	4,218.4
Retained earnings			
At the commencement of the year		42,404.8	37,110.2
Add: Net profit for the year		9,776.7	9,090.3
Remeasurements of defined benefit liability / asset (net of tax) (FVTOCI)		(39.6)	(44.4)
Add: Change of valuation (net of deferred tax liability ₹ 2.0 million)		6.2	-
Less: Appropriations			
Dividends paid		4,063.9	3,751.3
	(D)	48,084.2	42,404.8
Total (A+B+C+D)		53,520.4	47,841.0

The following dividends were declared and paid by the Company during the year:

	(₹ in million)	
	2024	2023
₹ 26 per equity share of face value of ₹ 2/- each (2023: ₹ 24 per equity share of face value of ₹ 2/- each)	4,063.9	3,751.3
	4,063.9	3,751.3

After the reporting dates, the following dividends were proposed by the Board of Directors subject to the approval at the ensuing annual general meeting and hence, dividends have not been disclosed as liabilities.

	(₹ in million)	
	2024	2023
Dividend of ₹ 28 per equity share of face value of ₹ 2/- each (2023: ₹ 26 per equity share of face value ₹ 2/- each)	4,376.5	4,063.9

18. a) Lease liabilities (non-current)

	(₹ in million)	
	2024	2023
Lease liabilities (refer Note 49)	325.7	406.5
Total	325.7	406.5

18. b) Lease liabilities (current)

	(₹ in million)	
	2024	2023
Lease liabilities (refer Note 49)	98.5	104.5
Total	98.5	104.5

19. Other financial liabilities (non-current)

	(₹ in million)	
	2024	2023
Employee liabilities	118.6	86.0
Security deposits from customers / suppliers	21.5	22.8
Total	140.1	108.8

Notes to the Standalone Financial Statements

for the year ended December 31, 2024

20. Provisions (non-current)

	(₹ in million)	
	2024	2023
Provision for other statutory matters (being litigated) ¹	12.0	12.0
Provision for warranties	14.5	32.8
Total	26.5	44.8

¹Provisions are made for ongoing litigation on tax and regulatory matters, the liabilities for which will be ascertained on conclusion of the respective assessments.

21. Trade payables

	(₹ in million)	
	2024	2023
Total outstanding dues of micro and small enterprises	776.2	1,525.9
Total outstanding dues of creditors other than micro and small enterprises		
Other than related parties	4,408.3	3,777.6
Related parties (refer note 38)	6,002.8	5,211.1
Total	11,187.3	10,514.6

Under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED) which came into force from October 2, 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises.

	(₹ in million)	
Particulars	2024	2023
a) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year, if any:		
Principal	776.2	1,525.9
Interest ¹	0.0	0.0
b) the amount of interest paid by the Company in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-

	(₹ in million)	
Particulars	2024	2023
c) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of Micro, Small and Medium Enterprises Development Act, 2006.	-	-

The above information has been compiled by the Company on the basis of information made available by vendors during the year ended December 31, 2024 and year ended December 31, 2023. This has been relied upon by auditors.

The Company's exposure to currency and liquidity risks related to trade payables is disclosed in Note 40.

¹Values less than ₹ 1 million.

Trade Payables Ageing

	(₹ in million)				
	2024				
	Outstanding for following periods from due date of payment				Total
Particulars	< 1 year	1-2 years	2-3 years	> 3 years	
Undisputed dues of micro enterprises and small enterprises	754.4	11.8	2.6	7.4	776.2
Undisputed dues of creditors other than micro enterprises and small enterprises	10,345.4	15.7	14.2	35.8	10,411.1
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-
Total	11,099.8	27.5	16.8	43.2	11,187.3

Notes to the Standalone Financial Statements

for the year ended December 31, 2024

	(₹ in million)				
	2023				
Particulars	Outstanding for following periods from due date of payment				Total
	< 1 year	1-2 years	2-3 years	> 3 years	
Undisputed dues of micro enterprises and small enterprises	1,513.7	4.5	1.9	5.8	1,525.9
Undisputed dues of creditors other than micro enterprises and small enterprises	8,910.1	13.6	14.6	50.4	8,988.7
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-
Total	10,423.8	18.1	16.5	56.2	10,514.6

22. Other current financial liabilities

	(₹ in million)	
	2024	2023
Employee liabilities	562.6	570.4
Creditors for capital goods		
Other than related parties	502.4	459.8
Related parties (refer note 38)	764.6	894.0
Accrued expense	117.9	175.2
Unclaimed dividends ¹	14.3	11.4
Other payables	8.6	9.2
Total	1,970.4	2,120.0

¹There are no amounts due for payment to the Investor Education and Protection Fund under section 125 of the Companies Act, 2013 as at the year end.

23. Other current liabilities

	(₹ in million)	
	2024	2023
Advances from customers (refer Note 48)	71.9	47.6
TDS payable	108.4	88.3
GST Payable	181.7	260.7
Other statutory dues	22.1	20.3
Total	384.1	416.9

24. Provisions (Current)

	(₹ in million)	
	2024	2023
Provision for employee benefits		
Compensated absences	621.6	549.8
Gratuity (refer Note 42)	122.4	101.0
Other provisions		
Provision for warranties ¹	32.2	30.6
Total	776.2	681.4

¹Warranty provision is estimated for expected warranty claims in respect of eligible products sold during the year by the Company, which usually carry a warranty period ranging from 12 to 24 months from the date of sale. The provision is determined based on the historical data. The timing and amount of cashflows will be determined on receipt of claims.

Additional disclosures relating to certain provisions (as per Ind AS 37)

	(₹ in million)	
	2024	2023
Warranties		
At the commencement of the year	63.4	84.4
Provision made during the year	69.3	36.0
Provision utilised during the year	(86.0)	(57.0)
At the end of the year	46.7	63.4

Notes to the Standalone Financial Statements

for the year ended December 31, 2024

25. Revenue from operations

	(₹ in million)	
	2024	2023
Revenue from Contract with Customer		
Sale of products		
Manufactured goods	60,178.7	53,914.6
Traded goods	19,255.8	16,861.1
	79,434.5	70,775.7
Sale of services	152.5	296.2
Other operating revenues		
Export incentives	286.3	238.9
Scrap sales	881.0	950.5
Other	8.6	-
Total	80,762.9	72,261.3

The management determines the information reported under Note 44 and 48 reporting is sufficient to meet the disclosure objective with respect to disaggregation of revenue and geographical segment under Ind AS 115 Revenue from contract with Customers. Hence, no separate disclosures of disaggregated revenues are reported.

26. Other income

	(₹ in million)	
	2024	2023
Interest income		
On fixed deposits	857.8	942.4
On loan and others	70.9	46.6
Provisions no longer required written-back	-	13.4
Other income	267.4	221.1
Gain on account of foreign exchange fluctuations (net)	20.7	-
Profit on sale / retirement of assets (net)	2.5	25.4
Total	1,219.3	1,248.9

27. Cost of materials consumed¹

	(₹ in million)	
	2024	2023
Inventory of materials at the beginning of the year	3,766.8	3,930.0
Purchases	32,762.9	30,671.5
Inventory of materials at the end of the year	3,645.0	3,766.8
Total	32,884.7	30,834.7

¹The consumption amounts shown above have been ascertained on the basis of materials consumed and after considering excess / shortages ascertained on physical verification.

28. Purchases of stock-in-trade

	(₹ in million)	
	2024	2023
Purchase of traded goods	18,674.4	14,689.7
Total	18,674.4	14,689.7

29. Changes in inventories of finished goods, stock-in-trade and work-in-progress¹

	(₹ in million)	
	2024	2023
Decrease / (Increase) in inventory of finished goods		
Opening inventory	3,387.3	2,893.2
Less: Closing inventory	3,341.4	3,387.3
	(A)	(494.1)
(Increase) in inventory of traded goods		
Opening inventory	4,670.5	4,586.2
Less: Closing inventory	5,982.2	4,670.5
	(B)	(1,311.7)
(Increase) in inventory of work-in-progress		
Opening inventory	612.7	452.7
Less: Closing inventory	801.3	612.7
	(C)	(188.6)
Total	(A + B + C)	(738.4)

¹Closing inventory is net off scrapped / reworked items and shortages / excesses.

Notes to the Standalone Financial Statements

for the year ended December 31, 2024

30. Employee benefits expense

	(₹ in million)	
	2024	2023
Salaries, wages and incentives	4,425.5	3,873.0
Contributions to: (refer Note 42)		
- Provident and other funds	237.0	206.1
- Gratuity fund	72.5	64.0
- Superannuation fund	33.3	33.4
Compensated absences	135.2	110.8
Staff welfare expenses	322.5	296.1
Total	5,226.0	4,583.4

31. Finance costs

	(₹ in million)	
	2024	2023
Interest and finance charges on lease liability	26.0	29.6
Bank and other financial charges	9.1	12.1
Total	35.1	41.7

32. Depreciation and amortisation expense

	(₹ in million)	
	2024	2023
Depreciation on property, plant and equipment	2,584.6	2,087.0
Depreciation of right-to-use of assets (refer Note 49)	98.5	100.1
Amortisation of intangible assets	4.5	3.8
Total	2,687.6	2,190.9

33. Other expenses

	(₹ in million)	
	2024	2023
Consumption of stores and spare parts	2,960.3	2,543.4
Power and fuel	1,065.6	980.7
Freight, clearing and forwarding	811.3	734.7
Rent	9.5	14.6
Repairs and maintenance		
Building	20.7	23.4
Machinery	44.6	39.1
Others	186.9	141.6
Insurance	115.9	93.4
Rates and taxes	119.2	57.1
Travelling expenses	265.8	322.9
Legal and professional fees	98.9	94.7
Payments to auditors (refer note below)	9.2	8.7
Fees for use of technology (refer Note 38)	1,560.1	1,410.2
Advertising and sales promotion	129.5	172.9
Bank charges	4.6	5.7
Telephone and other communication expenses	30.5	38.0
Printing and stationery	22.3	20.8
Provision for doubtful debts	0.6	-
Bad debts written off	0.1	-
Loss on account of foreign exchange fluctuations (net)	-	29.6
Warranty costs	69.3	36.0
Outside services	3,039.3	2,693.5
Corporate Social Responsibility expenditure (refer note below)	215.6	160.2
Miscellaneous expenses	38.8	71.2
Less: Capitalised for own consumption	(64.5)	(68.1)
Total	10,754.1	9,624.3

Notes to the Standalone Financial Statements

for the year ended December 31, 2024

Note: Payments to auditors

	(₹ in million)	
	2024	2023
As auditors		
- Statutory audit	3.1	5.6
- Limited review	5.2	3.0
- Out of pocket expense ¹	0.0	0.1
- Other services	0.9	-
Total	9.2	8.7

¹Values less than ₹ 1 million.

Note: Corporate Social Responsibility expenditure

	(₹ in million)	
	2024	2023
Details of CSR expenditure:		
Gross amount required to be spent by the Company during the year	215.6	160.2
Amount spent during the year ending on other than construction/ acquisition of any asset	215.6	160.2
Shortfall at the end of the year ¹	-	-
Total of previous year shortfall	-	-
Reason for shortfall	-	-

¹There is no amount unspent for the year 2024 which requires to be deposited in corporate social responsibility bank account (2023: ₹ nil million).

Nature of CSR activities

The Company has incurred CSR expenses through our overarching programme HOPE, which emphasises four core areas: Healthcare, Occupational skills for better employability, the Preservation of heritage and environment, and the Empowerment of society which are specified in Schedule VII of the Companies Act, 2013.

34. Income tax expense

	(₹ in million)	
	2024	2023
Tax expense		
(a) Current tax		
Current tax on profit during the year	3,312.5	3,172.9
Tax in respect of prior years	27.4	26.1
Total current tax expense	3,339.9	3,199.0
(b) Deferred tax		
Deferred tax (credit) / expense attributable to origination and reversal of temporary differences	58.1	(52.4)
Total tax expense	3,398.0	3,146.6
Reconciliation of tax expenses and the accounting profit multiplied by tax rate:		
Profit before tax	13,174.7	12,236.9
Current tax at the Indian tax rate of 25.17%	3,316.1	3,080.0
Tax adjustments of earlier years	27.4	26.1
Effect of non deductible expenses	54.5	40.5
Tax expense recognised in Statement of Profit and Loss	3,398.0	3,146.6
Tax impact recognised in Other Comprehensive Income (OCI)		
Remeasurement of defined benefits obligation	13.3	14.9
Total	13.3	14.9

35. Earnings Per Share (EPS)

	(₹ in million)	
	2024	2023
a) Amount used as the numerator		
Profit after tax attributable to equity shareholders (₹ in million)	9,776.7	9,090.3
b) Weighted average number of equity shares used as the denominator (Nos.)	156,303,670	156,303,670
c) Nominal value of share (in ₹)	2.0	2.0
d) Earnings per share (Basic and Diluted) (in ₹)	62.6	58.2

Notes to the Standalone Financial Statements

for the year ended December 31, 2024

36. Contingent liabilities not provided for in respect of:

	(₹ in million)	
	2024	2023
Claims against the Company not acknowledged as debts:		
a) Employees and ex-employees related matters:		
(i) Matters pending in labour court / civil court / High Court for reinstatement of service / recovery of salary, PF and ESIC matters.	123.2	106.1
(ii) Demand for discontinuing of contract system and for differential wages	97.9	48.2
	221.1	154.3
b) (i) Sales-tax		
For non-receipt of C Forms and non acceptance of Company's claim of certain sales as exempt sales in respect of various assessment years.	25.3	25.7
(ii) Excise duty and Service tax:	213.0	138.2
In respect of matters decided against the Company, for which the Company is in appeal with higher authorities		
	238.3	163.9
c) Income tax:		
i) In respect of matters decided against the Company, for which the Company is in appeal with higher authorities.	206.2	284.6
In respect of above matters, it is not practicable for the Company to estimate the closure of these issues and consequential timing of cash flows, if any.		
	206.2	284.6
d) Others:		
Demand notice for stamp duty on Order of Hon'ble National Company Law Tribunal, Mumbai Bench, approving the Scheme of Amalgamation of INA Bearings India Private Limited and LuK India Private Limited with the Company, for which the Company is in appeal with higher authorities.	250.0	250.0
	250.0	250.0

37. Commitments

	(₹ in million)	
	2024	2023
Contracts on capital account:		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advance ₹ 315.3 million; 2023: ₹ 508.1 million).	2,953.1	4,888.8

38. Related Party disclosures as required under Ind AS-24 are given below:

1) Name and nature of relationship of the related party where control exists:

The ultimate control lies with INA Holding Schaeffler GmbH & Co. KG, Germany.

2) Names of the Related Parties having transactions with the Company during the year.

2024	2023
Ultimate holding Company	Ultimate holding Company
INA Holding Schaeffler GmbH & Co. KG, Germany	INA Holding Schaeffler GmbH & Co. KG, Germany
Subsidiaries	Subsidiaries
KRSV Innovative Auto Solutions Pvt. Limited, India - 100% Holding (w.e.f. September 8, 2023)	KRSV Innovative Auto Solutions Pvt. Limited, India - 100% Holding (w.e.f. September 8, 2023)
Fellow subsidiaries / Affiliates	Fellow subsidiaries / Affiliates
Schaeffler Australia Pty Ltd., Australia	Schaeffler Australia Pty Ltd., Australia
Schaeffler Austria GmbH., Austria	Schaeffler Brasil Ltda., Brasil
Schaeffler Brasil Ltda., Brasil	Schaeffler Canada Inc., Canada
Schaeffler Canada Inc., Canada	Schaeffler (China) Co., Ltd., China
Schaeffler (China) Co., Ltd., China	Schaeffler Trading (Shanghai) Co., Ltd., China
Schaeffler Trading (Shanghai) Co., Ltd., China	Schaeffler (Ningxia) Co., Ltd., China
Schaeffler (Ningxia) Co., Ltd., China	Schaeffler Friction Products (Suzhou) Co., Ltd., China
Schaeffler Friction Products (Suzhou) Co., Ltd., China	Schaeffler (Nanjing) Co., Ltd., China
Schaeffler (Nanjing) Co., Ltd., China	Schaeffler (Xiangtan) Co., Ltd., China
Schaeffler (Xiangtan) Co., Ltd., China	Schaeffler Middle East FZE., Dubai

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for the year ended December 31, 2024

2024	2023	2024	2023
Schaeffler Smart Machinery (Taicang) Co., Ltd., China	Schaeffler France SAS., France	Schaeffler Debrecen Kft., Hungary	Schaeffler Bearings Indonesia, PT., Indonesia
Schaeffler Middle East FZE., Dubai	WPB Water Pump Bearing GmbH & Co. KG, Germany	Schaeffler Technology Solutions India Pvt. Limited, India	Schaeffler Water Pump Bearing Italia S.r.l., Italy
Schaeffler Danmark ApS., Denmark	Schaeffler Technologies AG & Co. KG, Germany	Vitesco Technologies India Private Limited, India	Schaeffler Italia S.r.l., Itali
Schaeffler France SAS., France	Schaeffler Automotive Buehl GmbH & Co. KG, Germany	PT. Schaeffler Solutions Indonesia., Indonesia (formerly Schaeffler Bearings Indonesia, PT.,)	Schaeffler Japan Co., Limited, Japan
WPB Water Pump Bearing GmbH & Co. KG, Germany	Schaeffler Automotive Aftermarket GmbH & Co. KG, Germany	Schaeffler Water Pump Bearing Italia S.r.l., Itali	Schaeffler Ansan Corporation, Korea
Schaeffler Technologies AG & Co. KG, Germany	Schaeffler AG, Germany	Schaeffler Italia S.r.l., Italy	Schaeffler Korea Corporation, Korea
Schaeffler Automotive Buehl GmbH & Co. KG, Germany	Schaeffler Friction Products GmbH, Germany	Schaeffler Japan Co., Limited, Japan	Schaeffler Bearings (Malaysia) Sdn. Bhd., Malaysia
Schaeffler Vehicle Lifetime Solutions Germany GmbH & Co. KG., Germany (formerly Schaeffler Automotive Aftermarket GmbH & Co. KG.,)	Compact Dynamics GmbH, Germany	Schaeffler Ansan Corporation, Korea	Schaeffler Transmisión, S. de R.L. de C.V., Mexico
Schaeffler AG, Germany	Schaeffler Digital Solutions GmbH, Germany	Schaeffler Korea Corporation, Korea	Schaeffler Automotive Aftermarket Mexico, S. de R.L. de C.V., Mexico
Schaeffler Friction Products GmbH, Germany	Schaeffler Consulting GmbH, Germany	Schaeffler Special Machinery Corporation., Korea	Schaeffler Mexico, S. de R.L. de C.V., Mexico
Schaeffler Engineering GmbH., Germany	Schaeffler Ultra Precision Drives GmbH, Germany	Schaeffler (Malaysia) Sdn. Bhd., Malaysia (formerly Schaeffler Bearings (Malaysia) Sdn. Bhd.,)	Radine B.V., Netherland
Schaeffler Digital Solutions GmbH, Germany	Schaeffler Sondermaschinenbau AG & Co. KG, Germany	Schaeffler Transmisión, S. de R.L. de C.V., Mexico	Schaeffler Philippines Inc., Philippines
Schaeffler Ultra Precision Drives GmbH, Germany	Schaeffler Schweinfurt Beteiligungs GmbH, Germany	Schaeffler Automotive Aftermarket Mexico, S. de R.L. de C.V., Mexico	Schaeffler Portugal, Unipessoal, Lda., Portugal
Schaeffler Sondermaschinenbau AG & Co. KG, Germany	Schaeffler Bühl Verwaltungs GmbH, Germany	Schaeffler Mexico, S. de R.L. de C.V., Mexico	Schaeffler Romania S.R.L., Romania
Schaeffler Schweinfurt Beteiligungs GmbH, Germany	Schaeffler Verwaltungsholding Sechs GmbH, Germany	Schaeffler Smart Maintenance Tools B.V., Netherland (formerly BEGA International B.V.,)	Schaeffler (Singapore) Pte. Ltd., Singapore
Schaeffler Bühl Verwaltungs GmbH, Germany	Industriewerk Schaeffler INA-Ingenieurdienst GmbH, Germany	Schaeffler Special Machinery Netherlands B.V., Netherland (formerly Radine B.V.,)	Schaeffler Kysuce, spol. s r.o., Slovakia
Schaeffler Verwaltungsholding Sechs GmbH, Germany	Schaeffler Hong Kong Company Limited, Hong Kong	Schaeffler Philippines Inc., Philippines	Schaeffler Skalica, spol. s r.o., Slovakia
Industriewerk Schaeffler INA-Ingenieurdienst GmbH, Germany	Schaeffler Savaria Kft., Hungary	Schaeffler Portugal, Unipessoal, Lda., Portugal	Schaeffler South Africa (Pty.) Ltd., South Africa
Schaeffler Hong Kong Company Limited, Hong Kong	Schaeffler Debrecen Kft., Hungary	Schaeffler Romania S.R.L., Romania	Schaeffler Manufacturing (Thailand) Co., Ltd., Thailand
Schaeffler Savaria Kft., Hungary	Schaeffler Technology Solutions India Pvt. Limited, India	Schaeffler (Singapore) Pte. Ltd., Singapore	Schaeffler Turkey Endüstri ve Otomotiv Ticaret Limited Sirketi., Turkey
		Schaeffler Kysuce, spol. s r.o., Slovakia	Schaeffler (UK) Limited, UK
		Schaeffler Production CZ s.r.o., Slovakia	Schaeffler Automotive Aftermarket (UK), Limited, UK
		Schaeffler Skalica, spol. s r.o., Slovakia	Schaeffler Group USA, Inc., USA
		Schaeffler Special Machinery, spol. s r.o., Slovakia	Schaeffler Transmission Systems, LLC., USA

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for the year ended December 31, 2024

2024	2023
Schaeffler Iberia, S.L.U., Spain	Schaeffler Vietnam Co., Ltd., Vietnam
Schaeffler South Africa (Pty.) Ltd., South Africa	
Schaeffler Manufacturing (Thailand) Co., Ltd., Thailand	
Schaeffler (UK) Limited, UK	
Schaeffler Vehicle Life Time Solutions UK Limited., UK (formerly Schaeffler Automotive Aftermarket (UK), Limited, UK)	
Schaeffler Group USA, Inc., USA	
Schaeffler Special Machinery LLC., USA	
Schaeffler Vietnam Co., Ltd., Vietnam	
Key Management Personnel	Key Management Personnel
Mr. Harsha Kadam, Managing Director	Mr. Harsha Kadam, Managing Director
Ms. Hardevi Vazirani, Director Finance and CFO (w.e.f. February 13, 2024)	Ms. Hardevi Vazirani, Director Finance and CFO (w.e.f. February 13, 2024)
Mr. Satish Patel, Director Finance and CFO (up to February 12, 2024)	Mr. Satish Patel, Director Finance and CFO (up to February 12, 2024)

3) Transactions with related parties during the year:

(₹ in million)				
Nature of transactions	Subsidiaries	Fellow subsidiaries/ Affiliates	Key Management Personnel	Total
Purchase of finished goods	-	15,227.3	-	15,227.3
	-	(11,753.0)	-	(11,753.0)
Purchase of raw materials and components and spares	-	9,008.6	-	9,008.6
	-	(8,321.4)	-	(8,321.4)
Purchase of tangible assets	-	2,220.0	-	2,220.0
	-	(1,886.4)	-	(1,886.4)
Fees for use of technology / trademark	-	1,555.6	-	1,555.6
	-	(1,410.0)	-	(1,410.0)
Travelling, training, testing, support fee and other cost	-	512.3	-	512.3
	-	(517.4)	-	(517.4)

(₹ in million)				
Nature of transactions	Subsidiaries	Fellow subsidiaries/ Affiliates	Key Management Personnel	Total
Dividend for the year -2023	-	3,012.1	-	3,012.1
-2022	-	(2,780.4)	-	(2,780.4)
SAP, other IT systems and connectivity cost	-	663.8	-	663.8
	-	(535.5)	-	(535.5)
Expat cost	-	15.5	-	15.5
	-	(0.7)	-	(0.7)
Commission on guarantee - other cost	-	2.3	-	2.3
	-	(1.6)	-	(1.6)
Sale of finished goods	-	9,797.7	-	9,797.7
	-	(8,816.1)	-	(8,816.1)
Sale of tangible assets	-	15.1	-	15.1
	-	(382.1)	-	(382.1)
Reimbursement of expenses	-	260.7	-	260.7
	-	(181.4)	-	(181.4)
Service income	-	13.6	-	13.6
	-	(164.6)	-	(164.6)
Investment in subsidiaries	-	-	-	-
	(1,424.0)	-	-	(1,424.0)
Loan given to subsidiaries	530.5	-	-	530.5
	(169.5)	-	-	(169.5)
Interest on loan given to subsidiaries	38.1	-	-	38.1
	(3.1)	-	-	(3.1)
Managerial remuneration ¹	-	-	59.6	59.6
	-	-	(59.6)	(59.6)

¹In the case of present key management personnel, remuneration does not include gratuity and leave encashment benefits which are determined for the Company as a whole.

Notes to the Standalone Financial Statements

for the year ended December 31, 2024

4) Balances outstanding as at 31 December 2024:

(₹ in million)	
Nature of Transaction	Subsidiaries / Fellow subsidiaries / Affiliates
Trade receivables	
Schaeffler Technologies AG & Co. KG, Germany	834.1
	(1,009.5)
Schaeffler Trading (Shanghai) Co. Ltd.; China	361.0
	(213.5)
Schaeffler Group USA, Inc., USA	287.8
	(117.3)
Others	685.1
	(570.2)
2024	2168.0
2023	(1,910.5)
Trade payables	
Schaeffler Technologies AG & Co. KG, Germany	4,546.7
	(3,818.9)
Others	1456.1
	(1,392.2)
2024	6002.8
2023	(5,211.1)
Other receivables	
Schaeffler Technologies AG & Co. KG, Germany	50.2
	(15.9)
Schaeffler Brasil Ltda., Brasil	19.5
	(3.3)
Others	115.0
	(41.9)

(₹ in million)	
Nature of Transaction	Subsidiaries / Fellow subsidiaries / Affiliates
2024	184.7
2023	(61.1)
Creditors for Capital goods	
Schaeffler Technologies AG & Co. KG, Germany	259.7
	(284.8)
Schaeffler Group USA, Inc., USA	209.7
	-
Schaeffler (China) Co., Ltd., China	130.9
	(249.4)
Others	164.3
	(359.8)
2024	764.6
2023	(894.0)
Loan Receivable	
KRSV Innovative Auto Solutions Pvt. Limited, India	700.0
	(169.5)
Interest on loan receivable	
KRSV Innovative Auto Solutions Pvt. Limited, India	-
	(3.1)
2024	700.0
2023	(172.6)

Notes to the Standalone Financial Statements

for the year ended December 31, 2024

5) The significant related party transactions are as under:

		(₹ in million)
Nature of Transactions	Subsidiaries/ Fellow subsidiaries/ Affiliates	Amount
Purchase of finished goods	Schaeffler Technologies AG & Co. KG, Germany	11,482.6
		(8,897.6)
Purchase of raw material and components and spares	Schaeffler Technologies AG & Co. KG, Germany	4,897.5
		(4,207.0)
	Schaeffler (China) Co. Ltd. China	1,551.2
		(1,185.5)
	Schaeffler Friction Products (Suzhou) Co., Ltd., China	1,093.40
		(1,158.9)
Purchase of tangible assets	Schaeffler Technologies AG & Co. KG, Germany	1,008.1
		(469.9)
	Schaeffler (China) Co. Ltd. China	433.7
		(299.6)
	Schaeffler Smart Machinery (Taicang) Co., Ltd., China	223.8
		-
Sale of finished goods	Schaeffler Technologies AG & Co. KG, Germany	3,798.1
		(3,625.1)
	Schaeffler Trading (Shanghai) Co. Ltd.; China	1,458.5
		(996.2)
Sale of tangible assets	Schaeffler Technology Solutions India Pvt. Limited, India	15.1
		(382.1)
Fees for use of technology / trademark	Schaeffler Technologies AG & Co. KG, Germany	1,555.6
		(1,410.0)
SAP, other IT systems and connectivity cost	Schaeffler Technologies AG & Co. KG, Germany	663.8
		(535.5)
Travelling, training, testing, support fee and other cost	Schaeffler Technologies AG & Co. KG, Germany	227.5
		(173.7)
Expat cost	Schaeffler Technologies AG & Co. KG, Germany	15.2
		-
Commission on guarantee - other cost	Schaeffler AG, Germany	2.3
		(1.6)

		(₹ in million)
Nature of Transactions	Subsidiaries/ Fellow subsidiaries/ Affiliates	Amount
Reimbursement of expenses	Schaeffler Technologies AG & Co. KG, Germany	42.8
		(58.2)
	Schaeffler Korea Corporation, Korea	38.6
		(15.2)
	Schaeffler (Singapore) Pte. Ltd., Singapore	34.9
		(23.9)
Service income	Schaeffler Japan Co., Limited, Japan	8.4
		-
	Schaeffler Automotive Buehl GmbH & Co. KG, Germany	2.5
		-
Investment in subsidiaries	KRSV Innovative Auto Solutions Pvt. Limited, India	-
		(1,424.0)
Loan given to subsidiaries	KRSV Innovative Auto Solutions Pvt. Limited, India	530.5
		(169.5)
Interest on loan given to subsidiaries	KRSV Innovative Auto Solutions Pvt. Limited, India	38.1
		(3.1)
Managerial remuneration	Mr. Harsha Kadam	43.1
		(40.1)
	Ms. Hardevi Vazirani	14.3
		-
	Mr. Satish Patel	2.2
		(19.5)
Dividend paid	Schaeffler Schweinfurt Beteiligungs GmbH, Germany	1,108.6
		(1,023.3)
	Schaeffler Bühl Verwaltungs GmbH, Germany	835.5
		(771.2)
	Schaeffler Verwaltungsholding Sechs GmbH, Germany	610.0
		(563.1)
	Industriewerk Schaeffler INA-Ingenieurdienst GmbH, Germany	458.0
		(422.8)

Notes to the Standalone Financial Statements

for the year ended December 31, 2024

Amounts in brackets represents previous year amounts.

Terms and conditions with related parties;

The sales to and purchases from related parties including fixed Assets and other expenses are made in the normal course of business and on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free.

Names and details of fellow subsidiaries, affiliates and subsidiary having transaction value in excess of 10% in line transactions during the year.

39. Derivative instruments:

The Company's exposure to foreign currency fluctuations relates to foreign currency assets, liabilities and forecasted cash flows. The Company limits the effects of foreign exchange rate fluctuations by following established risk management policies including the use of derivatives like forward contracts. The Company has entered into foreign currency forward contracts, majority having maturity of less than one year from reporting date, to hedge its risks associated with foreign currency fluctuations relating to such highly probable transactions. The currencies in which these transactions are mainly denominated is in US Dollars, CNY and Euro.

Outstanding derivative instruments

Category	Currency hedged	2024		2023	
		Notional amount in foreign currency	Equivalent amount (₹ in million)	Notional amount in foreign currency	Equivalent amount (₹ in million)
Forward exchange contracts					
(to hedge highly probable import payables)	USD	17,425,948	1,492.1	7,762,000	645.9
	EUR	5,000,000	445.0	-	-
	CNY	48,950,000	574.2	-	-

The Company holds the following instruments to hedge exposures to changes in foreign currency:

Maturity

	2024		2023	
	1-6 months	6-12 months	1-6 months	6-12 months
Foreign currency risk				
Forward exchange contracts				
Net exposure (₹ in million)	1,426.9	1,084.3	447.5	198.4
Average INR: USD forward contract rate	84.6	85.9	83.4	84.2
Average INR: EUR forward contract rate	92.6	91.6	-	-
Average INR: CNY forward contract rate	11.9	12.1	-	-

Foreign currency exposures as at December 31, 2024:

Particulars	Currency	Amount in foreign currency	Equivalent amount (₹ in million)
Trade Payables	USD	21,548,345.0	1,845.0
		(21,973,306.0)	(1,828.6)
	EUR	2,326,648.9	207.1
		(2,384,462.7)	(219.3)
	CHF ¹	6,195.4	0.6
		(461.7)	(0.0)
	JPY	5,335,516.0	2.9
		(1,236,800.0)	(0.7)
	CNY	13,864,496.3	162.6
		(13,699,651.4)	(160.6)
Trade Receivables	USD	16,530,296.8	1,415.4
		(9,444,008.5)	(785.9)
	EUR	566,609.7	50.4
Bank balance in EEFC accounts	USD	(819,891.5)	(75.4)
		4,098,158.2	350.9
	EUR	(761,559.4)	(63.4)
		325,061.4	28.9
		(203,239.7)	(18.7)

Amounts in brackets represents previous year numbers.

¹Values less than ₹ 1 million.

Notes to the Standalone Financial Statements

for the year ended December 31, 2024

The Company's exposure to foreign currency risk at the end of reporting period are as follows:

	(₹ in million)	
	2024	2023
Financial assets		
Trade receivables		
USD	1,415.4	785.9
EUR	50.4	75.4
Bank Balances in EEFC account		
USD	350.9	63.4
EUR	28.9	18.7
Total Exposure to foreign currency assets	1,845.6	943.4

	(₹ in million)	
	2024	2023
Financial liabilities		
Trade payables		
USD	1,845.0	1,828.6
EUR	207.1	219.3
CHF ¹	0.6	0.0
JPY	2.9	0.7
CNY	162.6	160.6
Total Exposure to foreign currency liabilities	2,218.2	2,209.2

¹Values less than ₹ 1 million.

40. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- market risk [refer 40 (A) below]
- liquidity risk [refer 40 (B) below]
- credit risk [refer 40 (C) below]

In the course of its business, the Company is exposed primarily to aforesaid risks, which may impact the fair value of its financial instruments. The Company has a risk management system which not only covers the foreign exchange risks but also other

risks associated with the financial assets and liabilities such as credit risks. The risk management strategy is approved by Board of Directors which is implemented by the Company's management. The risk management framework aims to create a stable business planning environment by reducing the impact of market related risks, credit risks and currency fluctuations on the Company's earnings. The risks identified through the risk management system are analysed and evaluated by the Company's management and reported to the Board of Directors periodically along with report of planned mitigation measures.

A) Market risk

Market risk is the risk of any loss in future earnings, in realizable fair values or in future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the foreign currency exchange rates, liquidity and other market changes. Future specific market movements cannot be normally predicted with reasonable accuracy.

(i) Foreign currency risk

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US Dollars and Euro. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Company's functional currency (Indian Rupees).

The Company has import and export transactions in foreign currencies. Imports are higher than exports and hence the Company has foreign currency exposure to the extent of imports being higher than exports. The risk of foreign currency fluctuation is mitigated through hedging. Please refer Note 39 for details of foreign currency exposure.

The Company's exposure to foreign currency risk at the end of reporting period are as follows:

Foreign Currency Sensitivity

The following table demonstrates sensitivity to a reasonable possible change in major foreign currencies like USD and EUR with all other variables held constant:

Notes to the Standalone Financial Statements

for the year ended December 31, 2024

(₹ in million)			
		Effect on Profit Before Tax	
		2024	2023
USD	+ 5%	(3.9)	(49.0)
	- 5%	3.9	49.0
EUR	+ 5%	(6.4)	(6.3)
	- 5%	6.4	6.3
CHF	+ 5%	(0.0)	(0.0)
	- 5%	0.0	0.0
JPY	+ 5%	(0.1)	(0.0)
	- 5%	0.1	0.0
CNY	+ 5%	(8.1)	(8.0)
	- 5%	8.1	8.0

(ii) Interest rate risk

Interest rate risk exposure: The Company does not have interest bearing borrowings and interest rate risk is towards opportunity cost on investment in tax free bonds. Surplus funds are being invested in bank deposits at fixed interest rates and the tenure is managed to match with the Company's liquidity profile.

B) Liquidity risk

The Company's principal sources of liquidity are cash and cash equivalents and cash flows generated from operations. The Company regularly monitors actual cash flows and forecasts to ensure that the Company maintains sufficient liquidity to meet the operation needs.

The following table shows the maturity analysis of the Company's financial liabilities based on contractually agreed undiscounted cash flows (except lease liabilities refer note 49) at the balance sheet date:

(₹ in million)				
	Carrying amount	Less than 12 months	More than 12 months	Total
As at December 31, 2024				
Financial liabilities				
Lease liabilities	424.2	98.5	325.7	424.2
Trade payables	11,187.3	11,187.3	-	11,187.3
Security deposits from customers / suppliers	21.5	-	21.5	21.5
Employee liabilities	681.2	562.6	118.6	681.2
Creditors for capital goods	1,267.0	1,267.0	-	1,267.0
Accrued expense	117.9	117.9	-	117.9
Unclaimed dividends	14.3	14.3	-	14.3
Other payables	8.6	8.6	-	8.6
As at December 31, 2023				
Financial liabilities				
Lease liabilities	511.0	104.5	406.5	511.0
Trade payables	10,514.6	10,514.6	-	10,514.6
Security deposits from customers / suppliers	22.8	-	22.8	22.8
Employee liabilities	656.4	570.4	86.0	656.4
Creditors for capital goods	1,353.8	1,353.8	-	1,353.8
Accrued expense	175.2	175.2	-	175.2
Unclaimed dividends	11.4	11.4	-	11.4
Other payables	9.2	9.2	-	9.2

C) Credit Risk

Credit risk is the unexpected loss in financial instruments if the counter parties fails to discharge it's contractual obligations in entirety and timely. The Company is exposed to credit risks arising from it's operating and financing activities such as trade receivables, loans and advances and other financial instruments. The carrying amounts of financial assets represent the maximum credit exposure.

Notes to the Standalone Financial Statements

for the year ended December 31, 2024

Trade receivables

Credit risk on trade receivables is limited due to the Company's diversified customer base which includes public sector enterprises and reputed private corporates. For trade receivables, the Company computes expected credit loss allowance based on provision matrix which is prepared considering customer's industry segment and historically observed overdue rate over expected life of trade receivables ranging from 0.04% to 0.78%, except for few customer where specific provisions is being created. The expected credit loss allowance is considered as a percentage of net receivable position.

	2024		2023	
	Less than 6 months	More than 6 months	Less than 6 months	More than 6 months
Gross carrying amount	12,584.6	174.2	10,416.1	96.2
Allowance for expected credit loss	(16.6)	(4.0)	(15.9)	(4.1)
Carrying amount of trade receivables (net)	12,568.0	170.2	10,400.2	92.1

Reconciliation of expected credit loss allowance is as follows:

	(₹ in million)
As at January 1, 2024	20.0
Movement in expected credit loss allowance	0.6
As at December 31, 2024	20.6

Financial assets other than trade receivables

Credit risk on cash and cash equivalents, bank balances other than cash and cash equivalents is limited as the Company generally invest in deposits with banks which have high credit rating assigned by external agencies. Credit risk on loans given to subsidiaries are assessed for credit risk based on the underlying valuation of the entity and their ability to repay within the contractual repayment terms. Based on the Company's historical experience, the credit risk on other financial assets is low.

41. Capital management

For the purpose of Company's capital management, capital includes equity share capital and all other reserves attributable to equity shareholders. The Company has a long-term strategy of pursuing profitable growth. Capital is managed proactively to secure the existence of the Company as a going concern in the long-term and create financial flexibility for profitable growth in order to add value to the Company. A further aim of the capital management is to ensure long-term availability of liquidity, maintain strong credit ratings and ensure optimal capital structure in order to support business through continuing growth and maximising shareholders value. The Company funds its operations through internal accruals and the Management along with the Board of Directors regularly monitor the returns on capital as well as dividend levels to shareholders.

42. Employee benefits: Post employment benefit plans

Defined contribution plans

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident Fund and Superannuation Fund which are defined contribution plans. The Company has no obligations other than to make the specified contributions. The contributions are charged to the Statement of Profit and Loss as they accrue. The amount recognised as an expense towards contribution to Provident Fund for the year aggregated to ₹ 237.0 million (2023: ₹ 206.1 million) and contribution to superannuation fund for the year aggregated to ₹ 33.3 million (2023: ₹ 33.4 million).

Defined benefit plans

The Company has defined benefit plans that provide gratuity benefit. The gratuity plan entitles an employee, who has rendered at least five years of continuous service, to receive one-half month's salary for each year of completed service at the time of retirement/exit. The Scheme is funded by the plan assets.

Notes to the Standalone Financial Statements

for the year ended December 31, 2024

The following table summarises the position of assets and obligations

	(₹ in million)	
	Gratuity	
	2024	2023
Present value of funded obligations	1,033.5	931.6
Fair value of plan assets	911.1	830.6
Liability recognised in balance sheet	122.4	101.0

Classification into current / non-current

The (asset) / liability in respect of each of the plans comprises of the following non-current and current portions:

	(₹ in million)	
	Gratuity	
	2024	2023
Non-current liability	-	-
Current liability	122.4	101.0
Total	122.4	101.0

Movement in present values of defined benefit obligations:

	(₹ in million)	
	Gratuity	
	2024	2023
Defined benefit obligation at January ¹	931.6	824.1
Service cost	67.1	62.3
Interest cost	60.5	54.6
Actuarial (gains)/ losses recognised in Other Comprehensive Income due to:		
Change in assumptions	64.2	62.8
Demographic assumptions	-	-
Experience changes	-	0.1
Benefits paid / Employees contribution	(89.9)	(72.3)
Liabilities assumed / (settled)	-	-
Defined benefit obligation at December 31	1,033.5	931.6

Movement in fair value of plan assets:

	(₹ in million)	
	Gratuity	
	2024	2023
Fair value of plan assets at January ¹	830.6	775.6
Return on plan assets recognised in other comprehensive income	11.3	3.6
Interest on plan assets	55.1	52.9
Contributions by employer	104.0	70.9
Benefits paid / Employees contribution	(89.9)	(72.4)
Fair value of plan assets at December 31	911.1	830.6

Expense recognized in the Statement of Profit and Loss:

	(₹ in million)	
	Gratuity	
	2024	2023
Current service cost	67.1	62.3
Interest on net defined benefit liability / (asset)	5.4	1.7
Total included in Employee benefits expense	72.5	64.0

Remeasurements recognised in other comprehensive income

	(₹ in million)	
	Gratuity	
	2024	2023
Actuarial (gain)/ loss on defined benefit obligation	64.2	62.9
Return on plan assets excluding interest income	(11.3)	(3.6)
Currency effects - OCI from DBO	-	-
	52.9	59.3

Principal actuarial assumptions at the balance sheet date

	(₹ in million)	
	Gratuity	
	2024	2023
Discount rate per annum as at December 31	6.8%	7.2%
Expected return per annum on plan assets as at December 31	8.0%	7.3%
Future salary increment	6.5%	6.5%
Retirement age	58 Years	58 Years
Mortality	Indian Assured Lives Mortality (2012-14) Ult table	Indian Assured Lives Mortality (2012-14) Ult table
Attrition rate	6%- 13%	6%- 13%

Notes to the Standalone Financial Statements

for the year ended December 31, 2024

At December 31, 2024, the weighted-average duration of the defined benefit obligation was 6.83 years (December 31, 2023: 6.42 years).

Note: The estimates of future salary increases, considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors.

Sensitivity Analysis

The following table summarises the impact in percentage terms on the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 100 basis points:

Holding Company	2024		2023	
	Increase	Decrease	Increase	Decrease
Discount rate (100 bps movement on DBO)	(6.41%)	7.29%	(6.04%)	6.85%
Salary escalation rate (100 bps movement pn DBO)	7.24%	(6.49%)	6.84%	(6.14%)

These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analyses.

The major categories of plan assets are as follows

	2024		
	Quoted	Unquoted	Total
Insurer managed funds (Life Insurance Corporation)	-	909.7	909.7
Others	-	1.4	1.4

Maturity profile of defined benefit obligations:

Year	(₹ in million)	
	2024	2023
Year 1	216.1	181.5
Year 2	125.0	148.8
Year 3	95.8	104.1
Year 4	100.8	81.2
Year 5	79.9	85.6
Year 6	83.6	67.1
Year 7	65.6	70.6
Year 8	65.8	56.7
Year 9	70.1	58.2
Year 10 and above	934.8	831.8

Characteristics of defined benefit plans and risks associated with them:

Valuations of defined benefit plan are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary over time. Thus, the Company is exposed to various risks in providing the above benefit plans which are as follows:

- Interest Rate risk:** The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (i.e. value of defined benefit obligation).
- Salary Escalation Risk:** The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

Notes to the Standalone Financial Statements

for the year ended December 31, 2024

- (iii) Demographic Risk: The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.
- (iv) Investment Risk : The Company has funded with well established Govt. of India undertaking & other IRDA approved agency and therefore, there is no material investment risk.

43. Financial instruments

A. Accounting classifications

The following tables shows the carrying amount / fair values of financial assets and financial liabilities:

Financial instruments category	(₹ in million)	
	Carrying value / Fair value	
	2024	2023
Financial Assets		
a) Measurement at amortised cost:		
Trade receivables	12,738.2	10,492.3
Investments	1,424.0	1,424.0
Cash and cash equivalents	4,634.0	690.9
Bank balances other than cash and cash equivalents	8,860.9	15,159.5
Loans	700.0	169.5
Security deposits	166.8	142.0
Other financial assets	566.0	414.1
Total Financial Assets	29,089.9	28,492.3
Financial Liabilities		
a) Measurement at amortised cost:		
Trade payables	11,187.3	10,514.6
Other financial liabilities	2,110.5	2,228.8
Lease liabilities	424.2	511.0
Total Financial Liabilities	13,722.0	13,254.4

The carrying amounts of all financial instruments (except derivative instruments which are measured at fair value through Other Comprehensive Income and long-term loans) are not materially different from their fair values, since these are of short-term nature.

B. Fair value hierarchy

The following table provides quantitative disclosures of fair value measurement hierarchy of financial instruments as referred above:

December 31, 2024

	(₹ in million)			
	Level 1	Level 2	Level 3	2024
Financial Assets				
Trade receivables	-	-	12,738.2	12,738.2
Investments	-	-	1,424.0	1,424.0
Cash and cash equivalents	-	-	4,634.0	4,634.0
Bank balances other than cash and cash equivalents	-	-	8,860.9	8,860.9
Loans	-	-	700.0	700.0
Security deposits	-	-	166.8	166.8
Other financial assets	-	-	566.0	566.0
Total	-	-	29,089.9	29,089.9

	(₹ in million)			
	Level 1	Level 2	Level 3	2024
Financial Liabilities				
Trade payables	-	-	11,187.3	11,187.3
Other financial liabilities	-	-	2,110.5	2,110.5
Lease liabilities	-	-	424.2	424.2
Total	-	-	13,722.0	13,722.0

December 31, 2023

	(₹ in million)			
	Level 1	Level 2	Level 3	2023
Financial Assets				
Trade receivables	-	-	10,492.3	10,492.3
Investments	-	-	1,424.0	1,424.0
Cash and cash equivalents	-	-	690.9	690.9
Bank balances other than cash and cash equivalents	-	-	15,159.5	15,159.5
Loans	-	-	169.5	169.5
Security deposits	-	-	142.0	142.0
Other financial assets	-	-	414.1	414.1
Total	-	-	28,492.3	28,492.3

Notes to the Standalone Financial Statements

for the year ended December 31, 2024

	(₹ in million)			
	Level 1	Level 2	Level 3	2023
Financial Liabilities				
Trade payables	-	-	10,514.6	10,514.6
Other financial liabilities	-	-	2,228.8	2,228.8
Lease liabilities	-	-	511.0	511.0
Total	-	-	13,254.4	13,254.4

Valuation techniques and significant unobservable inputs

Specific valuation techniques used in measuring Level 2 and Level 3 fair values for financial instruments include:

- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date
- All financial assets and liabilities referred in Level 3 are measured at amortised cost, their carrying amount are reasonable approximation of their fair value.

44. Segment reporting

(i) Information about business segments:

As per 'Ind AS 108 - Operating Segments', the Company has reported segment information under two segments i.e 1) Mobility components and related solutions and 2) Others.

	(₹ in million)	
Particulars	2024	2023
(A) Segment Revenue (Net revenue / income)		
Mobility components and related solutions¹		
Automotive Technologies	27,333.2	24,497.9
Vehicle Lifetime Solutions	7,016.7	6,812.7
Bearings & Industrial Solutions	20,092.7	18,839.3
Intercompany Exports & Others ²	6,940.9	6,718.4
Sub total (a)	61,383.5	56,868.3
Others		
Automotive Technologies	-	-
Vehicle Lifetime Solutions	-	-
Bearings & Industrial Solutions	15,524.4	12,371.1
Intercompany Exports & Others ²	3,855.0	3,021.9
Sub total (b)	19,379.4	15,393.0

	(₹ in million)	
Particulars	2024	2023
(c) Total Revenue		
Automotive Technologies	27,333.2	24,497.9
Vehicle Lifetime Solutions	7,016.7	6,812.7
Bearings & Industrial Solutions	35,617.1	31,210.4
Intercompany Exports & Others ²	10,795.9	9,740.3
Revenue from operations (a + b)	80,762.9	72,261.3
(B) Segment Results (Profit before unallocable income, finance costs, exceptional items and tax)		
Mobility components and related solutions	8,281.7	7,997.0
Others	3,708.8	3,079.7
Total profit before unallocable income, finance costs, exceptional items and tax	11,990.5	11,076.7
Less : Finance cost	35.1	41.7
Add : Unallocable Income	1,219.3	1,248.9
Add : Exceptional items (refer Note 51)	-	(47.0)
Profit before tax	13,174.7	12,236.9
(C) Segment assets		
Mobility components and related solutions ³	46,242.9	38,832.2
Others	6,625.2	5,097.5
Unallocated	16,113.1	18,760.2
Total assets	68,981.2	62,689.9
(D) Segment liabilities		
Mobility components and related solutions	10,390.8	10,375.2
Others	2,724.2	2,290.4
Unallocated	2,033.2	1,870.7
Total liabilities	15,148.2	14,536.3
(E) Net capital employed	53,833.0	48,153.6

¹As a result of the CODM's review mechanism, segment "Mobility components and related solutions" has been reorganized as below;

- Sub-segment "Vehicle Lifetime Solutions" is just renaming of erstwhile sub-segment "Automotive Aftermarket"
- Sub-segment "Bearings & Industrial Solutions" is combination of erstwhile sub-segment "Industrial" and reclassification of "Bearings business division from "Automotive Technologies"
- Sub-segment "Intercompany Exports & Others" is just renaming of erstwhile sub-segment "Export & Others"

²Intercompany Export & Others mainly includes exports to group companies, scrap sales and other operating income

³Property, plant and equipment (PPE) of the Company is predominantly used for 'Mobility components and related solutions' and hence has been disclosed as a segment asset under that reportable segment.

Notes to the Standalone Financial Statements

for the year ended December 31, 2024

(ii) Secondary segment information

The geographical information analyses the Company's revenues and non-current assets by the Company's country of domicile (i.e. India) and outside India. In presenting the geographical information, segment revenue has been based on geographical location of customers and segment assets which have been based on the geographical location of the assets.

(a) Revenues

	(₹ in million)	
	2024	2023
India	70,196.0	62,684.1
Outside India	10,566.9	9,577.2
Total	80,762.9	72,261.3

(b) Non-current assets¹

	(₹ in million)	
	2024	2023
India	24,181.6	19,590.4
Outside India	-	-
Total	24,181.6	19,590.4

¹Non-current assets exclude financial instruments, deferred tax assets, post employment benefit assets and rights arising under insurance contracts, if any.

(c) Customers accounted individually more than 10% of the revenue 2024 none (2023: none).

45. Research and development expenses under the respective heads aggregate to ₹ 1,070.4 million (2023 : ₹ 994.7 million) including of capital nature ₹ 67.6 million (2023 : ₹ 73.7 million).

	2024				2023			
	Maneja, Savli (Vadodara)	Talegoan (Pune)	Hosur	Total	Maneja, Savli (Vadodara)	Talegoan (Pune)	Hosur	Total
Revenue expenses on research and development included under various heads of expenditure	445.8	315.2	241.8	1002.8	367.1	335.3	218.6	921.0
Capital expenses on research and development capitalised along with other Fixed assets	43.8	17.0	6.8	67.6	66.8	1.4	5.5	73.7
Total	489.6	332.2	248.6	1070.4	433.9	336.7	224.1	994.7

46. The tax year for the Company being the year ending March 31, 2025, provision for taxation for the year ended December 31, 2024 is aggregate of provision made for three months ended March 31, 2024 and provision based on amounts for remaining nine months ended December 31, 2024, the ultimate tax liability of which will be determined on the basis of figures for the fiscal year April 1, 2024 to March 31, 2025.

The Company's international transactions with associated enterprises are at arm's length, as per the independent accountant's report for the year ended March 31, 2024. The Management believes that the Company's international transactions with associated enterprises post March 31, 2024 continue to be at arm's length and that transfer pricing legislations will not have any impact on the Ind AS financial statements, particularly on the amount of tax expenses for the year and the amount of provision for taxation at the year end.

In the year 2019 the Company elected to exercise the option permitted under section 115BAA of the Income-tax Act 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 with effect from April 1, 2019. Accordingly, the Company has recognised provision for Income Tax and deferred tax expenses for the twelve months ended December 31, 2019 on the basis of estimated annual effective income tax rate.

Notes to the Standalone Financial Statements

for the year ended December 31, 2024

47. Amalgamation of INA Bearings India Private Limited and LuK India Private Limited with the Company

Scheme of Amalgamation of INA Bearings India Private Limited and LuK India Private Limited (jointly referred to as 'transferor companies') with Schaeffler India Limited, has been approved by the National Company Law Tribunal, Chennai and Mumbai Benches vide their orders dated June 13, 2018 and October 8, 2018 respectively.

48. Revenue (Ind AS 115)

The Company is manufacturing and distribution of bearings, engine systems and transmission components, chassis applications and clutch systems. All sales are made at a point in time and revenue recognised upon satisfaction of the performance obligations which is typically upon dispatch/ delivery.

A. Revenue recognised from Contract liabilities (Advances from Customers)

(₹ in million)		
Particulars	2024	2023
Closing Contract liabilities	71.9	47.6

The Contract liabilities outstanding at the beginning of the year has been recognised as revenue during the year ended December 31, 2024.

B. Reconciliation of revenue as per contract price and as recognised in statement of profit and loss

(₹ in million)		
Particulars	2024	2023
Revenue as per Contract price	80,499.9	71,594.4
Less: Incentives and rebates	830.1	637.0
Less: Discounts	235.3	181.7
Revenue as per statement of profit and loss	79,434.5	70,775.7

49. Leases

1. Practical expedients applied

- Applied discount rate based Incremental borrowing rate as per portfolio of leases of similar assets in similar economic environment with a similar period
- Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

- The Company's significant leasing/ licensing arrangements are mainly in respect of residential / office premises. Leases generally have a lease term ranging from 12 months to 120 months. Most of the leases are renewable by mutual consent on mutually agreeable terms.

3. Movement in Lease Liability:

(₹ in million)		
Particulars	2024	2023
At the commencement of the year	511.0	573.8
(Deletions)/Adjustments	11.0	8.6
Additions/(Deletions) during the year	15.0	21.0
Payments made during the year	(112.8)	(92.4)
Closing Balance	424.2	511.0

Amounts recognised in the Statement of Profit and Loss

The statement of profit and loss shows the following amounts relating to lease:

(₹ in million)		
Particulars	2024	2023
Depreciation charge on right-of-use assets	98.5	100.1
Interest expense (included in Finance cost)	26.0	29.6
Expense relating to short-term leases /leases of low-value assets (refer Note 33)	9.5	14.6
Total	134.0	144.3

4. Right-of-use assets by class of assets is as follows.

(₹ in million)									
Particulars	Gross Block				Amortisation				Net Block
	As at Jan 1, 2024	Additions	Deductions	As at Dec 31, 2024	As at Jan 1, 2024	For the Year	Deductions	As at Dec 31, 2024	As at Dec 31, 2024
Tangible Assets									
Leasehold land	540.6	15.5	15.5	540.6	9.2	4.4	2.2	11.4	529.2
Buildings	753.7	-	-	753.7	341.5	92.2	-	433.7	320.0
Vehicle	14.9	-	-	14.9	6.9	1.9	-	8.8	6.1
Total	1,309.2	15.5	15.5	1,309.2	357.6	98.5	2.2	453.9	855.3

Notes to the Standalone Financial Statements

for the year ended December 31, 2024

5. Finance costs includes interest expense amounting to ₹ 26.0 million (2023: ₹ 29.6 million) on lease liability accounted in accordance with Ind AS 116 “Leases”.

6. Rent expense in Note No. 33 Represents lease charges for short-term leases.

7. Lease liabilities

The table provides details regarding contractual liabilities of lease liabilities on an undiscounted basis.

(₹ in million)		
Particulars	2024	2023
Undiscounted future cash outflows		
Not later than 1 year	62.8	65.1
Later than 1 year and not later than 5 years	433.9	528.4
Later than 5 years	-	-

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

50. Ratio Analysis and its elements

(₹ in million)							
Ratio	Unit of Measurement	Numerator	Denominator	2024	2023	% change	Remark
Current ratio	Times	Current assets	Current liabilities	2.9	2.9	-1.9%	-
Debt-Equity ratio	Times	Debt consists of borrowings and lease liabilities	Total Equity	0.01	0.01	0.0%	-
Debt service coverage ratio	Percentage	Earnings for debt service ¹	Debt service ²	110.5	99.3	11.3%	-
Return on equity ratio	Percentage	Net Profits after taxes	Average total equity	19.2%	20.0%	-4.0%	-
Inventory turnover ratio	Times	Cost of goods sold	Average inventory	3.6	3.5	3.3%	-
Trade receivables turnover ratio	Times	Net credit sales	Average trade receivables	6.9	6.8	0.3%	-

(₹ in million)							
Ratio	Unit of Measurement	Numerator	Denominator	2024	2023	% change	Remark
Trade payables turnover ratio	Times	Net credit purchases ³	Average trade payables	5.7	5.1	12.7%	-
Net capital turnover ratio	Times	Net Sales	Working capital ⁴	2.9	2.6	9.9%	-
Net profit ratio	Percentage	Net Profit	Net Sales	12.3%	12.8%	-4.0%	-
Return on capital employed	Percentage	Earnings before interest and taxes	Capital employed ⁵	23.8%	24.6%	-3.1%	-
Return on investment	Percentage	Earnings before interest and taxes	Average total assets	18.7%	18.9%	-1.3%	-

¹Earnings for debt service includes net profit after taxes and non-cash operating expenses like depreciation, profit/ loss on sale of property, plant and equipment, etc.

²Debt service includes interest & lease payments.

³Net credit purchases means gross credit purchases after deducting purchase return. Gross credit purchases includes other expenses.

⁴Working capital is calculated by deducting current liabilities from current assets.

⁵Capital employed calculated based on total assets less current liabilities.

51. The Board of Directors of the Company on August 28, 2023 had approved acquisition of 100% shares 12,04,758 of ₹ 10/- each of KRSV Innovative Auto Solutions Private Limited (in the following “Koovers”) for a total purchase consideration of ₹ 1,424.0 million in 100% cash consideration. Schaeffler India Limited has completed the above acquisition by acquiring 100% shareholding of Koovers on September 8, 2023 in cash consideration. Consequently, Koover’s has become a subsidiary of the Company. The expenditure towards acquisition of Koovers mainly includes professional/consulting fees, stamp duties and other costs amounting to ₹ 47.0 million has been recognised as an exceptional items.

Koovers offers spare parts solution to Indian Automotive aftermarket workshops via B-to-B e-commerce platform. The acquisition is in line with Schaeffler India’s strategic initiatives for growth and provides a synergy potential. It will be a key enabler for the aftermarket ecosystem, including distribution partner and help to play an important role in the fast growing and evolving aftermarket digital landscape.

Notes to the Standalone Financial Statements

for the year ended December 31, 2024

52. Other Statutory Information

1. The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
2. The Company does not have any transactions with companies struck off.
3. The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
4. The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
5. The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
 - b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
6. The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
7. The Company does not have any such transaction which is not recorded in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
8. The Company has not been declared a wilful defaulter by any bank or financial institution or other lender (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

9. The Company has not entered into any scheme of arrangement which has an accounting impact on the current or previous financial year.
10. The Company has not revalued its property, plant and equipment or intangible asset during the year.
11. The Company has complied with the number of layers prescribed under the Companies Act, 2013.

53. Audit trail compliance

The Ministry of Corporate Affairs (MCA) has prescribed a new requirement for companies under the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014, inserted by the Companies (Accounts) Amendment Rules 2021, requiring companies which use accounting software for maintaining its books of account to use only such accounting software which has a feature of recording audit trail for each and every transaction, creating an edit log of each change made in the books of account, along with the date when such changes were made and ensuring that the audit trail cannot be disabled. The Company uses SAP as its ERP, which has an embedded feature of recording audit trail (edit log) facility and was operating effectively throughout the year, except at the database level. However, the Company has adequate mechanisms in form of security audit logging, review of change activities and access rights authorisation review for changes made by users with specific privilege access rights and direct changes if any made on database level.

54. Maintenance of books of account on server in India

As per the MCA notification dated August 05, 2022, the Central Government has notified the Companies (Accounts) Fourth Amendment Rules, 2022. As per the amended rules, the Companies are required to maintain back-up of the books of account and other relevant books and papers in electronic mode that should be accessible in India at all times. Also, the Companies are required to maintain such back-up of accounts on servers which are physically located in India, on a daily basis.

The books of account along with other relevant records and papers of the Company are currently maintained in electronic mode. These are readily accessible in India at all times and back-up is maintained on a daily basis on servers located outside India. In order to comply with the requirements of the above notification, the Company has created a backup of data for year 2024 as of December 31, 2024 and Company has since then started to take back up of the books of accounts on a server located in India from January 1, 2025 onwards, on a daily basis.

Notes to the Standalone Financial Statements

for the year ended December 31, 2024

55. Subsequent events

The Company evaluated all events or transactions that occurred after December 31, 2024 up through February 27, 2025, the date the standalone financial statements were approved for issue by the Board of Directors. Based on this evaluation, the Company is not aware of any events or transactions that would require recognition or disclosure in the standalone financial statements.

56. The figures for the previous year have been regrouped/reclassified wherever necessary, to make them comparable. The impact of such reclassification/ regrouping is not material to the financial statements.
57. The financial statement are approved for issued by the Board of Directors in their meeting held on February 27, 2025.

As per our report of even date attached

For Walker Chandiok & Co. LLP
Chartered Accountants
Firm's Registration No.: 001076N / N500013

For and on behalf of the Board of Directors

Khushroo B. Panthaky
Partner
Membership No.: 042423

Place: Mumbai
Date: February 27, 2025

E.V. Sumithasri
Chairperson
DIN: 07087197

Place: Bengaluru
Date: February 27, 2025

Harsha Kadam
Managing Director
DIN: 07736005

Hardevi Vazirani
Director-Finance & CFO
DIN: 10212814

Ashish Tiwari
VP - Legal & Company Secretary

Independent Auditor’s Report

To the Members of Schaeffler India Limited
Report on the Audit of the Consolidated Financial Statements

Opinion

1.

We have audited the accompanying consolidated financial statements of **Schaeffler India Limited** (“the Holding Company”) and its subsidiary, KRSV Innovative Auto Solutions Private Limited (the Holding Company and its subsidiary together referred to as ‘the Group’), which comprise the Consolidated Balance Sheet as at **31 December 2024**, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a material accounting policy information and other explanatory information.
2.

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditor on separate financial statement and on the other financial information of the subsidiary, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards (“Ind AS”) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India of the consolidated state of affairs of the Group, as at 31 December 2024, and their consolidated profit (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Opinion

3.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (“ICAI”) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained together with the audit evidence obtained by the other auditor in terms of their report referred to in paragraph 14 of the Other Matter section below, is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

4.

Key audit matters are those matters that, in our professional judgement and based on the consideration of the report of the other auditor on separate financial statement of the subsidiary, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Revenue Recognition (refer note 23 and 46 of the accompanying consolidated financial statements) The Group’s revenue principally comprises sale of goods. Revenue from the sale of goods is recognised at point in time when the control of the goods is transferred to the customers, which is on dispatch/delivery in accordance with the terms of sales contracts. We have identified the recognition of revenue as a key audit matter since the Group has various customers with different terms of trade which increase the risk of error in the timing of revenue recognition. Revenue is determined to be an area involving significant risk in line with the requirements on Standards of Auditing and hence requiring significant auditor attention. The Group and its external stakeholders focus on revenue as a key performance indicator and therefore there could be a risk of material misstatement in so far as revenue recognition is concerned. Considering the aforesaid significance to our audit and the external stakeholders, revenue recognition has been considered as a key audit matter for the current year’s audit.	Our key audit procedures around revenue recognition included, and not limited to, the following: - Obtained an understanding of and assessed the design, implementation and operating effectiveness of management’s key internal financial controls in relation to revenue recognition; - Assessed the appropriateness of the revenue recognition accounting policies of the Group including those relating to variable consideration, by evaluating compliance with the applicable accounting standards; - Selected samples of revenue transactions during the year and inspected underlying customer contracts and shipping documents to identify the terms and conditions relating to the transfer of control of the products sold and assessed the Group’s timing of revenue recognition; - Performed analytical review procedures on revenue recognized during the year to identify any unusual and/or material variances; - Tested selected samples of revenue transactions recorded before and after the financial year end date to determine whether the revenue has been recognised in the appropriate financial period. Evaluated the appropriateness and adequacy of disclosures in the financial statements in respect of revenue recognition with the applicable standards

Independent Auditor's Report on the Audit of the Consolidated Financial Statements

Key audit matter	How our audit addressed the key audit matter
Revenue Recognition (refer note 36 of the accompanying consolidated financial statements) The Group has entered into several transactions with related parties during the year ended 31 December 2024 and has outstanding balances as the year-end. The Group's related party transactions comprises purchase and sale of goods, purchase of tangible assets, payments for royalty, information technology services and other services, guarantee commission and reimbursements. Each related party operates under different jurisdiction and applies its own pricing model to be compliant with the respective legal and tax (transfer pricing) framework of the respective jurisdiction. We have identified transactions with related parties as a key audit matter due to quantum of transactions, completeness of the disclosures made in the financial statements, compliance with various tax requirements and judgements involved to ensure arm's length pricing, compliance with statutory regulations governing related party transactions such as Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 ('the SEBI listing regulations').	Our key audit procedures around Related party transactions included, and not limited to, the following: - Obtained an understanding and assessed the design, implementation and operating effectiveness of management's key internal financial controls in relation to identification and disclosure of related party transactions and arm's length assessment. - Assessed the compliance with the SEBI listing regulations and the regulations under the Companies Act, 2013, including authorisation and approvals as specified in sections 177 and 188 of the Companies Act, 2013 with respect to the related party transactions, as applicable. - Evaluated the compliance with Indian Transfer Pricing Regulations with respect to arm's length based on the transfer pricing documentation prepared by the Group. This also involved obtaining views from the auditor's internal tax experts regarding the arm's length pricing. - On a sample basis, inspected relevant ledgers, agreements and other information that may indicate the existence of related party relationships or transactions. We also assessed the completeness of related parties with reference to the various statutory registers and declarations maintained by the Group's management. Evaluated the adequacy and appropriateness of the disclosures on related party transactions in the financial statements with the requirements of the applicable accounting standard.

Information other than the Consolidated Financial Statements and Auditor's Report thereon

- The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

- The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting

Independent Auditor's Report on the Audit of the Consolidated Financial Statements

policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

7. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
8. Those respective Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

9. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.
10. As part of an audit in accordance with Standards on Auditing specified under section 143(10) of the Act we exercise professional judgement and maintain professional scepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that

is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and
- Obtain sufficient appropriate audit evidence regarding the financial statements of the entities or business activities within the Group, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the financial statements, of which we are the independent auditors. For the other entities included in the financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Independent Auditor's Report on the Audit of the Consolidated Financial Statements

11. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
12. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
13. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

14. We did not audit the financial statement of one (1) subsidiary, whose financial statement reflect total assets of ₹ 684.4 as at 31 December 2024, total revenues of ₹ 1,580.6 and net cash outflows amounting to ₹ 0.8 for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose report have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary, and our report in terms of sub-section (3) of section 143 of the Act in so far as it relates to the aforesaid subsidiary, are based solely on the reports of the other auditor.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

15. As required by section 197(16) of the Act based on our audit and on the consideration of the report of the other auditor, referred to in paragraph 14, on separate financial statements of the subsidiary, we report that the Holding Company and its subsidiary company incorporated in India whose financial statements have been audited under the Act have paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act. Further, we report that the provisions of section 197 read with Schedule V to the Act are not applicable to the subsidiary company, as it is not a public company as defined under section 2(71) of the Act.
16. As required by clause (xxi) of paragraph 3 of Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act based on the consideration of the Order reports issued by us and by the respective other auditor as mentioned in paragraph 14 above, of companies included in the consolidated financial statements and covered under the Act we report that there are no qualifications or adverse remarks reported in the respective Order reports of such companies.
17. As required by section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditor on separate financial statements and other financial information of the subsidiary incorporated in India whose financial statements have been audited under the Act, we report, to the extent applicable, that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditor except for the matters stated in paragraph 17(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended). Further, the back-up of the books of accounts and other books and papers maintained in electronic mode has not been maintained on servers physically located in India, on a daily basis. Although, the Company has created a backup of data for the entire year ended 31 December 2024 as of such date;

Independent Auditor's Report on the Audit of the Consolidated Financial Statements

- c) The consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
- d) In our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015;
- e) On the basis of the written representations received from the directors of the Holding Company, and taken on record by the Board of Directors of the Holding Company, and the report of the statutory auditor of its subsidiary, covered under the Act, none of the directors of the Group companies, are disqualified as on 31 December 2024 from being appointed as a director in terms of section 164(2) of the Act;
- f) The qualification relating to the maintenance of accounts and other matters connected therewith with respect to the consolidated financial statements are as stated in paragraph 17(b) above on reporting under section 143(3)(b) of the Act and paragraph 17(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);
- g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, and its subsidiary company covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure A' wherein we have expressed an unmodified opinion; and
- h) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditor on separate financial statement and other financial information of the subsidiary incorporated in India whose financial statements have been audited under the Act:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, as detailed in Note 34 to the consolidated financial statements;
 - ii. The Holding Company and its subsidiary company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 December 2024;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary company during the year ended 31 December 2024;

There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary company covered under the Act, during the year ended 31 December 2024;
 - iv. a) The respective managements of the Holding Company and its subsidiary company incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditor of such subsidiary respectively that, to the best of their knowledge and belief, as disclosed in note 50(5) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Holding Company or its subsidiary to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company, or any such subsidiary ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;
 - b) The respective managements of the Holding Company and its subsidiary incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditor of such subsidiary respectively that, to the best of their knowledge and belief, as disclosed in the note 50(6) to the accompanying consolidated financial statements, no funds have been received by the Holding Company or its subsidiary from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company, or any such subsidiary shall, whether directly or indirectly, lend or

Independent Auditor's Report on the Audit of the Consolidated Financial Statements

invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

- c) Based on such audit procedures performed by us and that performed by the auditor of the subsidiary, as considered reasonable and appropriate in the circumstances, nothing has come to our or other auditor notice that has caused us or the other auditor to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
- v. a) The final dividend paid by the Holding Company during the year ended 31 December 2024 in respect of such dividend declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend and
- b) As stated in note 15 to the accompanying consolidated financial statements, the Board of Directors of the Holding Company have proposed final dividend for the year ended 31 December 2024 which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

- vi. As stated in note 51 to the consolidated financial statement and based on our examination, which included enquiries and relevant procedures performed by us on the Holding Company and by the statutory auditor of the subsidiary company on a test check basis, the Holding Company and its subsidiary which are companies incorporated in India and audited under the Act, in respect of financial years commencing on 1 January 2024, have used accounting software for maintaining their books of account, which has a feature of recording audit trail (edit log) facility, and the same is operating throughout the year for all relevant transactions recorded in the software, except at the database level in the case of the Holding Company. In the case of the subsidiary company, the accounting software has a feature of recording audit trail (edit log) facility effective March 2024. Further, during the course of the audit, we and the statutory auditor of the subsidiary company did not come across any instance of audit trail feature being tampered with in respect of the accounting software where such feature is enabled.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Khushroo B. Panthaky
Partner
Membership No.: 042423
UDIN: 25042423BMNQY03912

Place: Mumbai
Date: 27 February 2025

Independent Auditor's Report on the Audit of the Consolidated Financial Statements

Annexure A

Independent Auditor's Report on the internal financial controls with reference to consolidated financial statements under Clause (i) of Sub-section 3 of section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the consolidated financial statements of Schaeffler India Limited ('the Holding Company') and its subsidiary (the Holding Company and its subsidiary together referred to as 'the Group'), as at and for the year ended 31 December 2024, we have audited the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company, which are companies covered under the Act, as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The respective Board of Directors of the Holding Company and its subsidiary company, which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Consolidated Financial Statements

3. Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference

to financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained, and the audit evidence obtained by the other auditor in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company as aforesaid.

Meaning of Internal Financial Controls with Reference to Consolidated Financial Statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Independent Auditor's Report on the Audit of the Consolidated Financial Statements

Inherent Limitations of Internal Financial Controls with Reference to Consolidated Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion and based on the consideration of the report of the other auditor on internal financial controls with reference to financial statements of the subsidiary company, the Holding Company and its subsidiary company, which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 December 2024, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matter

9. We did not audit the internal financial controls with reference to financial statements insofar as it relates to one (1) subsidiary company, which are companies covered under the Act, whose financial statements reflect total assets of ₹ 684.4 million and net assets of ₹ (360.2) million as at 31 December 2024, total revenues of ₹ 1,580.6 million and net cash outflows amounting to ₹ 0.8 million for the year ended on that date, as considered in the consolidated financial statements. The internal financial controls with reference to financial statements in so far as it relates to such subsidiary company have been audited by other auditor whose report have been furnished to us by the management and our report on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements for the Holding Company and its subsidiary company, as aforesaid, under section 143(3)(i) of the Act in so far as it relates to such subsidiary company is based solely on the report of the auditor of such company.

Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the report of the other auditor.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Khushroo B. Panthaky
Partner
Membership No.: 042423
UDIN: 25042423BMNQY03912

Place: Mumbai
Date: 27 February 2025

Consolidated Balance Sheet

as at December 31, 2024

		(₹ in million)	
	Notes	2024	2023
A. ASSETS			
1 Non-current assets			
a) Property, plant and equipment	3.1	17,203.7	11,851.2
b) Right of use assets	3.2	978.8	951.6
c) Capital work-in-progress	3.3	4,491.1	4,907.7
d) Goodwill		822.3	822.3
e) Intangible assets	3.4	690.4	786.8
f) Financial assets			
(i) Security deposits	4	187.5	150.3
(ii) Other financial assets	4	5.3	5.0
g) Deferred tax assets (net)	5	211.5	249.2
h) Non-current tax assets (net)	6	670.0	779.1
i) Other non-current assets	7	1,031.5	1,100.3
Total non-current assets		26,292.1	21,603.5
2 Current assets			
a) Inventories	8	14,696.2	13,156.1
b) Financial assets			
(i) Trade receivables	9	12,929.2	10,555.9
(ii) Cash and cash equivalents	10	4,639.4	697.1
(iii) Bank balances other than (ii) above	11	8,860.9	15,159.5
(iv) Other financial assets	12	561.0	410.1
c) Other current assets	13	850.4	1,082.9
Total current assets		42,537.1	41,061.6
TOTAL ASSETS		68,829.2	62,665.1

As per our report of even date attached

For Walker Chandiok & Co. LLP

Chartered Accountants

Firm's Registration No.: 001076N / N500013

Khushroo B. Panthaky

Partner

Membership No.: 042423

Place: Mumbai

Date: February 27, 2025

For and on behalf of the Board of Directors

E.V. Sumithasri

Chairperson

DIN: 07087197

Place: Bengaluru

Date: February 27, 2025

Harsha Kadam

Managing Director

DIN: 07736005

Hardevi Vazirani

Director-Finance & CFO

DIN: 10212814

Ashish Tiwari

VP - Legal & Company Secretary

		(₹ in million)	
	Notes	2024	2023
B. EQUITY AND LIABILITIES			
1 Equity			
a) Equity share capital	14	312.6	312.6
b) Other equity	15	53,031.7	47,740.9
Total Equity		53,344.3	48,053.5
Liabilities			
2 Non-current liabilities			
a) Financial liabilities			
(i) Lease liabilities	16 (a)	434.3	406.5
(ii) Other financial liabilities	17	143.7	108.8
b) Provisions	18	26.5	44.8
Total non-current liabilities		604.5	560.1
3 Current liabilities			
a) Financial liabilities			
(i) Lease liabilities	16 (b)	121.0	104.5
(ii) Trade payables	19		
a) Total outstanding dues of micro enterprises and small enterprises		778.6	1,526.3
b) Total outstanding dues of creditors other than micro enterprises and small enterprises		10,502.2	9,025.1
(iii) Other financial liabilities	20	1,993.4	2,130.6
b) Other current liabilities	21	455.2	440.5
c) Provisions	22	790.6	685.7
d) Current tax liabilities (net)		239.4	138.8
Total current liabilities		14,880.4	14,051.5
Total Liabilities		15,484.9	14,611.6
TOTAL EQUITY AND LIABILITIES		68,829.2	62,665.1
Material accounting policies	2		
Notes to the consolidated financial statements	3 - 55		

The notes referred to above form an integral part of the consolidated financial statements.

Consolidated Statement of Profit and Loss

for the year ended December 31, 2024

		(₹ in million)	
	Notes	2024	2023
Income			
Revenue from operations	23	82,323.8	72,509.1
Other income	24	1,183.0	1,245.5
Total income (I)		83,506.8	73,754.6
Expenses			
Cost of materials consumed	25	32,888.1	30,834.7
Purchases of stock-in-trade	26	20,245.6	14,942.5
Changes in inventories of finished goods, stock-in-trade and work-in-progress	27	(1,564.4)	(749.0)
Employee benefits expense	28	5,421.8	4,619.4
Finance costs	29	43.6	42.7
Depreciation and amortisation expense	30	2,815.5	2,230.1
Other expenses	31	10,879.1	9,649.5
Total expenses (II)		70,729.3	61,569.9
Profit before exceptional items and tax (I - II)		12,777.5	12,184.7
Exceptional items (refer Note 49)		-	(47.0)
Profit before tax		12,777.5	12,137.7

		(₹ in million)	
	Notes	2024	2023
Tax expense	32		
Current tax		3,312.5	3,172.9
Deferred tax charge / (credit)		49.0	(51.5)
Tax in respect of prior years		27.4	26.1
Profit for the year		9,388.6	8,990.2
Other Comprehensive Income (A)			
Items that will not be reclassified subsequently to profit or loss:			
loss on remeasurement of post employment benefits obligation		(52.9)	(59.3)
Income tax relating to these items		12.8	14.9
Total other comprehensive income for the year (net of tax) (B)		(40.1)	(44.4)
Total comprehensive income for the year (A+B)		9,348.5	8,945.8
Earnings per equity share [Nominal value of share ₹ 2 each]	33		
Basic (in ₹)		60.1	57.5
Diluted (in ₹)		60.1	57.5
Material accounting policies	2		
Notes to the consolidated financial statements	3 - 55		

The notes referred to above form an integral part of the consolidated financial statements.

As per our report of even date attached

For Walker Chandiok & Co. LLP

Chartered Accountants

Firm's Registration No.: 001076N / N500013

Khushroo B. Panthaky

Partner

Membership No.: 042423

Place: Mumbai

Date: February 27, 2025

For and on behalf of the Board of Directors

E.V. Sumithasri

Chairperson

DIN: 07087197

Place: Bengaluru

Date: February 27, 2025

Harsha Kadam

Managing Director

DIN: 07736005

Hardevi Vazirani

Director-Finance & CFO

DIN: 10212814

Ashish Tiwari

VP - Legal & Company Secretary

Consolidated Statement of Cash Flows

for the year ended December 31, 2024

	(₹ in million)	
	2024	2023
Cash flows from operating activities		
Profit before tax	12,777.5	12,137.7
Adjustments for:		
Depreciation and amortisation expense	2,815.5	2,230.1
Finance costs	43.6	42.7
Interest income	(890.6)	(988.9)
Profit on sale of assets (net)	(2.4)	(25.4)
Provisions no longer required written off / (written back)	0.5	(10.8)
Unrealised exchange loss/(gain) (net)	(0.6)	(14.8)
Bad debts written off	0.1	-
	1,966.1	1,232.9
Operating cash flow before changes in working capital	14,743.6	13,370.6
Changes in working capital		
(Increase) in inventories	(1,316.3)	(488.8)
(Increase) in trade and other receivables	(2,426.8)	(383.1)
Increase/(decrease) in trade and other payables	710.8	(530.5)
(decrease) in other liabilities and provisions	(171.1)	(151.0)
	(3,203.4)	(1,553.4)
Cash generated from operating activities	11,540.2	11,817.2
Income tax paid (net of refunds)	(3,141.5)	(2,972.6)
A Net cash generated from operating activities	8,398.7	8,844.6
Cash flows from investing activities		
Purchase of property, plant and equipment (tangible and intangible, capital work-in-progress, capital advance and capital creditors)	(7,440.2)	(5,201.0)
Proceeds from sale of property, plant and equipment	14.1	6.0
Payment of purchase consideration for business combination	-	(1,424.0)
Proceeds from / (Investment in) bank deposits (with original maturity of more than 3 months and remaining maturity of less than 12 months)	6,298.3	(245.1)
Interest received	882.1	914.0
B Net cash (used) in investing activities	(245.7)	(5,950.1)

As per our report of even date attached

For Walker Chandiok & Co. LLP

Chartered Accountants

Firm's Registration No.: 001076N / N500013

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Partner

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Place: Mumbai

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DIN: 10212814

Ashish Tiwari

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	(₹ in million)	
	2024	2023
Cash flows from financing activities		
Finance costs paid	(9.1)	(16.6)
Principal payment of lease liability	(103.2)	(62.8)
Interest on lease liabilities	(34.5)	(29.6)
Dividends paid on equity shares	(4,063.9)	(3,751.3)
C Net cash used in financing activities	(4,210.7)	(3,860.3)
Net increase / (decrease) in cash and cash equivalents (A + B + C)	3,942.3	(965.8)
Cash and cash equivalents at the beginning of year (see note 2 below)	697.1	1,660.4
Effect of Acquisition of "Koovers" (refer Note 49)	-	2.5
Cash and cash equivalents at the end of year (see note 2 below)	4,639.4	697.1
	3,942.3	(965.8)

Notes:

- The above consolidated cash flow statement has been prepared under the "Indirect Method" set out in 'Indian Accounting Standard (Ind AS) 7 - Statement of Cash Flow
- Cash and cash equivalents comprise of:

	2024	2023
Cash on Hand	0.3	0.1
With scheduled banks as at December 31:		
Current accounts	774.2	636.0
Deposit accounts (with original maturity of three months or less)	3,864.9	61.0
	4,639.4	697.1

Material accounting policies 2

Notes to the financial statements 3 - 55

The notes referred to above form an integral part of the consolidated financial statements.

Consolidated Statement of Changes in Equity

for the year ended December 31, 2024

(A) Equity Share Capital

	(₹ in million)
	Amount
As at January 1, 2023	312.6
Changes in equity share capital	-
As at December 31, 2023	312.6
Changes in equity share capital	-
As at December 31, 2024	312.6

(B) Other equity

	(₹ in million)				
	Reserves and surplus				Total
	Capital reserve	Securities premium	General reserve	Retained earnings	
As at January 1, 2023	617.8	600.0	4,218.4	37,110.2	42,546.4
Profit for the year	-	-	-	8,990.2	8,990.2
Other Comprehensive Income for the year	-	-	-	(44.4)	(44.4)
Total Comprehensive Income for the year	-	-	-	8,945.8	8,945.8
Dividends	-	-	-	(3,751.3)	(3,751.3)
As at December 31, 2023	617.8	600.0	4,218.4	42,304.7	47,740.9
Profit for the year	-	-	-	9,388.6	9,388.6

	(₹ in million)			
	Reserves and surplus			
	Capital reserve	Securities premium	General reserve	Retained earnings
Other Comprehensive Income for the year	-	-	-	(40.1)
Change of valuation (net of deferred tax liability ₹ 2.0 million)	-	-	-	6.2
Total Comprehensive Income for the year	-	-	-	9,354.7
Dividends	-	-	-	(4,063.9)
As at December 31, 2024	617.8	600.0	4,218.4	47,595.5

Nature and purpose of reserves:

- Capital reserve on account of Scheme of Amalgamation (refer Note 45).
- Securities premium is used to record premium received on issue of equity shares and it will be utilised in accordance with provisions of the Companies Act, 2013.
- General reserve is created out of profits earned by the Group by way of transfer from surplus in the Statement of Profit and Loss. The Group can use this reserve for payment of dividends and/or issue of fully paid-up shares.
- Retained earnings are the profits that the Group has earned till date, less any transfers to General reserve and payment of dividend. It is utilised in accordance with the provisions of the Companies Act, 2013.

Material accounting policies 2

Notes to the consolidated financial statement 3 - 55

The notes referred to above form an integral part of the consolidated financial statements.

As per our report of even date attached

For Walker Chandiok & Co. LLP

Chartered Accountants

Firm's Registration No.: 001076N / N500013

For and on behalf of the Board of Directors

Khushroo B. Panthaky

Partner

Membership No.: 042423

Place: Mumbai

Date: February 27, 2025

E.V. Sumithasri

Chairperson

DIN: 07087197

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Harsha Kadam

Managing Director

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Director-Finance & CFO

DIN: 10212814

Ashish Tiwari

VP - Legal & Company Secretary

Notes to the Consolidated Financial Statements

for the year ended December 31, 2024

1. Corporate information

Schaeffler India Limited ('the Company' or 'Holding Company' or 'the Parent Company') (CIN: L29130PN1962PLC204515) is domiciled and incorporated in India.

The Company along with its subsidiary, KRSV Innovative Auto Solutions Private Limited (collectively referred to as 'the Group') is engaged in the development, manufacturing and distribution of high-precision roller and ball bearings, engine systems and transmission components, chassis applications, clutch systems and related machine building manufacturing activities, through its subsidiary also offers spare parts solution to Indian Automotive aftermarket workshops via B-to-B e-commerce platform. The Company's manufacturing units are located in the State of Gujarat at Vadodara and Savli, in the State of Maharashtra at Talegoan (Pune) and in the State of Tamilnadu at Hosur.

The registered office of the Company is located at 15th Floor, ASTP (Amar Sadanand Tech Park), Baner, Pune - 411045. Maharashtra. The Company's shares are listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) in India.

2. Basis of preparation and material accounting policies

2.1 Basis of preparation of Consolidated Financial Statements (CFS)

- (i) The CFS have been prepared in accordance with Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under section 133 of the Companies Act, 2013 (the 'Act') and other relevant provisions of the Act.

The accounting policies adopted in the preparation of the CFS are consistent for all the periods presented.

The CFS are presented in Indian Rupees, which is the Group's functional currency and all values are rounded off to the nearest million with one decimal place, except when otherwise indicated.

- (ii) The CFS have been prepared on a historical cost convention basis, except for the following:

- certain financial assets and liabilities (including derivatives) that are measured at fair value;
- defined benefit plans - net defined benefit (asset) / liabilities – Fair value of plan assets less present value of defined benefit obligation.

2.2 Basis of consolidation

Subsidiaries:

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Holding Company controls an investee if and only if the Group has:

- (i) Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee),
- (ii) Exposure, or rights, to variable returns from its involvement with the investee, and
- (iii) The ability to use its power over the investee to affect its returns

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the years are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The consolidated financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent Company, i.e. year ended on December 31, 2024.

Consolidation procedure:

- i) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

Notes to the Consolidated Financial Statements

for the year ended December 31, 2024

- ii) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill/ reserve.
- iii) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group, profits or losses resulting from intragroup transactions that are recognised in assets (if any), such as inventory, are eliminated in full. Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12, Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Consolidated Statement of profit and loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- (i) Derecognises the assets (including goodwill) and liabilities of the subsidiary;
- (ii) Derecognises the carrying amount of any non-controlling interests;
- (iii) Derecognises the cumulative translation differences recorded in equity;
- (iv) Recognises the fair value of the consideration received;
- (v) Recognises the fair value of any investment retained;
- (vi) Recognises any surplus or deficit in profit and loss;
- (vii) Reclassifies the parent's share of components previously recognised in OCI to profit and loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

2.3 Current and non-current classification

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in Schedule III of the Act. Based on the nature of the products and time taken between acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its normal operating cycle as twelve months for the purpose of current or non-current classification of assets and liabilities.

Deferred tax assets and deferred tax liabilities are classified as non-current assets and non-current liabilities.

2.4 Material accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with Ind AS requires the Group's management to make estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities. Actual results could differ from those estimates.

Estimates and judgements are reviewed on an ongoing basis. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstance. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

The key assumptions concerning the future and other key sources of estimating uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

a) Impairment of assets

The evaluation of applicability of indicators of impairment of assets requires assessment of external factors (significant decline in asset's value, significant changes in the technological, market, economic or legal environment, market interest rates etc.) and internal factors (obsolescence or physical damage of an asset, poor economic performance of the asset etc.) which could result in significant change in recoverable amount of the assets.

Goodwill recognised on business combination are tested for impairment at least annually or when events occur or changes in circumstances indicate that

Notes to the Consolidated Financial Statements

for the year ended December 31, 2024

the recoverable amount of the asset to which these pertain is less than the carrying value. The recoverable amount of the asset is higher of value-in-use and fair value less cost of disposal. The calculation of value in use involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk adjusted discount rate, future economic and market conditions.

b) Determination of the estimated useful lives

The Group uses its technical expertise along with historical and industry trends for determining the economic life of an asset/component of an asset. The useful lives are reviewed by management periodically and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the remaining useful life of the assets.

c) Current and deferred taxes

Significant management judgement is required to determine the amount of current and deferred taxes that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

d) Employee benefits

Management's estimate of the Group's obligation is determined based on actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the Group's management considers the interest rates of Government bonds. Future salary increases and gratuity increases are based on expected future inflation rates for India.

Refer Note 40 for details of the key assumptions used in determining the accounting of these plans.

e) Provision for inventory obsolescence

The inventories are valued at lower of cost and net realisable value after providing for cost of obsolescence wherever considered necessary. Estimates of net realisable value are based on the most reliable evidence available at the time the estimates are made, of the amount the inventories are expected to realise. These estimates take into consideration fluctuations of price or cost directly relating to events occurring after the end of the period to the extent that such events confirm conditions existing at the end of the period.

f) Business combinations

Business combinations are accounted for using Ind AS 103. Ind AS 103 requires the identifiable intangible assets and contingent consideration to be fair valued in order to ascertain the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. Significant estimates are required to be made in determining the value of contingent consideration and intangible assets and their estimated useful life. These valuations are conducted by independent valuation experts.

2.5 Property, plant and equipment and intangible

Property, Plant and Equipment (PPE) are stated at cost of acquisition or construction (including directly attributable expenses thereto), net of impairment loss if any, less depreciation / amortisation. Cost includes financing costs of borrowed funds attributable to acquisition or construction of qualifying fixed assets, up to the date the assets are put to use.

If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

Capital work in progress is carried at cost, less any recognised impairment loss. Depreciation of these assets commences when the assets are substantially ready for their intended use. Advances given towards acquisition or construction of PPE outstanding at each reporting date are disclosed as Capital Advances under "Other non-current Assets".

An item of PPE is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of PPE is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

Notes to the Consolidated Financial Statements

for the year ended December 31, 2024

Cost of assets not ready for intended use, as on the reporting date, is shown under capital work-in-progress. Advances given towards acquisition of property, plant and equipment outstanding as at reporting date are disclosed as “other non-current assets”.

Intangible assets are initially recognised at cost.

Intangible assets with definite useful lives are amortised on a straight line basis so as to reflect the pattern in which the asset's economic benefits are consumed.

Expenditure pertaining to research is expensed out as and when incurred. Expenditure incurred on development is capitalized if such expenditure leads to creation of an asset, otherwise such expenditure is charged to the statement of profit and loss.

Depreciation / amortization

- (i) Leasehold land is amortised over the period of lease using straight-line method (SLM) and included in depreciation and amortization in statement of profit and loss statement.

Useful lives are reviewed by the Group's management at each reporting date and revised, if appropriate.

- (ii) The useful lives have been assessed based on technical advice, taking into account the nature of the PPE and the estimated usage of the asset on the basis of management's best estimation of obtaining economic benefits from those classes of assets. The estimated useful life is reviewed periodically, with the effect of any changes in estimate being accounted for on a prospective basis.

Such classes of assets and their estimated useful lives are as under:

No.	Nature	Estimated Useful Life
1	Buildings	25-30 Years
2	Plant and equipments	3-8 Years
3	Furniture & fixtures	5-10 Years
4	Office equipments	5 Years
5	Vehicles	5 Years
6	Software	3 Years

- (iii) Depreciation on additions / deletions to PPE during the year is provided on pro-rata basis with reference to the date of additions/deletions except low value of items costing INR 5,000 or less which are fully depreciated in the year when the assets are put to use.
- (iv) Depreciation on subsequent expenditure on PPE arising on account of capital improvement or other factors is provided for prospectively over the remaining useful life.
- (v) Intangible assets (software) are recorded at its acquisition price and amortized on the straight-line method over a period of three years.
- (vi) Intangible assets acquired in business combination, include brand, consumer contracts and relationship, technology platform, content review, patents, trademarks and non-compete which are amortised on a straight-line basis over their estimated useful life which is as follows:

No	Nature	Estimated Useful Life
1	Patents and trademarks	8.6 Years

2.6 Leases

Effective January 1, 2020, the Group has adopted Ind AS 116 Leases which introduces single accounting model and requires a lessee to recognize assets and liabilities for all leases subject to recognition exemptions. The Company adopted Ind AS 116 Leases using modified retrospective approach.

Group as a lessee

The Group's lease asset classes primarily consist of leases for land and buildings. The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and

Notes to the Consolidated Financial Statements

for the year ended December 31, 2024

adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. The useful life of Right-of-use assets varies from 2 to 10 years.

Lease liabilities

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset is classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

2.7 Impairment non-current financial assets

The carrying amounts of assets are reviewed at each reporting date to determine if there is any indication of impairment based on internal/external factors. Assessment of indication of impairment of an asset is made at the year end. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the Group measures its 'value in use' on the basis of estimated discounted cash flows of projections based on current prices. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

When an impairment loss subsequently reverses, the carrying amount of the asset or a cash-generating unit is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset earlier.

2.8 Inventories

Inventories comprise of all costs of purchase, conversion and other costs incurred in bringing the inventories to their present location and condition.

Raw materials are valued at the lower of cost and net realisable value. Cost is ascertained on a moving weighted average basis, except for goods in transit which is ascertained on a specific identification basis.

Work-in-progress, finished goods and traded goods are carried at the lower of cost and net realizable value. Cost is determined on a weighted average basis. In case of work-in-progress and manufactured finished goods, cost includes material, labour

Notes to the Consolidated Financial Statements

for the year ended December 31, 2024

and production overheads. Fixed production overheads are allocated on the basis of normal capacity of production facilities.

Net realisable value of work-in-progress and finished goods is determined with reference to the estimated selling price less estimated cost of completion and estimated costs necessary to make the sale of related finished goods as applicable.

Stores, spares and tools other than obsolete and slow-moving items are carried at cost.

2.9 Foreign currency transactions

Initial recognition

Foreign currency transactions are translated in the functional currency, by applying to the foreign currency amount, the exchange rate between functional currency and foreign currency prevailing at the date of transaction.

Conversion

Foreign currency monetary items as at reporting date are translated using the closing exchange rate on that date.

Exchange differences

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the year end exchange rates are recognised in the Statement of Profit and Loss in the year in which they arise, except exchange differences arising from the translation of qualifying cash flow hedge to the extent that the hedges are effective, which are recognized in Other Comprehensive Income (OCI).

2.10 Revenue recognition

Revenue from sale of goods is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods. The Group recognized revenue at a point-in-time. The point-in-time is determined when the control of the goods or services is transferred which is generally determined based on when the significant risks and rewards of ownership are transferred to the customer. Apart from this, the Group also considers its present right to payment, the legal title to

the goods, the physical possession and the customer acceptance in determining the point in time where control has been transferred. The Group assesses promises in the contract that are separate performance obligations to which a portion of transaction price is allocated.

In determining the transaction price, the Group considers below, if any:

Variable consideration

This includes discounts, incentives, volume rebates, etc. It is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved. It is reassessed at end of each reporting period.

Contract balances

Trade receivables: A receivable represents the Group's right to an amount of consideration that is unconditional i.e. only the passage of time is required before payment of consideration is due.

Contract assets: Contract assets recognised in accordance with Ind AS 115, effective from January 1, 2021, shall be amortise on systematic basis that is in consistence with the transfer to customer with goods or services to which assets relates.

Contract liabilities: A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. Contract liabilities are recognised as revenue when the Group performs under the contract.

Significant payment terms

Generally, the Group provides credit period ranging from 60 to 75 days.

Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the amortised cost and at the effective interest rate applicable.

Notes to the Consolidated Financial Statements

for the year ended December 31, 2024

2.11 Employee benefits

a) Short-term employee benefits

Employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits and are recognised in the period in which the employee renders the related service and comprises part of compensated absences paid on annual basis.

b) Post-employment benefits

Defined benefit plans

All employees are covered under Employees' Group Gratuity Scheme, which is a defined benefit plan. The Group contributes to a fund maintained with Life Insurance Company (LIC) on the basis of the year end liability determined based on actuarial valuation using the Projected Unit Cost Method. Remeasurements of the net defined benefit liability, which comprise actuarial gains/losses, return on plan assets (excluding interest) and the effect of asset ceiling (if any, excluding interest) are recognized in Other Comprehensive Income. Net interest expense and other expenses related to defined benefit plans are recognised in the Statement of Profit and Loss.

Defined contribution plans

All other employees are covered under contributory provident fund benefit of specific percentage contribution of basic salary. Certain employees are also covered by the Group managed superannuation fund. Both are defined contribution schemes and the contributions are charged to the Statement of Profit and Loss of the year, when the contributions to the respective funds are due. There are no obligations other than the contributions payable to the respective funds.

Long-term employee benefits

Provision for long-term employee benefits comprise of compensated absences. These are measured on the basis of year end actuarial valuation in line with the Group's rules for compensated absences. Remeasurement gains or losses are recognized in statement of profit and loss in the period in which they arise.

2.12 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

Financial assets are recognized initially at fair value. Transaction costs that are directly attributable to the acquisition of financial assets (other than financial assets not recorded at fair value through profit and loss) are added to the fair value of financial assets. Transaction costs directly attributable to the acquisition of financial assets at fair value through profit and loss are recognised immediately in Statement of Profit and Loss.

With the exception of trade receivables, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price as disclosed under Revenue recognition policy.

Subsequent measurement

For the purposes of subsequent measurement, financial assets are classified into below categories:

- Financial assets at amortized cost;
- Financial assets including derivatives at fair value through profit or loss (FVTPL)
- Financial assets at fair value through other comprehensive income (FVTOCI)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

(i) Financial assets at amortized cost

Financial assets are subsequently measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

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for the year ended December 31, 2024

- the financial asset is held within a business where the objective is to hold these assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the Effective Interest Rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade and other receivables, loans and other financial assets.

(ii) Financial assets including derivatives at fair value through profit or loss (FVTPL)

Financial assets are measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are immediately recognized in the Statement of Profit and Loss.

(iii) Financial assets at fair value through other comprehensive income (FVTOCI)

Financial assets are measured at fair value through Other Comprehensive Income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and contractual terms of the financial asset give rise to cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding. Derivative instruments included in FVTOCI category are measured initially as well as at each reporting date at fair value. Movement in fair value is recognized in OCI.

Derecognition

A financial asset is derecognized when the right to receive cash flows from the asset has expired or the Group has transferred its rights to receive cash flows from the

asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party and the Group has transferred substantially all risks and rewards of the asset or has transferred control of the asset to a third party. On derecognition of a financial asset in its entirety, the differences between the carrying amounts at the date of derecognition and the consideration received is recognized in the Statement of Profit and Loss.

Impairment of financial assets

The Group applies the expected credit loss (ECL) model for measurement and recognition of impairment losses on trade receivables or any other financial assets that result from transactions that are within the scope of “Ind AS 115 – Revenue from Contracts with Customers”. The Group follows the simplified approach for recognition of impairment loss allowance on receivables (net of advances). The application of the simplified approach does not require the Group to track changes in credit risk. As a practical expedient, the Group uses a provision matrix to determine impairment loss allowance on trade receivables. Impairment loss allowance (or reversal) during the period is recognized in the Statement of Profit and Loss. This amount is reflected under the head ‘Other expenses (or other income)’ in the Statement of Profit and Loss.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as measured at amortised cost or financial liabilities at fair value through profit or loss (FVTPL). A financial liability is classified as at FVTPL if it is classified as held for trading or is a derivative or it is designated as such on initial recognition. The Group’s financial liabilities include trade payables and other payables.

Equity instruments issued by the Group are classified as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

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Subsequent measurement

Financial liabilities, including derivatives, which are designated for measurement at FVTPL are subsequently measured at fair value. Other financial liabilities such as deposits are measured at amortised cost using Effective Interest Rate (EIR) method.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Derivative instruments

The Group uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to highly probable and forecast transactions. These forward contracts are stated at fair value at each reporting date. Changes in the fair value of these forward contracts that are designated and effective as hedges of future cash flows are recognised directly in cash flow hedge reserve under OCI, net of taxes and the ineffective portion is recognised immediately in the Statement of Profit and Loss. Amounts accumulated in cash flow hedge reserve are reclassified to Surplus (Profit and loss balance) in the same period during which the forecasted transaction occurs.

Hedge accounting is discontinued prospectively when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. For forecasted transactions, any cumulative gain or loss on the hedging instrument recognised in cash flow hedge reserve is retained until the forecasted transaction occurs. If the forecasted transaction is no longer expected to occur, the

net cumulative gain or loss recognised in cash flow hedge reserve is immediately transferred to the Statement of Profit and Loss for the period.

2.13 Income and deferred taxes

Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the provisions of the Indian Income Tax Act, 1961. Deferred tax is provided using the liability method on temporary differences between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax is measured based on the tax rates and tax laws enacted or substantively enacted at the balance sheet date. Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

Deferred tax relating to items recognized outside Statement of Profit and Loss is recognized outside Statement of Profit and Loss. Deferred tax items are recognized in correlation to the underlying transaction either in Other Comprehensive Income or directly in Equity.

At each reporting date, the Group reassesses unrecognized deferred tax assets. It recognises unrecognized deferred tax assets to the extent that it has become probable that sufficient future taxable income will be available against which such deferred tax assets can be realised.

2.14 Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made of the amount of obligation. Provisions are not discounted to its present value and are determined based on best estimates required to settle the obligation at the reporting date. These are reviewed at each reporting date and adjusted to reflect the current best estimates.

Notes to the Consolidated Financial Statements

for the year ended December 31, 2024

A disclosure by way of a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Contingent assets are not recognised or disclosed in the financial statements.

2.15 Warranties

Provisions for the expected cost of warranty obligations are recognised at the time of sale of the relevant products, at the best estimate of the expenditure required to settle the Group's obligation.

2.16 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders, by the weighted average number of equity shares outstanding during the period.

Diluted earnings per share is computed by dividing the net profit or loss for the year attributable to the equity shareholders, by the weighted average number of equity and equivalent diluted equity shares outstanding during the year except where the results would be antidilutive.

2.17 Cash and cash equivalents

Cash and cash equivalents include cheques in hand, cash at bank and deposits with banks having original maturity of not more than three months.

2.18 Fair value measurement

The Group's accounting policies and disclosures require the measurement of fair values for both financial and non-financial assets and liabilities. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Group has an established control framework with respect to the measurement of fair values. The Group's management regularly reviews significant unobservable inputs and valuation adjustments. If third party information is used to measure fair values, then the Group's management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of a financial asset or a financial liability, the Group uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. In determining the fair value of its financial instruments, the Group uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value includes discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result from general approximation of value and the same may differ from the actual realised value. Further information about the assumptions made in measuring fair value is included in the Note 2.13 on financial instruments.

2.19 Segment Reporting - Identification of Segments:

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Group's Chief Operating Decision Maker ("CODM") to make decisions for which discrete financial information is available. Based on the management approach as defined in Ind AS 108, the CODM evaluates the Groups's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments.

Notes to the Consolidated Financial Statements

for the year ended December 31, 2024

2.20 Business combinations

The Group accounts for its business combinations under the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Goodwill

Goodwill represents the cost of acquired business as established at the date of acquisition of the business in excess of the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities less accumulated impairment losses, if any. Goodwill is tested for impairment annually or when events or circumstances indicate that the implied fair value of goodwill is less than the carrying amount.

2.21 Exceptional items

When items of income and expense within statement of profit or loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such material items are disclosed separately as exceptional items.

2.22 Recent accounting pronouncements

Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from January 1, 2025.

Notes to the Consolidated Financial Statements

for the year ended December 31, 2024

3.1 Property plant and equipment

	(₹ in million)						
	Freehold land ¹	Buildings	Plant and equipments	Furniture & fixtures	Office equipments	Vehicles	Total
Gross carrying amount							
As at January 1, 2023	40.7	2,975.9	16,378.2	678.3	318.8	4.3	20,396.2
Additions	-	880.0	2,323.4	387.1	158.4	1.0	3,749.9
Effect of Acquisition of "Koovers" (refer Note 49)	-	-	0.1	5.0	3.5	0.5	9.1
Disposals	-	-	21.0	0.6	6.5	-	28.1
As at December 31, 2023	40.7	3,855.9	18,680.7	1,069.8	474.2	5.8	24,127.1
Additions	-	233.0	7,280.3	200.2	230.3	9.0	7,952.8
Disposals	-	-	75.7	30.4	93.8	-	199.9
As at December 31, 2024	40.7	4,088.9	25,885.3	1,239.6	610.7	14.8	31,880.0
Accumulated depreciation							
As at January 1, 2023	-	490.0	9,185.9	340.0	189.6	-	10,205.5
Depreciation for the year	-	139.8	1,662.7	207.2	76.3	1.6	2,087.6
Effect of Acquisition of "Koovers" (refer Note 49)	-	-	0.1	2.4	2.3	0.1	4.9
Deletions	-	-	19.8	0.4	1.9	-	22.1
As at December 31, 2023	-	629.8	10,828.9	549.2	266.3	1.7	12,275.9
Depreciation for the year	-	162.4	2,017.1	275.9	130.0	3.2	2,588.6
Deletions	-	-	71.1	27.7	89.4	-	188.2
As at December 31, 2024	-	792.2	12,774.9	797.4	306.9	4.9	14,676.3
Net Block							
As at December 31, 2023	40.7	3,226.1	7,851.8	520.6	207.9	4.1	11,851.2
As at December 31, 2024	40.7	3,296.7	13,110.4	442.2	303.8	9.9	17,203.7

Note:

Buildings include ₹ 250, being cost of five ordinary shares of ₹ 50 each of Nariman Bhavan Premises Co-operative Society Limited and ₹ 500 being cost of ten ordinary shares of ₹ 50 each of Parekh Market Premises Co-Operative Society Limited, which entitle the ownership.

¹The title deeds of immovable properties included in property plant and equipment are held in the name of the Group, except title deeds of immovable properties having gross carrying amount aggregating ₹ 21.3 million (2023: ₹ 21.3 million) and net carrying amount aggregating ₹ 21.3 million (2023: ₹ 21.3 million), which have been transferred to the Group, pursuant to the Schemes of Amalgamation (refer Note 45) and their title transfer proceedings are under progress.

Notes to the Consolidated Financial Statements

for the year ended December 31, 2024

3.2 Right-of-use of assets¹

	(₹ in million)			
	Leasehold land	Buildings	Vehicles	Total
Cost				
As at January 1, 2023	540.6	742.1	5.5	1,288.2
Additions for the year	-	11.6	9.4	21.0
Disposals	-	-	-	-
As at December 31, 2023	540.6	753.7	14.9	1,309.2
Additions for the year	15.5	147.5	-	163.0
Disposals	15.5	-	-	15.5
As at December 31, 2024	540.6	901.2	14.9	1,456.7
Accumulated amortisation				
As at January 1, 2023	3.4	248.6	5.5	257.5
Amortisation for the year	5.8	92.9	1.4	100.1
Deletions	-	-	-	-
As at December 31, 2023	9.2	341.5	6.9	357.6
Amortisation for the year	4.4	116.2	1.9	122.5
Deletions	2.2	-	-	2.2
As at December 31, 2023	11.4	457.7	8.8	477.9
Net Block				
As at December 31, 2023	531.4	412.2	8.0	951.6
As at December 31, 2024	529.2	443.5	6.1	978.8

¹Lease contracts entered by the Company majorly pertains to land and building taken on lease to conduct business activity in ordinary course of business (refer Note 47)

3.3 Capital work-in-progress

	(₹ in million)
	Total
As at January 1, 2023	2,493.4
Additions	6,165.9
Deductions	-
Assets capitalised during the year	3,751.6
As at December 31, 2023	4,907.7
Additions	7,544.2
Deductions	-
Assets capitalised during the year	7,960.8
As at December 31, 2024	4,491.1

Capital work-in-progress ageing schedule

	2024				
Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	2,506.0	1,741.8	204.4	38.9	4,491.1
Projects temporarily suspended	-	-	-	-	-
Total	2,506.0	1,741.8	204.4	38.9	4,491.1

There is no capital work-in-progress, whose completion is overdue or has exceeded its cost compared to its original plan

Capital work-in-progress ageing schedule

	2023				
Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	4,191.8	516.2	198.8	0.9	4,907.7
Projects temporarily suspended	-	-	-	-	-
Total	4,191.8	516.2	198.8	0.9	4,907.7

There is no capital work-in-progress, whose completion is overdue or has exceeded its cost compared to its original plan

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3.4 Intangible assets

	(₹ in million)		
	Patents and trademarks	Software	Total
Cost			
As at January 1, 2023	-	14.3	14.3
Additions	-	7.6	7.6
Effect of Acquisition of "Koovers" (refer Note 49)	799.5	35.7	835.2
Disposals	-	-	-
As at December 31, 2023	799.5	57.6	857.1
Additions	-	8.0	8.0
Disposals	-	0.1	0.1
As at December 31, 2024	799.5	65.5	865.0
Accumulated amortisation			
As at January 1, 2023	-	8.6	8.6
Amortisation for the year	31.0	11.4	42.4
Effect of Acquisition of "Koovers" (refer Note 49)	-	19.3	19.3
Deletions	-	-	-
As at December 31, 2023	31.0	39.3	70.3
Amortisation for the year	93.1	11.3	104.4
Deletions	-	0.1	0.1
As at December 31, 2024	124.1	50.5	174.6
Net Block			
As at December 31, 2023	768.5	18.3	786.8
As at December 31, 2024	675.4	15.0	690.4

4. Financial assets (non-current)

	(₹ in million)	
	2024	2023
(iii) Security deposits	187.5	150.3
Total	187.5	150.3
Breakup of security deposit		
Considered goods secured	-	-
Considered goods unsecured	187.5	150.3
Which have significant increase credit risk	-	-
Credit impaired	-	-
(iv) Other		
Bank deposits with remaining maturity of more than 12 months ¹	5.3	5.0
Total	5.3	5.0
Total (iii)+(iv)	192.8	155.3

¹Includes deposits of ₹ nil million (2023: ₹ nil million) under lein.

5. Deferred tax assets (net)

		(₹ in million)	
		2024	2023
Deferred tax liabilities			
Amortisation of contract assets		70.4	45.0
Exchange loss on cash flow hedges		5.6	0.2
	(A)	76.0	45.2
Deferred tax assets			
Excess of depreciation / amortisation on property, plant and equipment provided in accounts over depreciation /amortisation under tax laws		40.6	65.8
Provision for employee benefits		191.8	175.2
Provision for expenses and others		21.9	25.3
Allowance for expected credit loss		5.8	5.0
Leases		27.4	23.1
	(B)	287.5	294.4
Net deferred tax assets	(B - A)	211.5	249.2

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Movement in deferred tax assets / (liabilities) net

	(₹ in million)							
	Depreciation	Provision for employee benefits	Provision for expenses and others	Allowance for expected credit loss	Leases	Amortisation of contract assets	Exchange gain / (loss) on cash flow hedges	Total
As at January 1, 2023	234.2	145.7	25.4	8.4	19.0	(41.2)	(7.0)	384.5
<i>(Charged) / credited to:</i>								
Statement of Profit and Loss	33.3	14.6	(0.1)	(3.4)	4.1	(3.8)	6.8	51.5
DTL on business combination at acquisition date (refer Note 49)	201.7	-	-	-	-	-	-	201.7
Other Comprehensive Income	-	14.9	-	-	-	-	-	14.9
As at December 31, 2023	65.8	175.2	25.3	5.0	23.1	(45.0)	(0.2)	249.2
<i>(Charged) / credited to:</i>								
Statement of Profit and Loss	(25.2)	3.8	(3.4)	0.8	4.3	(25.4)	(5.4)	(50.5)
Other Comprehensive Income	-	12.8	-	-	-	-	-	12.8
As at December 31, 2024	40.6	191.8	21.9	5.8	27.4	(70.4)	(5.6)	211.5

6. Non-current income-tax assets (net)

	(₹ in million)	
	2024	2023
Advance tax recoverable (net of provisions for tax ₹ 2,351.2 million, 2023: ₹ 2,289.5 million)	670.0	779.1
Total	670.0	779.1

7. Other non-current assets

	(₹ in million)	
	2024	2023
VAT, excise and others receivable (paid under protest)	46.1	77.3
Stamp duty (paid under protest, refer note no. 34 d)	250.0	250.0
Other balance with government authorities	133.3	79.5
Capital advance, considered good	314.9	507.6
Contract assets	287.2	185.9
Total	1,031.5	1,100.3

8. Inventories

(Valued at the lower of cost and net realisable value)

	(₹ in million)	
	2024	2023
Raw materials and components (including goods-in-transit ₹ 1,819.4 million; 2023: ₹ 2,129.2 million)	3,645.0	3,766.8
Work-in-progress	801.3	612.7
Finished goods	3,341.4	3,387.3
Stock-in-trade (including goods-in-transit ₹ 2,662.0 million; 2023: ₹ 1,898.9 million)	6,137.1	4,715.4
Stores and spares (including goods-in-transit ₹ 3.3 million; 2023: ₹ 19.1 million)	771.4	673.9
Total	14,696.2	13,156.1

The Group follows suitable provisioning norms for writing down the value of Inventories towards slow moving and non-moving inventory. As at December 31, 2024, provision for write-down of inventories to net realisable value is ₹ 731.7 million (2023: ₹ 949.3 million).

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9. Trade receivables

	(₹ in million)	
	2024	2023
Other than related parties ¹	10,792.4	8,668.0
From related parties (refer Note 36)	2,160.0	1,910.5
Less: Allowance for expected credit loss	(23.2)	(22.6)
	12,929.2	10,555.9
Of which;		
secured, considered good	18.6	19.9
unsecured, considered good	12,928.0	10,550.4
which have significant increase in credit risk	5.8	8.2
	12,952.4	10,578.5
Less: Allowance for expected credit loss	(23.2)	(22.6)
Total	12,929.2	10,555.9

¹Includes receivable of ₹ 25.5 million (2023; ₹ 5.3 million), from a private limited companies in which an Independent Director is a Director

The Group's exposure to currency risk and credit risk related to trade receivables are disclosed in Note 38 A(i) and C.

Trade receivables ageing

	(₹ in million)					
	2024					
Particulars	Current but not due	Outstanding for following periods from due date of payment				
		< 6 months	6 months – 1 year	1-2 years	2-3 years	> 3 years
Undisputed Trade Receivables – considered good	12,716.8	49.1	7.4	166.9	3.8	2.6
Undisputed Trade Receivables – which have significant increase in credit risk ¹	-	-	0.6	0.1	0.0	-
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
Disputed Trade Receivables – considered good	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	5.1	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Gross receivables	12,716.8	49.1	8.0	172.1	3.8	2.6
Less: Allowance for credit losses						
Net receivables						

¹Values less than ₹ 1 million.

	(₹ in million)					
	2023					
Particulars	Current but not due	Outstanding for following periods from due date of payment				
		< 6 months	6 months – 1 year	1-2 years	2-3 years	> 3 years
Undisputed Trade Receivables – considered good	10,302.8	165.7	96.8	2.5	0.1	2.4
Undisputed Trade Receivables – which have significant increase in credit risk	-	1.7	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
Disputed Trade Receivables – considered good	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	6.5	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Gross receivables	10,302.8	173.9	96.8	2.5	0.1	2.4
Less: Allowance for credit losses						
Net receivables						

10. Cash and cash equivalents

	(₹ in million)	
	2024	2023
Cash on hand	0.3	0.1
Balances with banks:		
on current accounts	774.2	636.0
on deposit accounts (with original maturity of 3 months or less)	3,864.9	61.0
Total	4,639.4	697.1

The Group has been sanctioned an unsecured working capital limit of ₹ 1,550 million by banks. The Group has utilised partial limit of ₹ 74 million for one day during the reporting period.

Notes to the Consolidated Financial Statements

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11. Bank balances other than Cash and cash equivalents

	(₹ in million)	
	2024	2023
Bank deposits with original maturity of more than 3 months and remaining maturity of less than 12 months ¹	8,846.6	15,148.1
Restricted deposits (unclaimed dividend)	14.3	11.4
Total	8,860.9	15,159.5

¹Includes deposits of ₹ 156.9 million (2023: ₹ 229.5 million) under lein.

12. Other current financial assets

	(₹ in million)	
	2024	2023
(i) Security deposits		
Total	29.6	32.4
Breakup of security deposit		
Considered goods secured	-	-
Considered goods unsecured	29.6	32.4
Which have significant increase credit risk	-	-
Credit impaired	-	-
(ii) Other		
Other receivables - related parties (refer Note 36)	184.7	61.1
Interest accrued - fixed deposits	319.4	311.0
Interest accrued - others	4.9	4.8
Derivative forward exchange contracts	22.4	0.8
Total	531.4	377.7
Total (i)+(ii)	561.0	410.1

13. Other current assets

	(₹ in million)	
	2024	2023
Unsecured and considered good		
Balance with Government authorities	483.6	743.7
Advances for supply of goods and services	296.5	277.2
Export incentives receivable	48.0	51.1
Advances to employees	4.3	5.2
Prepaid expenses	18.0	5.7
Total	850.4	1,082.9

14. Equity share capital

	(₹ in million)	
	2024	2023
Authorised capital		
627,500,000 equity shares of ₹ 2 each (2023: 627,500,000 equity shares of ₹ 2 each)	1,255.0	1,255.0
Total	1,255.0	1,255.0
Issued, subscribed and paid-up		
156,303,670 fully paid-up equity shares of ₹ 2 each (2023: 156,303,670 fully paid-up equity shares of ₹ 2 each)	312.6	312.6
Total	312.6	312.6

Details of Promoters shares holding

S. No.	Promoter name	2024		
		Number of shares held	% of total shares	% change during the year
1	Schaeffler Schweinfurt Beteiligungs GmbH	42,645,915	27.28%	-
2	Schaeffler Bühl Verwaltungs GmbH	32,142,865	20.56%	-
3	Schaeffler Verwaltungsholding Sechs GmbH	23,462,255	15.01%	-
4	Industriewerk Schaeffler INA-Ingenieurdienst GmbH	17,612,200	11.27%	-

S. No.	Promoter name	2023		
		Number of shares held	% of total shares	% change during the year
1	Schaeffler Schweinfurt Beteiligungs GmbH	42,645,915	27.28%	-
2	Schaeffler Bühl Verwaltungs GmbH	32,142,865	20.56%	-
3	Schaeffler Verwaltungsholding Sechs GmbH	23,462,255	15.01%	-
4	Industriewerk Schaeffler INA-Ingenieurdienst GmbH	17,612,200	11.27%	-

Notes to the Consolidated Financial Statements

for the year ended December 31, 2024

a) Reconciliation of shares outstanding at the beginning and at the end of the year:

(₹ in million)

Equity shares	2024		2023	
	No. of shares	Amount	No. of shares	Amount
Shares outstanding at the beginning of the year	156,303,670	312.6	156,303,670	312.6
Shares outstanding at the end of the year	156,303,670	312.6	156,303,670	312.6

b) Rights, preferences and restrictions attached to equity shares:

The Group has a single class of equity shares having par value of ₹ 2 per share. Accordingly, all equity shares rank equally with regard to one vote per share held. The dividends proposed by the Board of directors is subject to the approval of shareholders at the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation of the Group, the equity shareholders are eligible to receive assets of the Group, after distribution of all preferential amounts, in the proportion to their shareholding.

c) Shares held by ultimate holding company and / or their subsidiaries/ affiliates:

(₹ in million)

Name of Shareholders	2024		2023	
	No. of Shares held (of ₹ 2 each)	Amount	No. of Shares held (of ₹ 2 each)	Amount
Schaeffler Schweinfurt Beteiligungs GmbH (affiliates)	42,645,915	85.3	42,645,915	85.3
Schaeffler Bühl Verwaltungs GmbH (affiliates)	32,142,865	64.3	32,142,865	64.3
Schaeffler Verwaltungsholding Sechs GmbH (affiliates)	23,462,255	46.9	23,462,255	46.9
Industriewerk Schaeffler INA-Ingenieurdienst GmbH (affiliates)	17,612,200	35.2	17,612,200	35.2
Total	115,863,235	231.7	115,863,235	231.7

d) Particulars of shareholders holding more than 5% shares of a class of shares:

Name of Shareholders	2024		2023	
	No. of Shares held	% of shareholding	No. of Shares held	% of shareholding
Schaeffler Schweinfurt Beteiligungs GmbH	42,645,915	27.28%	42,645,915	27.28%
Schaeffler Bühl Verwaltungs GmbH	32,142,865	20.56%	32,142,865	20.56%
Schaeffler Verwaltungsholding Sechs GmbH	23,462,255	15.01%	23,462,255	15.01%
Industriewerk Schaeffler INA-Ingenieurdienst GmbH	17,612,200	11.27%	17,612,200	11.27%

e) The Group in aggregate has not issued, any equity shares allotted as fully paid up pursuant to contract without consideration received in cash, bonus shares issued and shares bought back during the period of 5 years immediately preceding the financial year.

15. Other equity

(₹ in million)

	2024	2023
Capital reserve	617.8	617.8
(A)	617.8	617.8
Securities premium	600.0	600.0
(B)	600.0	600.0
General reserve	4,218.4	4,218.4
(C)	4,218.4	4,218.4
Retained earnings		
At the commencement of the year	42,304.7	37,110.2
Add: Net profit for the year	9,388.6	8,990.2
Remeasurements of defined benefit liability / asset (net of tax) (FVTOCI)	(40.1)	(44.4)
Add: Valuation tax effects AAM Kits	6.2	-
Less: Appropriations		
Dividends paid	4,063.9	3,751.3
(D)	47,595.5	42,304.7
Total (A+B+C+D)	53,031.7	47,740.9

Notes to the Consolidated Financial Statements

for the year ended December 31, 2024

The following dividends were declared and paid by the Holding Company during the year:

	(₹ in million)	
	2024	2023
₹ 26 per equity share of face value of ₹ 2/- each (2023: ₹ 24 per equity share of face value of ₹ 2/- each)	4,063.9	3,751.3
Total	4,063.9	3,751.3

After the reporting dates, the following dividends were proposed by the Board of Directors of the Holding Company subject to the approval at the ensuing annual general meeting and hence, dividends have not been disclosed as liabilities.

	(₹ in million)	
	2024	2023
Dividend of ₹ 28 per equity share of face value of ₹ 2/- each (2023: ₹ 26 per equity share of face value ₹ 2/- each)	4,376.5	4,063.9

16. a) Lease liabilities (non-current)

	(₹ in million)	
	2024	2023
Lease liabilities (refer Note 47)	434.3	406.5
Total	434.3	406.5

16. b) Lease liabilities (current)

	(₹ in million)	
	2024	2023
Lease liabilities (refer Note 47)	121.0	104.5
Total	121.0	104.5

17. Other financial liabilities (non-current)

	(₹ in million)	
	2024	2023
Employee liabilities	118.6	86.0
Security deposits from customers / suppliers	25.1	22.8
Total	143.7	108.8

18. Provisions (non-current)

	(₹ in million)	
	2024	2023
Provision for other statutory matters (being litigated) ¹	12.0	12.0
Provision for warranties	14.5	32.8
Total	26.5	44.8

¹Provisions are made for ongoing litigation on tax and regulatory matters, the liabilities for which will be ascertained on conclusion of the respective assessments.

19. Trade payables

	(₹ in million)	
	2024	2023
Total outstanding dues of micro and small enterprises	778.6	1,526.3
Total outstanding dues of creditors other than micro and small enterprises		
Other than related parties	4,499.6	3,814.0
Related parties (refer note 36)	6,002.6	5,211.1
Total	11,280.8	10,551.4

The Group's exposure to currency and liquidity risks related to trade payables is disclosed in Note 38.

Trade Payables Ageing

	(₹ in million)				
	2024				
	Outstanding for following periods from due date of payment				Total
Particulars	< 1 year	1-2 years	2-3 years	> 3 years	
Undisputed dues of micro enterprises and small enterprises	756.8	11.8	2.6	7.4	778.6
Undisputed dues of creditors other than micro enterprises and small enterprises	10,436.5	15.7	14.2	35.8	10,502.2
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-
Total	11,193.3	27.5	16.8	43.2	11,280.8

Notes to the Consolidated Financial Statements

for the year ended December 31, 2024

					(₹ in million)
Particulars	2023				Total
	Outstanding for following periods from due date of payment				
	< 1 year	1-2 years	2-3 years	> 3 years	
Undisputed dues of micro enterprises and small enterprises	1,514.2	4.5	1.9	5.8	1,526.4
Undisputed dues of creditors other than micro enterprises and small enterprises	8,946.4	13.6	14.6	50.4	9,025.0
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-
Total	10,460.6	18.1	16.5	56.2	10,551.4

20. Other current financial liabilities

(₹ in million)		
	2024	2023
Employee liabilities	581.3	578.3
Creditors for capital goods		
Other than related parties	502.7	459.8
Related parties (refer note 36)	764.6	894.0
Accrued expense	121.9	176.5
Unclaimed dividends ¹	14.3	11.4
Other payables	8.6	10.6
Total	1,993.4	2,130.6

¹There are no amounts due for payment to the Investor Education and Protection Fund under section 125 of the Companies Act, 2013 as at the year end.

21. Other current liabilities

(₹ in million)		
	2024	2023
Advances from customers (refer Note 46)	76.1	50.6
TDS payable	108.4	88.3
GST Payable	181.7	260.7
Other statutory dues	89.0	40.9
Total	455.2	440.5

22. Provisions (Current)

(₹ in million)		
	2024	2023
Provision for employee benefits		
Compensated absences	628.0	549.8
Gratuity (refer Note 40)	130.4	105.3
Other provisions		
Provision for warranties ¹	32.2	30.6
Total	790.6	685.7

¹Warranty provision is estimated for expected warranty claims in respect of eligible products sold during the year by the Group, which usually carry a warranty period ranging from 12 to 24 months from the date of sale. The provision is determined based on the historical data. The timing and amount of cashflows will be determined on receipt of claims.

Additional disclosures relating to certain provisions (as per Ind AS 37):

(₹ in million)		
Warranties	2024	2023
At the commencement of the year	63.4	84.4
Provision made during the year	69.3	36.0
Provision utilised during the year	(86.0)	(57.0)
At the end of the year	46.7	63.4

23. Revenue from operations

(₹ in million)		
	2024	2023
Revenue from Contract with Customer		
Sale of products		
Manufactured goods	60,178.7	53,914.6
Traded goods	20,814.7	17,108.5
	80,993.4	71,023.1
Sale of services	152.5	296.2
Other operating revenues		
Export incentives	286.3	238.9
Scrap sales	883.0	950.9
Other	8.6	-
Total	82,323.8	72,509.1

Notes to the Consolidated Financial Statements

for the year ended December 31, 2024

The management determines the information reported under Note 42 and 46 reporting is sufficient to meet the disclosure objective with respect to disaggregation of revenue and geographical segment under Ind AS 115 Revenue from contract with Customers. Hence, no separate disclosures of disaggregated revenues are reported.

24. Other income

	(₹ in million)	
	2024	2023
Interest income		
On fixed deposits	857.8	942.5
On loan and others	32.8	43.1
Provisions no longer required written-back	-	13.4
Other income	269.3	221.1
Gain on account of foreign exchange fluctuations (net)	20.7	-
Profit on sale / retirement of assets (net)	2.4	25.4
Total	1,183.0	1,245.5

25. Cost of materials consumed¹

	(₹ in million)	
	2024	2023
Inventory of materials at the beginning of the year	3,766.8	3,930.0
Purchases	32,766.3	30,671.5
Inventory of materials at the end of the year	3,645.0	3,766.8
Total	32,888.1	30,834.7

¹The consumption amounts shown above have been ascertained on the basis of materials consumed and after considering excess / shortages ascertained on physical verification.

26. Purchases of stock-in-trade

	(₹ in million)	
	2024	2023
Purchase of traded goods	20,245.6	14,942.5
Total	20,245.6	14,942.5

27. Changes in inventories of finished goods, stock-in-trade and work-in-progress¹

	(₹ in million)	
	2024	2023
Decrease / (Increase) in inventory of finished goods		
Opening inventory	3,387.3	2,893.2
Less: Closing inventory	3,341.4	3,387.3
	(A)	(494.1)
(Increase) in inventory of traded goods		
Opening inventory	4,715.4	4,620.5
Less: Closing inventory	6,137.1	4,715.4
	(B)	(94.9)
(Increase) in inventory of work-in-progress		
Opening inventory	612.7	452.7
Less: Closing inventory	801.3	612.7
	(C)	(160.0)
Total	(A + B + C)	(749.0)

¹Closing inventory is net off scrapped/ reworked items and shortages/ excesses.

28. Employee benefits expense

	(₹ in million)	
	2024	2023
Salaries, wages and incentives	4,598.9	3,904.5
Contributions to: (refer Note 40)		
- Provident and other funds	245.3	207.6
- Gratuity fund	75.6	66.0
- Superannuation fund	33.3	33.4
Compensated absences	141.6	110.8
Staff welfare expenses	327.1	297.1
Total	5,421.8	4,619.4

Notes to the Consolidated Financial Statements

for the year ended December 31, 2024

29. Finance costs

	(₹ in million)	
	2024	2023
Interest and finance charges on lease liability	34.5	29.6
Bank and other financial charges	9.1	13.1
Total	43.6	42.7

30. Depreciation and amortisation expense

	(₹ in million)	
	2024	2023
Depreciation on property, plant and equipment	2,588.6	2,087.6
Depreciation of right-to-use of assets (refer Note 47)	122.5	100.1
Amortisation of intangible assets	104.4	42.4
Total	2,815.5	2,230.1

31. Other expenses

	(₹ in million)	
	2024	2023
Consumption of stores and spare parts	2,960.3	2,543.8
Power and fuel	1,067.3	980.9
Freight, clearing and forwarding	869.4	740.1
Rent	25.1	18.8
Repairs and maintenance		
Building	20.7	23.4
Machinery	44.6	39.2
Others	197.4	142.2
Insurance	116.4	93.8
Rates and taxes	121.4	57.2
Travelling expenses	279.6	325.0
Legal and professional fees	107.9	100.8

	(₹ in million)	
	2024	2023
Payments to auditors (refer note below)	9.2	8.7
Fees for use of technology (refer Note 36)	1,560.1	1,410.2
Advertising and sales promotion	141.6	174.3
Bank charges	5.1	5.9
Telephone and other communication expenses	32.0	38.3
Printing and stationery	24.1	21.1
Provision for doubtful debts	0.5	2.6
Bad debts written off	0.1	-
Loss on sale/retirement of assets (net)	-	-
Loss on account of foreign exchange fluctuations (net)	-	29.6
Warranty costs	69.3	36.0
Outside services	3,039.3	2,693.9
Corporate Social Responsibility expenditure	215.6	160.2
Miscellaneous expenses	36.6	71.6
Less: Capitalised for own consumption	(64.5)	(68.1)
Total	10,879.1	9,649.5

Note: Payments to auditors

	(₹ in million)	
	2024	2023
As auditors		
- Statutory audit	3.1	5.6
- Limited review	5.2	3.0
- Out of pocket expense ¹	0.0	0.1
- Other services	0.9	-
Total	9.2	8.7

¹Values less than ₹ 1 million.

Notes to the Consolidated Financial Statements

for the year ended December 31, 2024

32. Income tax expense

	(₹ in million)	
	2024	2023
Tax expense		
(a) Current tax		
Current tax on profit during the year	3,312.5	3,172.9
Tax in respect of prior years	27.4	26.1
Total current tax expense	3,339.9	3,199.0
(b) Deferred tax		
Deferred tax (credit) / expense attributable to origination and reversal of temporary differences	49.0	(51.5)
Total tax expense	3,388.9	3,147.5
Reconciliation of tax expenses and the accounting profit multiplied by tax rate:		
Profit before tax	12,777.5	12,137.7
Current tax at the Indian tax rate of 25.17%	3,216.1	3,055.1
Tax adjustments of earlier years	27.4	26.1
Effect of non deductible expenses	145.4	66.3
Effect of exempt other income/weighted deduction	-	-
Tax expense recognised in Statement of Profit and Loss	3,388.9	3,147.5
Tax impact recognised in Other Comprehensive Income (OCI)		
Remeasurement of defined benefits obligation	12.8	14.9
Total	12.8	14.9

33. Earnings Per Share (EPS)

	2024	2023
a) Amount used as the numerator		
Profit after tax attributable to equity shareholders (₹ in million)	9,388.6	8,990.2
b) Weighted average number of equity shares used as the denominator (Nos.)	156,303,670	156,303,670
c) Nominal value of share (in ₹)	2.0	2.0
d) Earnings per share (Basic and Diluted) (in ₹)	60.1	57.5

34. Contingent liabilities not provided for in respect of:

	(₹ in million)	
	2024	2023
Claims against the Group not acknowledged as debts:		
a) Employees and ex-employees related matters:		
(i) Matters pending in labour court / civil court / High Court for reinstatement of service / recovery of salary, PF and ESIC matters.	123.2	106.1
(ii) Demand for discontinuing of contract system and for differential wages.	97.9	48.2
	221.1	154.3
b) (i) Sales-tax		
For non-receipt of C Forms and non acceptance of Group's claim of certain sales as exempt sales in respect of various assessment years.	25.3	25.7
(ii) Excise duty and Service tax:		
In respect of matters decided against the Group, for which the Group is in appeal with higher authorities.	213.0	138.2
	238.3	163.9
c) Income tax:		
i) In respect of matters decided against the Group, for which the Group is in appeal with higher authorities.	206.2	284.6
	206.2	284.6
In respect of above matters, it is not practicable for the Group to estimate the closure of these issues and consequential timing of cash flows, if any.		
d) Others:		
Demand notice for stamp duty on Order of Hon'ble National Company Law Tribunal, Mumbai Bench, approving the Scheme of Amalgamation of INA Bearings India Private Limited and LuK India Private Limited with the Group, for which the Group is in appeal with higher authorities.	250.0	250.0
	250.0	250.0

Notes to the Consolidated Financial Statements

for the year ended December 31, 2024

35. Commitments

		(₹ in million)
	2024	2023
Contracts on capital account:		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advance ₹ 314.9 million; 2023: ₹ 507.6 million).	2,953.1	4,888.8

36. Related Party disclosures as required under Ind AS-24 are given below:

1) Name and nature of relationship of the related party where control exists:

The ultimate control lies with INA Holding Schaeffler GmbH & Co. KG, Germany.

2) Names of the Related Parties having transactions with the Group during the year.

2024	2023
Ultimate holding Company	Ultimate holding Company
INA Holding Schaeffler GmbH & Co. KG, Germany	INA Holding Schaeffler GmbH & Co. KG, Germany
Fellow subsidiaries / Affiliates	Fellow subsidiaries / Affiliates
Schaeffler Australia Pty Ltd., Australia	Schaeffler Australia Pty Ltd., Australia
Schaeffler Austria GmbH., Austria	Schaeffler Brasil Ltda., Brasil
Schaeffler Brasil Ltda., Brasil	Schaeffler Canada Inc., Canada
Schaeffler Canada Inc., Canada	Schaeffler (China) Co., Ltd., China
Schaeffler (China) Co., Ltd., China	Schaeffler Trading (Shanghai) Co., Ltd., China
Schaeffler Trading (Shanghai) Co., Ltd., China	Schaeffler (Ningxia) Co., Ltd., China
Schaeffler (Ningxia) Co., Ltd., China	Schaeffler Friction Products (Suzhou) Co., Ltd., China
Schaeffler Friction Products (Suzhou) Co., Ltd., China	Schaeffler (Nanjing) Co., Ltd., China
Schaeffler (Nanjing) Co., Ltd., China	Schaeffler (Xiangtan) Co., Ltd., China
Schaeffler (Xiangtan) Co., Ltd., China	Schaeffler Middle East FZE., Dubai
Schaeffler Smart Machinery (Taicang) Co., Ltd., China	Schaeffler France SAS., France
Schaeffler Middle East FZE., Dubai	WPB Water Pump Bearing GmbH & Co. KG, Germany

2024	2023
Schaeffler Danmark ApS., Denmark	Schaeffler Technologies AG & Co. KG, Germany
Schaeffler France SAS., France	Schaeffler Automotive Buehl GmbH & Co. KG, Germany
WPB Water Pump Bearing GmbH & Co. KG, Germany	Schaeffler Automotive Aftermarket GmbH & Co. KG, Germany
Schaeffler Technologies AG & Co. KG, Germany	Schaeffler AG, Germany
Schaeffler Automotive Buehl GmbH & Co. KG, Germany	Schaeffler Friction Products GmbH, Germany
Schaeffler Vehicle Lifetime Solutions Germany GmbH & Co. KG., Germany (formerly Schaeffler Automotive Aftermarket GmbH & Co. KG.)	Compact Dynamics GmbH, Germany
Schaeffler AG, Germany	Schaeffler Digital Solutions GmbH, Germany
Schaeffler Friction Products GmbH, Germany	Schaeffler Consulting GmbH, Germany
Schaeffler Engineering GmbH., Germany	Schaeffler Ultra Precision Drives GmbH, Germany
Schaeffler Digital Solutions GmbH, Germany	Schaeffler Sondermaschinenbau AG & Co. KG, Germany
Schaeffler Ultra Precision Drives GmbH, Germany	Schaeffler Schweinfurt Beteiligungs GmbH, Germany
Schaeffler Sondermaschinenbau AG & Co. KG, Germany	Schaeffler Bühl Verwaltungs GmbH, Germany
Schaeffler Schweinfurt Beteiligungs GmbH, Germany	Schaeffler Verwaltungsholding Sechs GmbH, Germany
Schaeffler Bühl Verwaltungs GmbH, Germany	Industriewerk Schaeffler INA-Ingenieurdienst GmbH, Germany
Schaeffler Verwaltungsholding Sechs GmbH, Germany	Schaeffler Hong Kong Company Limited, Hong Kong
Industriewerk Schaeffler INA-Ingenieurdienst GmbH, Germany	Schaeffler Savaria Kft., Hungary
Schaeffler Hong Kong Company Limited, Hong Kong	Schaeffler Debrecen Kft., Hungary
Schaeffler Savaria Kft., Hungary	Schaeffler Technology Solutions India Pvt. Limited, India
Schaeffler Debrecen Kft., Hungary	Schaeffler Bearings Indonesia, PT., Indonesia
Schaeffler Technology Solutions India Pvt. Limited, India	Schaeffler Water Pump Bearing Italia S.r.l., Italy

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2024	2023
PT. Schaeffler Solutions Indonesia., Indonesia (formerly Schaeffler Bearings Indonesia, PT.,)	Schaeffler Italia S.r.l., Italy
Schaeffler Water Pump Bearing Italia S.r.l., Italy	Schaeffler Japan Co., Limited, Japan
Schaeffler Italia S.r.l., Italy	Schaeffler Ansan Corporation, Korea
Vitesco Technologies India Private Limited, India	Schaeffler Korea Corporation, Korea
Schaeffler Japan Co., Limited, Japan	Schaeffler Bearings (Malaysia) Sdn. Bhd., Malaysia
Schaeffler Ansan Corporation, Korea	Schaeffler Transmisión, S. de R.L. de C.V., Mexico
Schaeffler Korea Corporation, Korea	Schaeffler Automotive Aftermarket Mexico, S. de R.L. de C.V., Mexico
Schaeffler Special Machinery Corporation., Korea	Schaeffler Mexico, S. de R.L. de C.V., Mexico
Schaeffler (Malaysia) Sdn. Bhd., Malaysia (formerly Schaeffler Bearings (Malaysia) Sdn. Bhd.,)	Radine B.V., Netherland
Schaeffler Transmisión, S. de R.L. de C.V., Mexico	Schaeffler Philippines Inc., Philippines
Schaeffler Automotive Aftermarket Mexico, S. de R.L. de C.V., Mexico	Schaeffler Portugal, Unipessoal, Lda., Portugal
Schaeffler Mexico, S. de R.L. de C.V., Mexico	Schaeffler Romania S.R.L., Romania
Schaeffler Smart Maintenance Tools B.V., Netherland (formerly BEGA International B.V.,)	Schaeffler (Singapore) Pte. Ltd., Singapore
Schaeffler Special Machinery Netherlands B.V., Netherland (formerly Radine B.V.,)	Schaeffler Kysuce, spol. s r.o., Slovakia
Schaeffler Philippines Inc., Philippines	Schaeffler Skalica, spol. s r.o., Slovakia
Schaeffler Portugal, Unipessoal, Lda., Portugal	Schaeffler South Africa (Pty.) Ltd., South Africa
Schaeffler Romania S.R.L., Romania	Schaeffler Manufacturing (Thailand) Co., Ltd., Thailand
Schaeffler (Singapore) Pte. Ltd., Singapore	Schaeffler Turkey Endüstri ve Otomotiv Ticaret Limited Sirketi., Turkey
Schaeffler Kysuce, spol. s r.o., Slovakia	Schaeffler (UK) Limited, UK
Schaeffler Production CZ s.r.o., Slovakia	Schaeffler Automotive Aftermarket (UK), Limited, UK
Schaeffler Skalica, spol. s r.o., Slovakia	Schaeffler Group USA, Inc., USA
Schaeffler Special Machinery, spol. s r.o., Slovakia	Schaeffler Transmission Systems, LLC., USA
Schaeffler Iberia, S.L.U., Spain	Schaeffler Vietnam Co., Ltd., Vietnam
Schaeffler South Africa (Pty.) Ltd., South Africa	

2024	2023
Schaeffler Manufacturing (Thailand) Co., Ltd., Thailand	
Schaeffler (UK) Limited, UK	
Schaeffler Vehicle Life Time Solutions UK Limited., UK (Formerly Schaeffler Automotive Aftermarket (UK), Limited, UK)	
Schaeffler Group USA, Inc., USA	
Schaeffler Special Machinery LLC., USA	
Schaeffler Vietnam Co., Ltd., Vietnam	
Key Management Personnel	Key Management Personnel
Mr. Harsha Kadam, Managing Director	Mr. Harsha Kadam, Managing Director
Ms. Hardevi Vazirani, Director Finance and CFO (w.e.f. February 13, 2024)	Ms. Hardevi Vazirani, Director Finance and CFO (w.e.f. February 13, 2024)
Mr. Satish Patel, Director Finance and CFO (up to February 12, 2024)	Mr. Satish Patel, Director Finance and CFO (up to February 12, 2024)

3) Transactions with related parties during the year:

			(₹ in million)
Nature of transactions	Fellow subsidiaries/ Affiliates	Key Management Personnel	Total
Purchase of finished goods	15,227.3	-	15,227.3
	(11,753.0)	-	(11,753.0)
Purchase of raw materials and components and spares	9,008.6	-	9,008.6
	(8,321.4)	-	(8,321.4)
Purchase of tangible assets	2,220.0	-	2,220.0
	(1,886.4)	-	(1,886.4)
Fees for use of technology / trademark	1,555.6	-	1,555.6
	(1,410.0)	-	(1,410.0)
Travelling, training, testing, support fee and other cost	512.3	-	512.3
	(517.4)	-	(517.4)
Dividend for the year -2023	3,012.1	-	3,012.1
-2022	(2,780.4)	-	(2,780.4)

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(₹ in million)			
Nature of transactions	Fellow subsidiaries / Affiliates	Key Management Personnel	Total
SAP, other IT systems and connectivity cost	663.8	-	663.8
	(535.5)	-	(535.5)
Expat cost	15.5	-	15.5
	(0.7)	-	(0.7)
Commission on guarantee - other cost	2.3	-	2.3
	(1.6)	-	(1.6)
Sale of finished goods	9,778.0	-	9,778.0
	(8,816.1)	-	(8,816.1)
Sale of tangible assets	15.1	-	15.1
	(382.1)	-	(382.1)
Reimbursement of expenses	258.9	-	258.9
	(181.4)	-	(181.4)
Service income	13.6	-	13.6
	(164.6)	-	(164.6)
Managerial remuneration ¹	-	59.6	59.6
	-	(59.6)	(59.6)

¹In the case of present key management personnel, remuneration does not include gratuity and leave encashment benefits which are determined for the Group as a whole.

4) Balances outstanding as at December 31, 2024:

(₹ in million)	
Nature of Transaction	Fellow subsidiaries / Affiliates
Trade receivables	
Schaeffler Technologies AG & Co. KG, Germany	834.1
	(1,009.5)
Schaeffler Trading (Shanghai) Co. Ltd., China	361.0
	(213.5)
Schaeffler Group USA, Inc., USA	287.8
	(117.3)

(₹ in million)	
Nature of Transaction	Fellow subsidiaries / Affiliates
Others	677.1
	(570.2)
2024	2160.0
2023	(1,910.5)
Trade payables	
Schaeffler Technologies AG & Co. KG, Germany	4,546.7
	(3,818.9)
Others	1455.9
	(1,392.2)
2024	6002.6
2023	(5,211.1)
Other receivables	
Schaeffler Technologies AG & Co. KG, Germany	50.2
	(15.9)
Schaeffler Brasil Ltda., Brasil	19.5
	(3.3)
Others	115.0
	(41.9)
2024	184.7
2023	(61.1)
Creditors for Capital goods	
Schaeffler Technologies AG & Co. KG, Germany	259.7
	(284.8)
Schaeffler Group USA, Inc., USA	209.7
	-
Schaeffler (China) Co., Ltd., China	130.9
	(249.4)
Others	164.3
	(359.8)
2024	764.6
2023	(894.0)

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5) The significant related party transactions are as under:

		(₹ in million)
Nature of Transactions	Fellow subsidiaries / Affiliates	Amount
Purchase of finished goods	Schaeffler Technologies AG & Co. KG, Germany	11,482.6
		(8,897.6)
Purchase of raw material and components and spares	Schaeffler Technologies AG & Co. KG, Germany	4,897.5
		(4,207.0)
	Schaeffler (China) Co. Ltd.China	1,551.2
		(1,185.5)
	Schaeffler Friction Products (Suzhou) Co., Ltd.,	1,093.4
		(1,158.9)
Purchase of tangible assets	Schaeffler Technologies AG & Co. KG, Germany	1,008.1
		(469.9)
	Schaeffler (China) Co. Ltd.China	433.7
		(299.6)
	Schaeffler Smart Machinery (Taicang) Co., Ltd., China	223.8
		-
Sale of finished goods	Schaeffler Technologies AG & Co. KG, Germany	3,798.1
		(3,625.1)
	Schaeffler Trading (Shanghai) Co. Ltd; China	1,458.5
		(996.2)
Sale of tangible assets	Schaeffler Technology Solutions India Pvt. Limited, India	15.1
		(382.1)
Fees for use of technology / trademark	Schaeffler Technologies AG & Co. KG, Germany	1,555.6
		(1,410.0)
SAP, other IT systems and connectivity cost	Schaeffler Technologies AG & Co. KG, Germany	663.8
		(535.5)
Travelling, training, testing, support fee and other cost	Schaeffler Technologies AG & Co. KG, Germany	227.5
		(173.7)
	Schaeffler (Singapore) Pte. Ltd., Singapore	15.2
		(68.4)
Commission on guarantee - other cost	Schaeffler AG, Germany	2.3
		(1.6)

		(₹ in million)
Nature of Transactions	Fellow subsidiaries / Affiliates	Amount
Reimbursement of expenses	Schaeffler Technologies AG & Co. KG, Germany	42.8
		(58.2)
	Schaeffler Korea Corporation, Korea	38.6
		(15.2)
	Schaeffler (Singapore) Pte. Ltd., Singapore	34.9
		(23.9)
Service income	Schaeffler Japan Co., Limited, Japan	8.4
		(.0)
	Schaeffler Automotive Buehl GmbH & Co. KG, Germany	2.5
		(.0)
Managerial remuneration	Mr. Harsha Kadam	43.1
		(40.1)
	Ms. Hardevi Vazirani	14.3
		-
	Mr. Satish Patel	2.2
		(19.5)
Dividend paid	Schaeffler Schweinfurt Beteiligungs GmbH, Germany	1,108.6
		(1,023.3)
	Schaeffler Bühl Verwaltungs GmbH, Germany	835.5
		(771.2)
	Schaeffler Verwaltungsholding Sechs GmbH, Germany	610.0
		(563.1)
	Industriewerk Schaeffler INA-Ingenieurdienst GmbH, Germany	458.0
		(422.8)

Amounts in brackets represents previous year amounts.

Terms and conditions with related parties;

The sales to and purchases from related parties including fixed Assets and other expenses are made in the normal course of business and on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free.

Names and details of fellow subsidiaries, affiliates and subsidiary having transaction value in excess of 10% in line transactions during the year.

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for the year ended December 31, 2024

37. Derivative instruments:

The Group's exposure to foreign currency fluctuations relates to foreign currency assets, liabilities and forecasted cash flows. The Group limits the effects of foreign exchange rate fluctuations by following established risk management policies including the use of derivatives like forward contracts. The Group has entered into foreign currency forward contracts, majority having maturity of less than one year from reporting date, to hedge its risks associated with foreign currency fluctuations relating to such highly probable transactions. The currencies in which these transactions are mainly denominated is in US Dollars, CNY and Euro.

Outstanding derivative instruments

Category	Currency hedged	2024		2023	
		Notional amount in foreign currency	Equivalent amount (₹ in million)	Notional amount in foreign currency	Equivalent amount (₹ in million)
Forward exchange contracts					
(to hedge highly probable import payables)	USD	17,425,948	1,492.1	7,762,000	645.9
	EUR	5,000,000	445.0	-	-
	CNY	48,950,000	574.2	-	-

The Group holds the following instruments to hedge exposures to changes in foreign currency:

Maturity

	2024		2023	
	1-6 months	6-12 months	1-6 months	6-12 months
Foreign currency risk				
Forward exchange contracts				
Net exposure (₹ in million)	1,426.9	1,084.3	447.5	198.4
Average INR: USD forward contract rate	84.6	85.9	83.4	84.2
Average INR: EUR forward contract rate	92.6	91.6	-	-
Average INR: CNY forward contract rate	11.9	12.1	-	-

Foreign currency exposures as at December 31, 2024:

Particulars	Currency	Amount in foreign currency	Equivalent amount (₹ in million)
Trade Payables	USD	21,548,345.0	1,845.0
		(21,973,306.0)	(1,828.6)
	EUR	2,326,648.9	207.1
		(2,384,462.7)	(219.3)
	CHF ¹	6,195.4	0.6
		(461.7)	(0.0)
	JPY	5,335,516.0	2.9
Trade Receivables	USD	(1,236,800.0)	(0.7)
		13,864,496.3	162.6
	EUR	(13,699,651.4)	(160.6)
		16,530,296.8	1,415.4
	USD	(9,444,008.5)	(785.9)
		566,609.7	50.4
	EUR	(819,891.5)	(75.4)
Bank balance in EEFC accounts	USD	4,098,158.2	350.9
		(761,559.4)	(63.4)
	EUR	325,061.4	28.9
		(203,239.7)	(18.7)

Amounts in brackets represents previous year numbers.

¹Values less than ₹ 1 million.

The Group's exposure to foreign currency risk at the end of reporting period are as follows:

	(₹ in million)	
	2024	2023
Financial assets		
Trade receivables		
USD	1,415.4	785.9
EUR	50.4	75.4
Bank Balances in EEFC account		
USD	350.9	63.4
EUR	28.9	18.7
Total Exposure to foreign currency assets	1,845.6	943.4

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	(₹ in million)	
	2024	2023
Financial liabilities		
Trade payables		
USD	1,845.0	1,828.6
EUR	207.1	219.3
CHF ¹	0.6	0.0
JPY	2.9	0.7
GBP	-	0.1
CNY	162.6	160.6
Total Exposure to foreign currency liabilities	2,218.2	2,209.3

¹Values less than ₹ 1 million.

38. Financial risk management

The Group has exposure to the following risks arising from financial instruments:

- market risk [refer 38 (A) below]
- liquidity risk [refer 38 (B) below]
- credit risk [refer 38 (C) below]

In the course of its business, the Group is exposed primarily to aforesaid risks, which may impact the fair value of its financial instruments. The Group has a risk management system which not only covers the foreign exchange risks but also other risks associated with the financial assets and liabilities such as credit risks. The risk management strategy is approved by Board of Directors which is implemented by the Group's management. The risk management framework aims to create a stable business planning environment by reducing the impact of market related risks, credit risks and currency fluctuations on the Group's earnings. The risks identified through the risk management system are analysed and evaluated by the Group's management and reported to the Board of Directors periodically along with report of planned mitigation measures.

A) Market risk

Market risk is the risk of any loss in future earnings, in realisable fair values or in future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the foreign currency exchange rates, liquidity and other market changes. Future specific market movements cannot be normally predicted with reasonable accuracy.

(i) Foreign currency risk

The Group is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US Dollars and Euro. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Group's functional currency (Indian Rupees).

The Group has import and export transactions in foreign currencies. Imports are higher than exports and hence the Group has foreign currency exposure to the extent of imports being higher than exports. The risk of foreign currency fluctuation is mitigated through hedging. Please refer Note 37 for details of foreign currency exposure.

The Group's exposure to foreign currency risk at the end of reporting period are as follows:

Foreign Currency Sensitivity

The following table demonstrates sensitivity to a reasonable possible change in major foreign currencies like USD and EUR with all other variables held constant:

		(₹ in million)	
		Effect on Profit Before Tax	
		2024	2023
USD	+ 5%	(3.9)	(49.0)
	- 5%	3.9	49.0
EUR	+ 5%	(6.4)	(6.3)
	- 5%	6.4	6.3
CHF	+ 5%	(0.0)	(0.0)
	- 5%	0.0	0.0
JPY	+ 5%	(0.1)	(0.0)
	- 5%	0.1	0.0
GBP	+ 5%	0.0	(0.0)
	- 5%	-	0.0
CNY	+ 5%	(8.1)	(8.0)
	- 5%	8.1	8.0

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(ii) Interest rate risk

Interest rate risk exposure: The Group does not have interest bearing borrowings and interest rate risk is towards opportunity cost on investment in tax free bonds. Surplus funds are being invested in bank deposits at fixed interest rates and the tenure is managed to match with the Group's liquidity profile.

B) Liquidity risk

The Group's principal sources of liquidity are cash and cash equivalents and cash flows generated from operations. The Group regularly monitors actual cash flows and forecasts to ensure that the Group maintains sufficient liquidity to meet the operation needs.

The following table shows the maturity analysis of the Company's financial liabilities based on contractually agreed undiscounted cash flows (except lease liabilities refer note 47) at the balance sheet date:

	(₹ in million)			
	Carrying amount	Less than 12 months	More than 12 months	Total
As at December 31, 2024				
Financial liabilities				
Lease liabilities	555.3	121.0	434.3	555.3
Trade payables	11,280.8	11,280.8	-	11,280.8
Security deposits from customers / suppliers	25.1	-	25.1	25.1
Employee liabilities	699.9	581.3	118.6	699.9
Creditors for capital goods	1,267.3	1,267.3	-	1,267.3
Accrued expense	121.9	121.9	-	121.9
Unclaimed dividends	14.3	14.3	-	14.3
Other payables	8.6	8.6	-	8.6

(₹ in million)

	Carrying amount	Less than 12 months	More than 12 months	Total
As at December 31, 2023				
Financial liabilities				
Lease liabilities	511.0	104.5	406.5	511.0
Trade payables	10,551.4	10,551.4	-	10,551.4
Security deposits from customers / suppliers	22.8	-	22.8	22.8
Employee liabilities	664.3	578.3	86.0	664.3
Creditors for capital goods	1,353.8	1,353.8	-	1,353.8
Accrued expense	176.5	176.5	-	176.5
Unclaimed dividends	11.4	11.4	-	11.4
Other payables	10.6	10.6	-	10.6

C) Credit Risk

Credit risk is the unexpected loss in financial instruments if the counter parties fails to discharge it's contractual obligations in entirety and timely. The Group is exposed to credit risks arising from it's operating and financing activities such as trade receivables, loans and advances and other financial instruments. The carrying amounts of financial assets represent the maximum credit exposure.

Trade receivables

Credit risk on trade receivables is limited due to the Company's diversified customer base which includes public sector enterprises and reputed private corporates. For trade receivables, the Company computes expected credit loss allowance based on provision matrix which is prepared considering customer's industry segment and historically observed overdue rate over expected life of trade receivables ranging from 0.04% to 0.78%, except for few customer where specific provisions is being created. The expected credit loss allowance is considered as a percentage of net receivable position.

Notes to the Consolidated Financial Statements

for the year ended December 31, 2024

	2024		2023	
	Less than 6 months	More than 6 months	Less than 6 months	More than 6 months
Gross carrying amount	12,765.9	186.5	10,476.7	101.8
Allowance for expected credit loss	(16.6)	(6.6)	(15.9)	(6.7)
Carrying amount of trade receivables (net)	12,749.3	179.9	10,460.8	95.1

Reconciliation of expected credit loss allowance is as follows:

	(₹ in million)
As at January 1, 2024	22.6
Movement in expected credit loss allowance	0.6
As at December 31, 2024	23.2

Financial assets other than trade receivables

Credit risk on cash and cash equivalents, bank balances other than cash and cash equivalents is limited as the Group generally invest in deposits with banks which have high credit rating assigned by external agencies. Based on the Group's historical experience, the credit risk on other financial assets is low.

39. Capital management

For the purpose of Group's capital management, capital includes equity share capital and all other reserves attributable to equity shareholders. The Group has a long-term strategy of pursuing profitable growth. Capital is managed proactively to secure the existence of the Group as a going concern in the long-term and create financial flexibility for profitable growth in order to add value to the Group. A further aim of the capital management is to ensure long-term availability of liquidity, maintain strong credit ratings and ensure optimal capital structure in order to support business through continuing growth and maximising shareholders value. The Group funds its operations through internal accruals and the Management along with the Board of Directors of Holding Company regularly monitor the returns on capital as well as dividend levels to shareholders.

40. Employee benefits: Post employment benefit plans

Defined contribution plans

The Group makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident Fund and Superannuation Fund which are defined contribution plans. The Group has no obligations other than to make the specified contributions. The contributions are charged to the Statement of Profit and Loss as they accrue. The amount recognised as an expense towards contribution to Provident Fund and others for the year aggregated to ₹ 245.3 million (2023: ₹ 207.6 million) and contribution to superannuation fund for the year aggregated to ₹ 33.3 million (2023: ₹ 33.4 million).

Defined benefit plans

The Group has defined benefit plans that provide gratuity benefit. The gratuity plan entitles an employee, who has rendered at least five years of continuous service, to receive one-half month's salary for each year of completed service at the time of retirement/exit. The Scheme is funded by the plan assets.

The following table summarises the position of assets and obligations

	(₹ in million)	
	Gratuity	
	2024	2023
Present value of funded obligations	1,041.5	936.5
Fair value of plan assets	911.1	831.2
Liability recognised in balance sheet	130.4	105.3

Classification into current / non-current

The (asset) / liability in respect of each of the plans comprises of the following non-current and current portions:

	(₹ in million)	
	Gratuity	
	2024	2023
Non-current liability	0.4	0.0
Current liability	130.0	105.3
Total	130.4	105.3

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for the year ended December 31, 2024

Movement in present values of defined benefit obligations:

	(₹ in million)	
	Gratuity	
	2024	2023
Defined benefit obligation at January ¹	936.5	824.9
Effect of Acquisition of "Koovers"	-	2.2
Service cost	69.9	64.2
Interest cost	60.8	54.7
Actuarial (gains)/ losses recognised in Other Comprehensive Income due to:		
Change in assumptions	64.2	62.7
Demographic assumptions	-	-
Experience changes	-	0.2
Benefits paid / Employees contribution	(89.9)	(72.4)
Liabilities assumed / (settled)	-	-
Defined benefit obligation at December 31	1,041.5	936.5

Movement in fair value of plan assets:

	(₹ in million)	
	Gratuity	
	2024	2023
Fair value of plan assets at January ¹	831.2	775.6
Return on plan assets recognised in other comprehensive income	11.3	3.6
Interest on plan assets	55.1	52.9
Contributions by employer	103.4	71.5
Benefits paid / Employees contribution	(89.9)	(72.4)
Fair value of plan assets at December 31	911.1	831.2

Expense recognized in the Statement of Profit and Loss:

	(₹ in million)	
	Gratuity	
	2024	2023
Current service cost	69.9	64.2
Interest on net defined benefit liability / (asset)	5.7	1.8
Total included in Employee benefits expense	75.6	66.0

Remeasurements recognised in other comprehensive income

	(₹ in million)	
	Gratuity	
	2024	2023
Actuarial (gain)/loss on defined benefit obligation	64.2	62.9
Return on plan assets excluding interest income	(11.3)	(3.6)
Currency effects - OCI from DBO	-	-
	52.9	59.3

Principal actuarial assumptions at the balance sheet date

	(₹ in million)			
	Gratuity			
	2024 (Holding Company)	2024 (Subsidiary Company)	2023 (Holding Company)	2023 (Subsidiary Company)
Discount rate per annum as at December 31	6.8%	6.8%	7.20%	7.20%
Expected return per annum on plan assets as at December 31	8.0%	0.0%	7.30%	0.00%
Future salary increment	6.5%	7.0%	6.50%	7.00%
Retirement age	58 Years	60 Years	58 Years	58 Years
Mortality	Indian Assured Lives Mortality (2012-14) Ult table	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ult table	Indian Assured Lives Mortality (2012-14) Ult table
Attrition rate	6%- 13%	10%	6%- 13%	10%
The weighted-average duration of the defined benefit obligation (in years)	6.83	16.77	6.42	15.91

Note: The estimates of future salary increases, considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors.

Sensitivity Analysis

The following table summarizes the impact in percentage terms on the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 100 basis points:

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Holding Company	2024		2023	
	Increase	Decrease	Increase	Decrease
Discount rate (100 bps movement on DBO)	(6.41%)	7.29%	(6.04%)	6.85%
Salary escalation rate (100 bps movement pn DBO)	7.24%	(6.49%)	6.84%	(6.14%)

Subsidiary Company	2024		2023	
	Increase	Decrease	Increase	Decrease
Discount rate (100 bps movement on DBO)	(12.50%)	10.44%	(13.30%)	7.44%
Salary escalation rate (100 bps movement pn DBO)	11.62%	(10.18%)	6.93%	(13.26%)

These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous years in the methods and assumptions used in preparing the sensitivity analyses.

The major categories of plan assets are as follows:

(₹ in million)

	2024		
	Quoted	Unquoted	Total
Insurer managed funds (Life Insurance Corporation)	-	909.7	909.7
Others	-	1.4	1.4

Maturity profile of defined benefit obligations:

(₹ in million)

Year	2024	2023
Year 1	216.3	181.6
Year 2	125.3	148.9
Year 3	96.0	104.2
Year 4	101.0	81.3
Year 5	80.2	85.7
Year 6	83.8	67.5
Year 7	65.6	71.0
Year 8	65.8	57.1
Year 9	70.1	58.6
Year 10 and above	940.0	834.2

Characteristics of defined benefit plans and risks associated with them:

Valuations of defined benefit plan are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary over time. Thus, the Group is exposed to various risks in providing the above benefit plans which are as follows:

- Interest Rate risk:** The plan exposes the Group to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (i.e. value of defined benefit obligation).
- Salary Escalation Risk:** The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.
- Demographic Risk:** The Group has used certain mortality and attrition assumptions in valuation of the liability. The Group is exposed to the risk of actual experience turning out to be worse compared to the assumption.
- Investment Risk :** The Group has funded with well established Govt. of India undertaking & other IRDA approved agency and therefore, there is no material investment risk.

41. Financial instruments

A) Accounting classifications

The following tables shows the carrying amount / fair values of financial assets and financial liabilities:

(₹ in million)

Financial instruments category	Carrying value / Fair value	
	2024	2023

Financial Assets		
a) Measurement at amortised cost:		
Trade receivables	12,929.2	10,555.9
Cash and cash equivalents	4,639.4	697.1
Bank balances other than cash and cash equivalents	8,860.9	15,159.5
Loans	-	-
Security deposits	187.5	150.3
Other financial assets	566.3	415.1
Total Financial Assets	27,183.3	26,977.9

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Financial instruments category	(₹ in million)	
	Carrying value / Fair value	
	2024	2023
Financial Liabilities		
a) Measurement at amortised cost:		
Trade payables	11,280.8	10,551.4
Other financial liabilities	2,137.1	2,239.4
Lease liabilities	555.3	511.0
Total Financial Liabilities	13,973.2	13,301.8

The carrying amounts of all financial instruments (except derivative instruments which are measured at fair value through Other Comprehensive Income and long-term loans) are not materially different from their fair values, since these are of short-term nature.

B) Fair value hierarchy

The following table provides quantitative disclosures of fair value measurement hierarchy of financial instruments as referred above:

December 31, 2024

	(₹ in million)			
	Level 1	Level 2	Level 3	2024
Financial Assets				
Trade receivables	-	-	12,929.2	12,929.2
Cash and cash equivalents	-	-	4,639.4	4,639.4
Bank balances other than cash and cash equivalents	-	-	8,860.9	8,860.9
Loans	-	-	-	-
Security deposits	-	-	187.5	187.5
Other financial assets	-	-	566.3	566.3
Total	-	-	27,183.3	27,183.3

	(₹ in million)			
	Level 1	Level 2	Level 3	2024
Financial Liabilities				
Trade payables	-	-	11,280.8	11,280.8
Other financial liabilities	-	-	2,137.1	2,137.1
Lease liabilities	-	-	555.3	555.3
Total	-	-	13,973.2	13,973.2

December 31, 2023

	(₹ in million)			
	Level 1	Level 2	Level 3	2023
Financial Assets				
Trade receivables	-	-	10,555.9	10,555.9
Cash and cash equivalents	-	-	697.1	697.1
Bank balances other than cash and cash equivalents	-	-	15,159.5	15,159.5
Loans	-	-	-	-
Security deposits	-	-	150.3	150.3
Other financial assets	-	-	415.1	415.1
Total	-	-	26,977.9	26,977.9

	(₹ in million)			
	Level 1	Level 2	Level 3	2023
Financial Liabilities				
Trade payables	-	-	10,551.4	10,551.4
Other financial liabilities	-	-	2,239.4	2,239.4
Lease liabilities	-	-	511.0	511.0
Total	-	-	13,301.8	13,301.8

Valuation techniques and significant unobservable inputs

Specific valuation techniques used in measuring Level 2 and Level 3 fair values for financial instruments include:

- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date
- All financial assets and liabilities referred in Level 3 are measured at amortised cost, their carrying amount are reasonable approximation of their fair value

Notes to the Consolidated Financial Statements

for the year ended December 31, 2024

42. Segment reporting

(i) Information about business segments:

As per 'Ind AS 108 - Operating Segments', the Group has reported segment information under two segments i.e 1) Mobility components and related solutions and 2) Others.

Particulars	2024	2023
(₹ in million)		
(A) Segment Revenue (Net revenue / income)		
Mobility components and related solutions ¹		
Automotive Technologies	27,333.2	24,497.9
Vehicle Lifetime Solutions	8,577.6	7,060.5
Bearings & Industrial Solutions	20,092.7	18,839.3
Intercompany Exports & Others ²	6,940.9	6,718.4
Sub total (a)	62,944.4	57,116.1
Others		
Automotive Technologies	-	-
Vehicle Lifetime Solutions	-	-
Bearings & Industrial Solutions	15,524.4	12,371.1
Intercompany Exports & Others ²	3,855.0	3,021.9
Sub total (b)	19,379.4	15,393.0
(c) Total Revenue		
Automotive Technologies	27,333.2	24,497.9
Vehicle Lifetime Solutions	8,577.6	7,060.5
Bearings & Industrial Solutions	35,617.1	31,210.4
Intercompany Exports & Others ²	10,795.9	9,740.3
Revenue from operations (a + b)	82,323.8	72,509.1
(B) Segment Results (Profit before unallocable income, finance costs, exceptional items and tax)		
Mobility components and related solutions	8,019.0	7,902.2
Others	3,619.1	3,079.7
Total profit before unallocable income, finance costs, exceptional items and tax	11,638.1	10,981.9
Less : Finance cost	43.6	42.7
Add : Unallocable Income	1,183.0	1,245.5
Add : Exceptional items (refer Note 49)	-	(47.0)
Profit before tax	12,777.5	12,137.7
(C) Segment assets		
Mobility components and related solutions ³	46,090.9	38,807.4
Others	6,625.2	5,097.5
Unallocated	16,113.1	18,760.2
Total assets	68,829.2	62,665.1
(D) Segment liabilities		
Mobility components and related solutions	10,727.5	10,450.5
Others	2,724.2	2,290.4
Unallocated	2,033.2	1,870.7
Total liabilities	15,484.9	14,611.6
(E) Net capital employed	53,344.3	48,053.5

¹ As a result of the CODM's review mechanism, segment "Mobility components and related solutions" has been reorganized as below and previous year figures are reclassified;

- Sub-segment "Vehicle Lifetime Solutions" is just renaming of erstwhile sub-segment "Automotive Aftermarket"
- Sub-segment "Bearings & Industrial Solutions" is combination of erstwhile sub-segment "Industrial" and reclassification of "Bearings business division from "Automotive Technologies"
- Sub-segment "Intercompany Exports & Others" is just renaming of erstwhile sub-segment "Export & Others"

² Intercompany Export & Others mainly includes exports to group companies, scrap sales and other operating income

³ Property, plant and equipment (PPE) of the Company is predominantly used for 'Mobility components and related solutions' and hence has been disclosed as a segment asset under that reportable segment.

(ii) Secondary segment information

The geographical information analyses the Group's revenues and non-current assets by the Group's country of domicile (i.e. India) and outside India. In presenting the geographical information, segment revenue has been based on geographical location of customers and segment assets which have been based on the geographical location of the assets.

(a) Revenues

	2024	2023
(₹ in million)		
India	71,756.9	62,931.9
Outside India	10,566.9	9,577.2
Total	82,323.8	72,509.1

(b) Non-current assets¹

	2024	2023
(₹ in million)		
India	25,887.8	21,199.9
Outside India	-	-
Total	25,887.8	21,199.9

¹ Non-current assets exclude financial instruments, deferred tax assets, post employment benefit assets and rights arising under insurance contracts, if any.

(c) Customers accounted individually more than 10% of the revenue 2024 none (2023: none).

Notes to the Consolidated Financial Statements

for the year ended December 31, 2024

- 43.** Research and development expenses under the respective heads aggregate to ₹ 1,070.4 million (2023 : ₹ 994.7 million) including of capital nature ₹ 67.6 million (2023 : ₹ 73.7 million).

	2024				2023			
	Maneja, Savli (Vadodara)	Talegoan (Pune)	Hosur	Total	Maneja, Savli (Vadodara)	Talegoan (Pune)	Hosur	Total
Revenue expenses on research and development included under various heads of expenditure	445.8	315.2	241.8	1,002.8	367.1	335.3	218.6	921.0
Capital expenses on research and development capitalised along with other Fixed assets	43.8	17.0	6.8	67.6	66.8	1.4	5.5	73.7
Total	489.6	332.2	248.6	1,070.4	433.9	336.7	224.1	994.7

- 44.** The tax year for the Group being the year ending March 31, 2025, provision for taxation for the year ended December 31, 2024 is aggregate of provision made for three months ended March 31, 2024 and provision based on amounts for remaining nine months ended December 31, 2024, the ultimate tax liability of which will be determined on the basis of figures for the fiscal year April 1, 2024 to March 31, 2025.

The Group's international transactions with associated enterprises are at arm's length, as per the independent accountant's report for the year ended March 31, 2024. The Management believes that the Group's international transactions with associated enterprises post March 31, 2024 continue to be at arm's length and that transfer pricing legislations will not have any impact on the Ind AS financial statements, particularly on the amount of tax expenses for the year and the amount of provision for taxation at the year end.

In the year 2019 the Group elected to exercise the option permitted under section 115BAA of the Income-tax Act 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 with effect from April 1, 2019. Accordingly, the Group has recognised provision for Income Tax and deferred tax expenses for the twelve months ended December 31, 2019 on the basis of estimated annual effective income tax rate.

45. Amalgamation of INA Bearings India Private Limited and LuK India Private Limited with the group

Scheme of Amalgamation of INA Bearings India Private Limited and LuK India Private Limited (jointly referred to as 'transferor companies') with Schaeffler India Limited, has been approved by the National Company Law Tribunal, Chennai and Mumbai Benches vide their orders dated June 13, 2018 and October 8, 2018 respectively.

46. Revenue (Ind AS 115)

The Group is manufacturing and distribution of bearings, engine systems and transmission components, chassis applications, clutch systems and other automotive parts. All sales are made at a point in time and revenue recognised upon satisfaction of the performance obligations which is typically upon dispatch/delivery.

A. Revenue recognised from Contract liabilities (Advances from Customers)

Particulars	(₹ in million)	
	2024	2023
Closing Contract liabilities	76.1	50.6

The Contract liabilities outstanding at the beginning of the year has been recognised as revenue during the year ended December 31, 2024.

B. Reconciliation of revenue as per contract price and as recognised in statement of profit and loss

Particulars	(₹ in million)	
	2024	2023
Revenue as per Contract price	82,062.8	71,841.8
Less: Incentives and rebates	830.1	637.0
Less: Discounts	239.3	181.7
Revenue as per statement of profit and loss	80,993.4	71,023.1

Notes to the Consolidated Financial Statements

for the year ended December 31, 2024

47. Leases

1. Practical expedients applied

- Applied discount rate based Incremental borrowing rate as per portfolio of leases of similar assets in similar economic environment with a similar period.
- Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

2. The Group's significant leasing/ licensing arrangements are mainly in respect of residential / office premises. Leases generally have a lease term ranging from 12 months to 120 months. Most of the leases are renewable by mutual consent on mutually agreeable terms.

3. Movement in Lease Liability:

(₹ in million)		
Particulars	2024	2023
At the commencement of the year	511.0	573.8
(Deletions)/Adjustments	19.0	8.6
Additions/(Deletions) during the year	163.0	21.0
Payments made during the year	(137.7)	(92.4)
Closing Balance	555.3	511.0

Amounts recognised in the Statement of Profit and Loss

The statement of profit and loss shows the following amounts relating to lease:

(₹ in million)		
Particulars	2024	2023
Depreciation charge on right-of-use assets	122.5	100.1
Interest expense (included in Finance cost)	34.5	29.6
Expense relating to short-term leases /leases of low-value assets (refer Note 33)	25.1	18.8
Total	182.1	148.5

4. Right-of-use assets by class of assets is as follows.

Particulars	Gross Block				Amortisation				Net Block
	As at Jan 1, 2024	Additions	Deductions	As at Dec 31, 2024	As at Jan 1, 2024	For the Year	Deductions	As at Dec 31, 2024	As at Dec 31, 2024
Tangible Assets									
Leasehold land	540.6	15.5	15.5	540.6	9.2	4.4	2.2	11.4	529.2
Buildings	753.7	147.5	-	901.2	341.5	116.2	-	457.7	443.5
Vehicle	14.9	-	-	14.9	6.9	1.9	-	8.8	6.1
Total	1,309.2	163.0	15.5	1,456.7	357.6	122.5	2.2	477.9	978.8

5. Finance costs includes interest expense amounting to ₹ 34.5 million (2023: ₹ 29.6 million) on lease liability accounted in accordance with Ind AS 116 "Leases".

6. Rent expense in Note No. 31 Represents lease charges for short-term leases.

7. Lease liabilities

The table provides details regarding contractual liabilities of lease liabilities on an undiscounted basis:

(₹ in million)		
Particulars	2024	2023
Undiscounted future cash outflows		
Not later than 1 year	93.1	65.1
Later than 1 year and not later than 5 years	516.6	528.4
Later than 5 years	49.5	-

The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

48. Additional information pursuant to Para 2 of Part III General instructions for the preparation of consolidated financial statements, for a company required to comply with Ind AS

Notes to the Consolidated Financial Statements

for the year ended December 31, 2024

a) As at and for the year ended December 31, 2024

Name of the entity	Country of Incorporation	% of voting power	Net Assets, i.e., total assets minus total liabilities		Share in Profit or Loss for the year		Share in Other Comprehensive Income / (loss) for the year		Share in Total Comprehensive Income / (loss) for the year	
			% of consolidated net assets	Amount	% of consolidated Profit	Amount	% of consolidated Other Comprehensive Income	Amount	% of consolidated total comprehensive income	Amount
Holding Company										
Schaeffler India Limited			101%	53,833.0	103%	9,776.7	99%	(39.6)	104%	9,737.1
Subsidiaries - Indian										
KRSV Innovative Auto Solutions Private Limited	India	100%	-1%	(360.2)	-3%	(295.0)	1%	(0.5)	(3%)	(295.5)
Total				53,472.8		9,481.7		(40.1)		9,441.6
Add / (Less):				(128.5)		(93.1)		-		(93.1)
Inter company elimination and consolidation adjustment										
Total			100%	53,344.3	100%	9,388.6	100%	(40.1)	100%	9,348.5

b) As at and for the year ended December 31, 2023

Name of the entity	Country of Incorporation	% of voting power	Net Assets, i.e., total assets minus total liabilities		Share in Profit or Loss for the year		Share in Other Comprehensive Income / (loss) for the year		Share in Total Comprehensive Income / (loss) for the year	
			% of consolidated net assets	Amount	% of consolidated Profit	Amount	% of consolidated Other Comprehensive Income	Amount	% of consolidated total comprehensive income	Amount
Holding Company										
Schaeffler India Limited			100%	48,153.6	101%	9,090.3	100%	(44.4)	101%	9,045.9
Subsidiaries - Indian										
KRSV Innovative Auto Solutions Private Limited	India	100%	0%	(64.8)	-1%	(69.1)	0%	-	-1%	(69.1)
Total				48,088.8		9,021.2		(44.4)		8,976.8
Add / (Less):				(35.3)		(31.0)		-		(31.0)
Inter company elimination and consolidation adjustment										
Total			100%	48,053.5	100%	8,990.2	100%	(44.4)	100%	8,945.8

(i) The contribution of Holding and subsidiaries are considered based on the financial statements of respective entities without considering elimination and consolidation adjustments.

Notes to the Consolidated Financial Statements

for the year ended December 31, 2024

49. Business Combination

A. Summary of acquisition

- i) The Board of Directors of the Company on August 28, 2023 had approved acquisition of 100% shares 12,04,758 of ₹ 10/- each of KRSV Innovative Auto Solutions Private Limited (in the following “Koovers”) for a total purchase consideration of ₹ 1,424.0 million in 100% cash consideration. Schaeffler India Limited has completed the above acquisition by acquiring 100% shareholding of Koovers on September 8, 2023 in cash consideration. Consequently, Koover’s has become a subsidiary of the Company. The expenditure towards acquisition of Koovers mainly includes professional/consulting fees, stamp duties and other costs amounting to ₹ 47.0 million has been recognised as an exceptional items.

Koovers offers spare parts solution to Indian Automotive aftermarket workshops via B-to-B e-commerce platform. The acquisition is in line with Schaeffler India’s strategic initiatives for growth and provides a synergy potential. It will be a key enabler for the aftermarket ecosystem, including distribution partner and help to play an important role in the fast growing and evolving aftermarket digital landscape.

Summary of assets acquired and liabilities assumed as at the acquisition date (September 8, 2023):

The fair values of the identifiable assets and liabilities of the above-mentioned acquired company at the date of acquisition are as under:

(₹ in million)	
Particulars	Amount
Assets	
Property, plant and equipment	4.1
Intangible Assets	16.4
Inventories	34.3
Trade receivables	36.5
Other financial assets	4.2
Other current assets	35.4
Cash & cash equivalents	2.5
Total Assets (A)	133.4

(₹ in million)	
Particulars	Amount
Less: Liabilities	
Trade payable	(31.4)
Borrowings	(86.9)
Other liabilities	(11.2)
Deferred tax liabilities	(0.5)
Total Liabilities (B)	(130.0)
Net identifiable assets (A-B)	3.4

Measurement of Fair Values

Assets Acquired	Assets Acquired
Trademark / domain names "Koovers"	Relief-from-royalty method : The relief-from-royalty method considers the discounted estimated royalty payments that are expected to be avoided as a result of the patents being owned. The royalty rate has been considered based on evaluation of comparable transactions in B2B eCommerce space.
Deferred tax liabilities	Deferred taxes due to fair value adjustments regarding intangible assets amount to a net liability position and are based on the prevailing tax rate.

ii) Purchase Price Allocation

The purchase price is allocated to assets acquired and liabilities assumed based upon determination of fair values at the dates of acquisition is as follows:

(₹ in million)			
Component	Acquiree's carrying	Adjustments on account of Fair value	Purchase price allocated
Net assets	3.4	-	3.4
Trademark / domain names "Koovers"	-	799.5	799.5
Deferred tax liabilities	-	(201.2)	(201.2)
Total	3.4	598.3	601.7
Net assets acquired by Holding company			601.7
Goodwill	-	-	822.3
Total purchase price			1,424.0

Notes to the Consolidated Financial Statements

for the year ended December 31, 2024

iii) Purchase Consideration

(₹ in million)	
Particulars	Amount
Cash paid	1,424.0
Total purchase consideration	1,424.0

iv) Computation of goodwill

Goodwill mainly represents the expected synergies that will flow to the Group from combining operations of the acquiree, optimisation of resources and operating on a larger scale in the Indian AAM (Automotive aftermarket) e-Commerce.

(₹ in million)	
Particulars	Amount
Consideration transferred	1,424.0
Less: Net assets acquired	(601.7)
Goodwill arising on acquisition	822.3

Goodwill

The valuation of goodwill is based on the value of the estimated synergies and the value expected to be generated by speed to market and to attract new customers within the market (going concern value). Furthermore, goodwill also accounts for the potential that Koover's platform can be scaled-up in scope for new products and services as well as in range. Goodwill particularly comprises assets which are not separately recognised.

v) Purchase consideration - cash outflow

(₹ in million)	
Particulars	Amount
Cash consideration	1,424.0
Less: Acquired on acquisition	
Cash and bank balances	(2.5)
Net outflow of cash - investing activities	1,421.5

vi) Significant judgement & accounting estimates

Ind AS 103 requires the identifiable intangible assets and contingent consideration to be fair valued in order to ascertain the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. Estimates are required to be made in determining the value of contingent consideration and intangible assets. These valuations are conducted by external valuation experts. These measurements are based on information available at the acquisition date and are based on expectations and assumptions that have been deemed reasonable by the Management.

B. Goodwill movement

(₹ in million)	
Particulars	Amount
As at January 1, 2024	822.3
Movement during the year	-
As at December 31, 2024	822.3

C. Other information

- The Group does not have Non-controlling interest.
- Revenue from operations of ₹ 247.5 million and loss after tax of ₹ 65.6 million, pertaining to Koovers, have been included in consolidated statement of profit and loss for the year ended December 31, 2023. Management estimates that if the acquisition had taken place at the beginning of the year, revenue from operations for the Group would have been ₹ 72,994.3 million and the profit after tax for the Group would have been ₹ 8,933.6 million for the year ended December 31, 2023.
- Acquisition related cost amounting to ₹ 47.0 million have been included in 'Exceptional Items' in consolidated statement of profit and loss.
- Goodwill recognised on acquisition is not expected to be deductible for income tax purposes.

Notes to the Consolidated Financial Statements

for the year ended December 31, 2024

50. Other Statutory Information

1. The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
2. The Group does not have any transactions with companies struck off.
3. The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
4. The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.
5. The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or
 - b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
6. The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
 - a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
7. The Group does not have any such transaction which is not recorded in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
8. The Company has not been declared a wilful defaulter by any bank or financial institution or other lender (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.
9. The Company has not entered into any scheme of arrangement which has an accounting impact on the current or previous financial year.
10. The Company has not revalued its property, plant and equipment or intangible asset during the year.
11. The Company has complied with the number of layers prescribed under the Companies Act, 2013.

51. Audit trail compliance

The Ministry of Corporate Affairs (MCA) has prescribed a new requirement for companies under the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 inserted by the Companies (Accounts) Amendment Rules 2021, requiring companies which use accounting software for maintaining its books of account to use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account, along with the date when such changes were made and thereby ensuring that the audit trail cannot be disabled. The Holding Company uses SAP as ERP, which has an embedded feature of recording audit trail (edit logs) functionality and was operating throughout the year, except at the database level. However, the Company has adequate mechanisms in form of security audit logging, review of change activities and access rights authorisation review in place for changes made by users with specific privilege access rights and direct changes if any made on database level. The audit trail feature was enabled for its subsidiary company, effective March 2024.

Notes to the Consolidated Financial Statements

for the year ended December 31, 2024

52. Maintenance of books of account on server in India

As per the MCA notification dated August 5, 2022, the Central Government has notified the Companies (Accounts) Fourth Amendment Rules, 2022. As per the amended rules, the Companies are required to maintain back-up of the books of account and other relevant books and papers in electronic mode that should be accessible in India at all times. Also, the Companies are required to maintain such back-up of accounts on servers which are physically located in India, on a daily basis.

In case of the Holding Company, the books of account along with other relevant records and papers of the Company are currently maintained in electronic mode. These are readily accessible in India at all times and a back-up is maintained on a daily basis on servers located outside India. In order to comply with the requirements of the above notification, the Holding Company has created a backup of data for the year ended December 31, 2024 as of such date and Holding Company has since then started to take back up of the books of account on a server located in India from January 1, 2025 onwards, on a daily basis. However for subsidiary the back up of data is on server which is physically located in India.

As per our report of even date attached

For Walker Chandiok & Co. LLP

Chartered Accountants

Firm's Registration No.: 001076N / N500013

Khushroo B. Panthaky

Partner

Membership No.: 042423

Place: Mumbai

Date: February 27, 2025

For and on behalf of the Board of Directors

E.V. Sumithasri

Chairperson

DIN: 07087197

Place: Bengaluru

Date: February 27, 2025

53. Subsequent events

The Group evaluated all events or transactions that occurred after December 31, 2024 up through February 27, 2025, the date the consolidated financial statements were approved for issue by the Board of Directors. Based on this evaluation, the Group is not aware of any events or transactions that would require recognition or disclosure in the consolidated financial statements.

54. The figures for the previous year have been regrouped/reclassified wherever necessary to correspond with current year classification/disclosure, to make them comparable. The impact of such reclassification/regrouping is not material to the financial statements.

55. The consolidated financial statement are approved for issued by the Board of Directors in their meeting held on February 27, 2025.

Harsha Kadam

Managing Director

DIN: 07736005

Hardevi Vazirani

Director-Finance & CFO

DIN: 10212814

Ashish Tiwari

VP - Legal & Company Secretary

Form AOC-1

(Pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiary of the Company

Schaeffler India Limited has one Wholly Owned Subsidiary namely KRSV Innovative Auto Solutions Private Limited ('Koovers').

The statement containing salient features of the financial statement of Koovers is as under:

(₹ in million)

Sr. No.	Particulars	Details
1.	Name of the Subsidiary	KRSV Innovative Auto Solutions Private Limited
2.	The date since when subsidiary was acquired	September 8, 2023
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	April 1 to March 31
4.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	NA
5.	Share capital	12.0
6.	Reserves and surplus	(126.0)
7.	Total assets	311.2
8.	Total Liabilities	311.2
9.	Investments	-
10.	Turnover	785.7
11.	Profit/(Loss) before taxation	(171.9)
12.	Provision for taxation	(3.8)
13.	Profit/(Loss) after taxation	(168.1)
14.	Proposed Dividend	-
15.	Extent of shareholding (in percentage)	100%

Names of subsidiaries which are yet to commence operations: Not Applicable

Names of subsidiaries which have been liquidated or sold during the year: Not Applicable

Multi-year comparison - Standalone

Income statement	Unit	2024	2023	2022	2021	2020
Revenue	₹ Million	80,762.9	72,261.3	68,674.2	55,605.1	37,618.4
EBITDA ^a	₹ Million	14,968.7	13,527.5	13,076.5	9,949.8	5,401.3
EBITDA Margin	%	18.5%	18.7%	19.0%	17.9%	14.4%
EBIT ^a	₹ Million	12,281.1	11,336.6	11,011.9	7,978.7	3,461.6
EBIT Margin	%	15.2%	15.7%	16.0%	14.3%	9.2%
Earnings before tax ^a	₹ Million	13,174.7	12,283.9	11,620.6	8,431.4	3,972.1
Earnings after tax	₹ Million	9,776.7	9,090.3	8,792.1	6,291.2	2,909.7
EPS	₹	62.6	58.2	56.3	40.3	18.6
Statement of financial position						
Share Capital	₹ Million	312.6	312.6	312.6	312.6	312.6
Share holder's equity	₹ Million	53,833.0	48,153.6	42,859.0	36,536.7	31,402.9
Total assets	₹ Million	68,981.2	62,689.9	57,267.2	48,962.7	41,514.3
Statement of cash flows						
Cash flow from operating activities	₹ Million	8,843.2	9,000.3	7,505.3	4,646.7	6,491.9
Cash flow from Investing activities (Capex net)	₹ Million	(7,405.4)	(5,189.3)	(4,193.8)	(1,825.9)	(2,376.7)
Cash flow from Financing activities	₹ Million	801.4	809.4	457.4	456.3	456.5
Free cash flow before cash in-and outflows for M&A activities^b	₹ Million	2,239.2	4,620.4	3,768.9	3,277.1	4,571.7
Current ratio	Times	2.9	2.9	2.8	2.9	3.0
Value based management						
Capital employed	₹ Million	54,325.3	48,713.7	43,364.5	37,090.5	32,395.5
Average capital employed	₹ Million	51,519.5	46,039.1	40,227.5	34,743.0	31,236.0
Return on capital employed	%	23.8%	24.6%	27.4%	23.0%	11.1%
Shareholders						
Number of Shareholders ^c	No.	76,970	70,695	56,872	22,214	15,915
Number of shares ^d	No.	156,303,670	156,303,670	156,303,670	156,303,670	156,303,670
Dividend per share ^d	₹	28.0	26.0	24.0	16.0	7.6
Dividend		4,376.5	4,063.9	3,751.3	2,500.9	1,187.9
Closing share price ^e		3,405.4	3,202.2	2,744.5	1,758.1	907.7
Market Capitalisation	₹ Million	532,284.3	500,515.6	428,975.4	274,795.9	141,878.4
Net Worth		53,833.0	48,153.6	42,859.0	36,536.7	31,402.9
Employees						
Employee no.	No.	3,605	3,383	3,190	2,922	2,794

^aBefore exceptional items.

^bFree cash flow: Cash flow from operating activities less net capex add interest income (net).

^cNumber of shareholders not clubbed based on unique Permanent Account Number.

^dValues are restated at face value of ₹2/- per equity share.

^eClosing share price as on December 31, 2023.

Notice of AGM

To,
The Members
Schaeffler India Limited

Notice is hereby given that the 62nd Annual General Meeting of SCHAEFFLER INDIA LIMITED ('Company') will be held on Wednesday, April 30, 2025 at 3:30 pm IST through Video Conferencing ('VC')/Other Audio Visual Means ('OAVM') to transact the following businesses:

Ordinary Business

1. To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements including Balance Sheet as at December 31, 2024 and the Statement of Profit and Loss for the year ended on that date together with Directors' and Auditors' Report thereon.
2. To declare Dividend on Equity Shares for the financial year ended December 31, 2024.
3. To appoint a Director in place of Andreas Schick (DIN: 09257160), who retires by rotation and being eligible offers himself for re-appointment.

Special Business

4. To ratify remuneration of the Cost Auditors
To consider and if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:
"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or

re-enactment thereof, for the time being in force), the remuneration of ₹ 2,50,000/- (Rupees Two Lakhs Fifty Thousand Only) excluding all taxes and reimbursement of out of pocket expenses to M/s. Y. S. Thakar & Co., Cost Accountants having Firm Registration No. 000318, appointed by the Board of Directors as Cost Auditors to conduct the audit of the cost records of the Company for the Financial Year ending December 31, 2025, be and is hereby ratified.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts, deeds, matters and things, necessary and expedient to give effect to the resolution."

5. To appoint M/s. Samdani Kabra & Associates, Company Secretaries, as Secretarial Auditors for the term of 5 (Five) consecutive years.
To consider and if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:
"RESOLVED THAT pursuant to Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with the provisions of Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and as per the recommendations of Board of Directors of the Company, consent of the Members be and is hereby accorded for appointment of M/s. Samdani Kabra & Associates, Company Secretaries, (Firm Registration No. - P2002GJ013100 and

Peer review No.- 884/2020) as the Secretarial Auditors of the Company to hold office for a period of 5 (five) consecutive years commencing from the conclusion of this Annual General Meeting till the conclusion of the 67th Annual General Meeting of the Company to be held for the Financial Year ended December 31, 2029, who shall conduct Secretarial Audit of the Company from the Financial Year ended December 31, 2025 to the financial Year ended December 31, 2029.

RESOLVED FURTHER THAT the Key Managerial Personnel of the Company be and are hereby severally authorized to determine the remuneration of the Secretarial Auditors including the revision in the remuneration during the tenure, if any, basis the inflation, in consultation with the Secretarial Auditors, in addition to reimbursement of all out-of-pocket expenses, to be incurred by them in connection with the Secretarial Audit and to file necessary forms with Registrar of Companies and to do all such acts, deeds and things, as may be necessary, to give effect to the above said resolution."

6. Re-appointment of Eranti V. Sumithasri (DIN: 07087197) as an Independent Director
To consider and if thought fit, to pass, with or without modification, the following resolution as Special Resolution:
"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, 178 and other applicable provisions, if any of the Companies Act, 2013 ("the Act") read with Schedule IV to the Act and the Rules framed thereunder and applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("the Listing Regulations") (including any

Notice

statutory modification(s) or re-enactment(s) thereof, for the time being in force), the Articles of Association of the Company, approval and recommendation of the Nomination and Remuneration Committee, and that of the Board of Directors, Eranti V. Sumithasri (DIN: 07087197), who holds office as an Independent Director up to July 14, 2025, be and is hereby re-appointed as an Independent Director, not liable to retire by rotation, for a second term of 5 (Five) consecutive years with effect from July 15, 2025, up to July 14, 2030.

RESOLVED FURTHER THAT the Board of Directors and Key Managerial Personnel of the Company, be and are hereby severally authorized to settle any question, difficulty, or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds, and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution and for matters concerned or incidental thereto.”

7. To approve Material Related Party Transactions with Schaeffler Technologies AG & Co. KG, Germany

To consider and if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to the provisions of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended till date and in accordance with the applicable provisions of the Companies Act, 2013, if any, read with rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), based upon the approval and recommendation of the Audit Committee and approval of the Board of Directors of the Company, approval of the Members of the Company

be and is hereby accorded to Material Related Party Transactions with “Schaeffler Technologies AG & Co. KG”, Germany for the projected amount of ₹38,500 million for the year 2026 and thereafter a year-on-year increase of 25% on the total amount of actual transactions during the immediate previous year, up to the year 2028 in the ordinary course of business and at arm’s length basis, the details are as under –

(₹ in million)			
Name of Related Party / Nature of Transaction (Fellow subsidiary/Affiliate)	Category of Transaction	2026 Projection	Method used for Arm's length
Schaeffler Technologies AG & Co.KG. Germany		38,500.0	
Purchases - Finished Goods, Raw materials, Components and spares	Purchases	26,000.0	Finished goods (Resale price method), Raw material, Components, Spares (Cost plus)
Fees for use of technology / trademark	Royalties (Technology & Trademark)	2,500.0	Transactional Net Margin Method (TNMM)
Sale of Finished Goods	Sales of Finished goods	6,500.0	Resale Price Method
Others services ¹	Services (IT, Technical, Marketing, HQ and RHQ)	2,000.0	Cost Plus Method / Actual cost
Purchase of Machines and Equipments	WDV (Subject to valuer certificate) / Cost Plus	1,500.0	Relocation/New

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

RESOLVED FURTHER THAT approval of the Members of the Company be and is hereby accorded to enter into Material Related Party Transactions with “Schaeffler Technologies AG & Co. KG”, Germany for the years 2026 to 2028 with a year on year increase of 25% on the total amount of actual transactions during the immediate previous year, up to the year 2028.

RESOLVED FURTHER THAT the Key Managerial Personnel of the Company, be and are hereby severally authorized to do all acts, deeds, matters and things to give effect to this resolution.

By Order of the Board

Bengaluru
February 27, 2025

Schaeffler India Limited

Registered Office:
15th Floor, ASTP (Amar Sadanand Tech Park),
Baner, Pune, Maharashtra, India, 411 045

CIN : L29130PN1962PLC204515
Phone : +91-20-68198400
E-mail : investorsupport.in@schaeffler.com
Website : www.schaeffler.co.in

Ashish Tiwari

VP-Legal & Company Secretary

Notice

Notes:

1. The Ministry of Corporate Affairs ('MCA') vide its General Circular No. 14/2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020, General Circular No. 20/2020 dated May 5, 2020 and General Circular No. 09/2023 dated September 25, 2023, and 09/2024 dated September 19, 2024 (collectively referred to as "MCA Circulars"), allowed to hold the Annual General Meeting (AGM) through Video Conferencing (VC)/Other Audio Visual Means (OAVM). In compliance with the provisions of the Companies Act, 2013 ('Act'), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and MCA Circulars, the 62nd AGM of the Company is being held through VC/OAVM. The deemed venue for the 62nd AGM shall be the Registered Office of the Company.
2. In terms of the MCA Circulars, the physical attendance of Members has been dispensed with and there is no requirement of appointment of proxies. Accordingly, the facility for appointment of proxies by the Members will not be available for the Annual General Meeting and hence the Proxy Form and Attendance Slip are not annexed to this Notice. As per the MCA Circulars, Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act. Since the AGM will be held through VC/OAVM, the Route Map does not form part of the Notice.

Institutional/Corporate Members are requested to send a scanned copy (PDF/JPEG format) of the Board Resolution authorising its representatives to attend the AGM and vote on the Resolutions as set out in this Notice through remote e-voting, pursuant to Section 113 of the Companies Act, 2013, at investorsupport.in@schaeffler.com.
3. In compliance with the aforesaid MCA Circulars and SEBI Circular No SEBI/HO/CFD/CFD-PoD-2/P/ CIR/2023/167 dated October 07, 2023, and SEBI Circular No SEBI/HO/CFD/CFD-PoD-2/P/ CIR/2024/133 dated October 3, 2024, Notice of the AGM along with the Integrated Annual Report 2024 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories. Members may note that the Notice along with Integrated Annual Report 2024 has been disclosed on the website of the Company at www.schaeffler.co.in and also available on the websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com and on the website of NSDL at www.evoting.nsdl.com. The physical copy of the Integrated Annual Report 2024 will be sent to the Shareholders based on the specific request received.

As per Regulation 36(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ('SEBI Listing Regulations'), as amended, a letter containing the web-link, including the exact path, where complete details of the Integrated Annual Report are available, is being sent to all the Shareholders who have not registered their Email IDs with the Company or Depository Participants or MUFG Intime India Private Limited (Formerly Link Intime India Private Limited), Registrar & Transfer Agent (RTA) of the Company.
4. The Dividend on Equity shares as recommended by the Board of Directors and if declared at the AGM, will be paid within the statutory time limit of 30 (Thirty) days or as per the prescribed legal requirements, as under:
 - (a) To all beneficial owners in respect of shares held in dematerialised form as per the data made available by National Securities Depository Limited and Central Depository Services (India) Limited as at the close of business hours on April 23, 2025.
 - (b) To all Members in respect of shares held in Physical Form as per the Register of Members of the Company on the close of business hours on April 23, 2025.
5. In terms of the provisions of Section 124 and other applicable provisions of the Companies Act, 2013, the amount of dividend not encashed or claimed within 7 (Seven) years from the date of its transfer to the unpaid dividend account, is required to be transferred to the Investor Education and Protection Fund ('IEPF') established by the Central Government. Members who have not yet encashed their dividend warrant(s) pertaining to the dividend for the Financial Year 2017 onwards, are requested to lodge their claims with the Company or with the Registrar and Share Transfer Agent ('RTA') of the Company at the earliest.
6. Pursuant to the Finance Act, 2020, dividend income is taxable in the hands of Shareholders w.e.f. April 1, 2020 and Company is required to deduct tax at source on payment of dividend at the prescribed rates. The Shareholders are requested to refer the Finance Act, 2020 and amendments thereof for prescribed rates for various categories of Shareholders. The Company shall send the e-mail in this regard to all the Shareholders whose e-mail id is registered with RTA or Depository Participant.
7. Attention of Members is invited to the provisions of Section 124(6) of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016

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amended from time to time ('IEPF Rules'), which inter alia requires the Company to transfer the Equity Shares, on which the dividend has remained unpaid or unclaimed for a continuous period of 7 (Seven) years, to IEPF. The said shares, once transferred to IEPF, can be claimed after following due procedure prescribed under the IEPF Rules.

8. The Statement of Dividend amount remained unclaimed or unpaid for 7 (Seven) consecutive years and Shares due for transfer to IEPF shall be placed on the website of the Company at <https://www.schaeffler.co.in>; Members are therefore requested to approach MUFG Intime India Private Limited (Formerly Known as Link Intime India Private Limited), Registrar & Transfer Agent (RTA) of the Company to claim their unpaid dividend, if any. As per SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018, and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, requests for effecting transfer of securities shall be processed in dematerialized form only, effective from April 1, 2019. Therefore, the Members are requested to take prompt action to dematerialize the Equity Shares of the Company.
9. As per SEBI Master Circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated May 7, 2024, SEBI has mandated that the security holders (holding securities in physical form), whose folio(s) do not have PAN or Choice of Nomination or Contact Details or Mobile Number or Bank Account Details or Specimen Signature updated, shall be eligible for any payment including dividend, interest or redemption in respect of such folios, only through electronic mode with effect from April 01, 2024.

- (a) The relevant formats for Nomination and Updation of KYC details viz; Forms ISR-1, ISR-2, ISR-3, SH-13, SH-14 and SEBI circular are available on Company website as well as the website of MUFG Intime India Private Limited (Formerly Known as Link Intime India Private Limited) <https://web.in.mpms.mufig.com/KYC-downloads.html>.
- (b) Original cancelled cheque leaf bearing the name of the first holder failing which first security holder is required to submit copy of bank passbook/statement attested by the bank which is mandatory for registering the new bank details.

In view of the above, we request you to submit the KYC Form, duly completed along with Investor Service Request Form ISR-1 and the required supporting documents as stated in Form ISR-1 at the earliest to MUFG Intime India Private Limited (Formerly Known as Link Intime India Private Limited).

10. As per Regulation 40 of the SEBI Listing Regulations, as amended, read with SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018, and further amendment vide Notification No. SEBI/LADNRO/ GN/2018/49 dated November 30, 2018, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities. Effective from January 24, 2022, requests for transmission or transposition of Securities held in physical or dematerialized form shall be effected only in dematerialized form. In view of this and to eliminate all risks associated with physical Shares and for ease of portfolio management, Members holding Shares in physical form are requested to

consider converting their holdings to dematerialized form. Members can contact the Company or MUFG Intime India Private Limited (Earlier Link Intime India Private Limited), Company's Registrar & Share Transfer Agent for assistance in this regard.

11. In terms of Section 72 of the Companies Act, 2013, Nomination facility is available to individual Shareholders holding Shares in the physical form. The Shareholders who are desirous of availing this facility, may kindly write to RTA of the Company, M/s. MUFG Intime India Private Limited (Formerly Known as Link Intime India Private Limited)., "Geetakunj" 1, Bhakti Nagar Society, Behind ABS Tower, Old Padra Road, Vadodara – 390 015, Gujarat, India, at vadodara@linkintime.co.in, quoting their folio number.

Voting through Electronic means

1. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, Members are provided with the facility to cast their votes electronically, through the e-voting services provided by National Securities Depository Limited (NSDL), on all the resolutions set forth in this Notice.

The Company has appointed Suresh Kumar Kabra, Partner of Samdani Kabra & Associates, Company Secretaries, Vadodara as scrutiniser for scrutinising the e-voting process in a fair and transparent manner.

Notice

The Members, whose names appear in the Register of Members/Beneficial Owners as on the record date (cut-off date) i.e. Wednesday, April 23, 2025, may cast their vote electronically. The e-voting period will commence from Sunday, April 27, 2025 at 9:00 a.m. (IST) and will end at 5:00 p.m. (IST) on Tuesday, April 29, 2025. The remote e-voting module will be disabled on April 29, 2025 at 5:00 p.m. (IST). The voting right of Shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Wednesday, April 23, 2025. A Person who is not a Member as on the cut off date should treat this Notice for information purpose only.

The Members who have voted by remote e-voting prior to the AGM can also attend the AGM but shall not be entitled to cast their vote again.

In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM. Facility of joining the AGM through VC/OAVM shall open 30 minutes before the time scheduled for the AGM and will be available for Members.

Any person who acquires Shares of the Company and becomes a Member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e. Wednesday, April 23, 2025, may

obtain User ID and password by sending a request to evoting@nsdl.com. However, Members who are already registered with NSDL for e-voting, can use their existing User ID and password for casting their votes. If you forgot your password, you can reset your password by using “Forgot User Details/ Password” or “Physical User Reset Password” option available on www.evoting.nsdl.com or call on toll free no. 1800 1020 990 and 1800 22 44 30 or send a request to Prajakta Pawle, Sr. Manager – NSDL at evoting@nsdl.com (Tel no.: 022 - 4886 7000 and 022 - 2499 7000) In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice and holding shares as of the cut-off date i.e., Wednesday, April 23, 2025 may follow step 1 i.e. “Access to NSDL e-Voting system” as mentioned below.

The instructions for Members for remote e-voting are as under:-

The remote e-voting period begins on Sunday, April 27, 2025 at 9:00 a.m. (IST) and will end at 5:00 p.m. (IST) on Tuesday, April 29, 2025. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members/Beneficial Owners as on the record date (cut-off date) i.e. Wednesday, April 23, 2025, may cast their vote

electronically. The voting right of Shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Wednesday, April 23, 2025. The Scrutinizer will submit the Report to the Chairperson or the Managing Director or the Executive Director of the Company as authorized by the Chairperson upon completion of the scrutiny of the votes cast through remote e-voting. The result of the e-voting shall be declared on or before May 2, 2025, at the Registered Office of the Company before the close of working hours.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and e-mail Id in their demat accounts in order to access e-Voting facility.

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Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	- Existing IDeAS user can visit the e-Services website of NSDL viz. https://eservices.nsdl.com either on a personal computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. - If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp - Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/ Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. - Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.    

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	- Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi / Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing Myeasi username & password. - After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there are also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers’ website directly. - If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. - Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & E-mail as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Notice

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at 022 - 4886 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800-21-09911

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
 - c) How to retrieve your ‘initial password’?
 - (i) If your e-mail ID is registered in your demat account or with the Company, your ‘initial password’ is communicated to you on your e-mail ID. Trace the e-mail sent to you from NSDL from your mailbox. Open the e-mail and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.
 - (ii) If your e-mail ID is not registered, please follow steps mentioned below in **process for those shareholders whose e-mail ids are not registered.**
6. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:
 - a) Click on **“Forgot User Details/Password?”**
(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.com mentioning your demat account number/ folio number, your PAN, your name and your registered address etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

Notice

7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join Meeting”.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for Shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to samdanics@gmail.com with a copy marked to evoting@nsdl.com. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution/ Power of Attorney/ Authority Letter etc. by clicking on “Upload Board Resolution/Authority Letter” displayed under “e-Voting” tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on.: 022 - 4886 7000 or send a request to Ms. Prajakta Pawle at evoting@nsdl.com.

Process for those shareholders whose e-mail ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by e-mail to investorsupport.in@schaeffler.com.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to (investorsupport.in@schaeffler.com). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
3. Alternatively shareholder/members may send a request to evoting@nsdl.com for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and e-mail ID correctly in their demat account in order to access e-Voting facility.

Notice

The instructions for members for E-Voting on the day of the AGM are as under

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
 2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
 3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
 4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.
2. Members are encouraged to join the Meeting through Laptops for better experience.
 3. Further Members will be required to allow camera access and use Internet with a good speed to avoid any disturbance during the meeting.
 4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

III. Process for registration of e-mail id for obtaining Integrated Annual Report and user id/ password for e-voting and updating bank account mandate for receiving the dividend

Physical Holding

1. Please refer to the Notes of this notice for detailed procedure.
2. Shareholders are requested to register their e-mail address with MUFG Intime India Private Limited (Formerly Known as Link Intime India Private Limited), by clicking the link: https://web.in.mpms.mufg.com/EmailReg/Email_Register.html and follow the registration process as guided therein. Shareholders are requested to provide details such as Name, Folio number, Certificate number, PAN, Mobile number, e-mail ID, and also upload the image of Share Certificate and a duly signed request letter (up

to 1 MB) in PDF or JPEG format. Alternatively, Members may send a request to the RTA of the Company, MUFG Intime India Private Limited (Formerly Known as Link Intime India Private Limited) at vadodara@linkintime.co.in and investorsupport.in@schaeffler.com providing the following documents for registering e-mail ID:

- a) A request letter providing name of the Member, Folio No., Mobile no., and e-mail address to be registered/updated and signed by Member (first holder, in case of jointly held).
 - b) Self-attested scanned copy of PAN.
3. Shareholders are requested to register their Bank Details with MUFG Intime India Private Limited (Formerly Known as Link Intime India Private Limited), by sending hard copy of KYC Forms alongwith original cancel cheque leaf at MUFG Intime India Private Limited (Formerly Known as Link Intime India Private Limited), Mumbai. Shareholders are requested to provide details such as Name, Folio number Certificate number, PAN, e-mail ID along with the copy of the cheque leaf with the first named Members name imprinted in the face of the cheque leaf containing bank name and branch, type of account, bank account number, MICR details and IFSC code and a duly signed request letter (upto 1 MB) in PDF or JPEG format. On submission of the details for registration of e-mail ID/bank account an OTP will be received by the Shareholder which needs to be entered in the link for verification. In case of any query, a Shareholder may send an e-mail to RTA at rnt.helpdesk@linkintime.co.in or vadodara@linkintime.co.in.

Instructions for members for attending the AGM through VC/OAVM are as under

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM" placed under "Join meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/ Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have

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4. Members are requested to share the below details for registering/updating Bank Account:
 - a) Name and Branch of the Bank in which dividend is to be received and Bank Account type
 - b) Bank Account Number allotted by your bank after implementation of Core Banking Solutions
 - c) 9-digit MICR Code and 11-digit IFSC Code
 - d) Self-attested scanned copy of the cancelled cheque bearing the name of the Member (first holder, in case of jointly held).
5. A request letter for registering the bank account details is to be shared with (RTA) at vadodara@linkintime.co.in and investorsupport.in@schaeffler.com

Demat Holding

Please contact your Depository Participant (DP) and register your e-mail ID and bank account details with your demat account agency, as per the process advised by your Depository Participant.

1. Members are requested to submit their questions in advance along with their name and demat account no./ folio number to investorsupport.in@schaeffler.com till April 23, 2025. The questions raised by the Members will be replied suitably by the Company.
2. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered e-mail ID mentioning their name, demat account number/folio number, PAN, Mobile number at investorsupport.in@schaeffler.com till April 15, 2025. Those Members who have registered themselves as

a speaker will only be allowed to express their views/ ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

3. Members seeking any information with regards to accounts or any matters to be placed at the AGM, are requested to write to the Company in advance through e-mail at investorsupport.in@schaeffler.com. The same will be replied by the Company suitably.
 4. Statement as required under Section 102 of the Companies Act, 2013 in respect of Item Nos. 4, 5, 6, and 7 under 'Special Business', are attached hereto. All relevant documents referred to in this Notice and the Statement are open for inspection by the Members at the Registered Office of the Company on all working days, except Saturdays and Sundays, during business hours up to the date of the Meeting. Also, the electronic copy of the relevant documents referred to in the accompanying Notice and the Statement will be made available for inspection by the Members through e-mail. Members can send a request for the inspection of such documents to investorsupport.in@schaeffler.com.
 5. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form should submit their PAN to the Company/RTA.
- Members are requested to note that pursuant to the SEBI circulars dated November 03, 2021, December 14, 2021, March 16, 2023 and

November 17, 2023, SEBI Master Circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated May 7, 2024, it is mandated that the security holders (holding securities in physical form), whose folio(s) do not have PAN or Choice of Nomination or Contact Details or Mobile Number or Bank Account Details or Specimen Signature updated, shall be eligible for any payment including dividend, interest or redemption in respect of such folios, only through electronic mode with effect from April 1, 2024. Members are requested to take note of the above and ensure compliance to the directions from SEBI.

Statement under Section 102 of the Companies Act, 2013 relating to Special Business mentioned in the Notice convening the 62nd Annual General Meeting:

Item No. 4. To ratify remuneration of the Cost Auditors

Upon recommendation of the Audit Committee, the Board of Directors of the Company in its meeting held on February 27, 2025, has, based upon the eligibility and consent to act as such, re-appointed M/s Y. S. Thakar & Co., Cost Accountants, as the Cost Auditors of the Company for conducting the audit of the cost records of the Company for the financial year ending December 31, 2025.

The Audit Committee and the Board of Directors of the Company have approved a remuneration of ₹ 2,50,000/- (Rupees Two Lakhs Fifty Thousand Only) to M/s Y. S. Thakar & Co., Cost Accountants excluding all taxes and reimbursement of out of pocket expenses for the year 2025.

Notice

Pursuant to Section 148 of the Companies Act, 2013 read with the Rule 14 of Companies (Audit and Auditors) Rules, 2014, Members of the Company are required to ratify the remuneration to be paid to the Cost Auditors of the Company.

Accordingly, consent of the Members is sought by way of Ordinary Resolution as set out at Item No. 4 of the Notice for ratification of the remuneration to be paid to the Cost Auditors for conducting the audit of the cost records of the Company for the financial year ending December 31, 2025.

None of the Directors, Key Managerial Personnel, Manager of the Company and their Relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out in Item No. 4 of the Notice.

The Board recommends the Resolution under Item No. 4 of the Notice for approval of the Members as an Ordinary Resolution.

Item No. 5: To appoint of M/s. Samdani Kabra & Associates, Company Secretaries, as the Secretarial Auditors of the Company for the term of 5 (Five) consecutive years.

The Board of Directors, at its meeting held on February 27, 2025, has recommended the appointment of M/s. Samdani Kabra & Associates, Company Secretaries (Firm Registration No.- P2002GJ013100 and Peer review No. - 884/2020), as the Secretarial Auditors of the Company, in accordance with the provisions of Section 204 of the Companies Act, 2013, and Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for a term of 5 (Five) consecutive years

starting from the conclusion of this Annual General Meeting till the conclusion of the 67th Annual General Meeting to be held for the financial year ended December 31, 2029, subject to approval by the Members at this Annual General Meeting.

The details required to be disclosed under provisions of Regulation 36(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are as under:

Sl. No.	Particulars	Details
1	Proposed Secretarial Auditors	The Board recommended the appointment of M/s. Samdani Kabra & Associates, Practicing Company Secretaries.
2	Basis of Recommendation	M/s. Samdani Kabra & Associates, is a firm of Practicing Company Secretaries established in the year 2002, primarily engaged in providing Secretarial Audit, Governance, Compliance Management and other Assurance services. The Firm has experience in handling the secretarial audits of listed and large unlisted companies. The Firm holds Peer Review Certificate No. 884/2020 issued by the Peer Review Board of the Institute of Company Secretaries of India. The Board believes that their experience of conducting Secretarial Audit of listed companies and large companies and knowledge of the legal and regulatory framework will be invaluable to the Company in ensuring continued adherence to compliance requirements under the Companies Act, 2013, Securities and Exchange Board of India Act, 1992 and other applicable laws. The recommendation for the appointment of M/s. Samdani Kabra & Associates as Secretarial Auditor is based on their past track record and capabilities in delivering quality secretarial audit services to other companies of similar size and complexity.
3	Credentials of Proposed Secretarial Auditor	M/s. Samdani Kabra & Associates is a firm of Company Secretaries in Practice and holding Peer Review Certificate No. 884/2020 issued by the Peer Review Board of the Institute of Company Secretaries of India.
4	Term of Appointment	Five (5) consecutive years from the conclusion of this Annual General Meeting till the conclusion of the 67 th Annual General Meeting of the Company to be held for the Financial Year ended December 31, 2029; to conduct Secretarial Audit from the Financial Year ended December 31, 2025 to Financial Year ended December 31, 2029
5	Proposed Fees	₹325,000 per annum plus applicable taxes and reimbursement of other out-of-pocket expenses actually incurred in connection with the Secretarial Audit of the Company.

None of the Directors, Key Managerial Personnel, Manager of the Company and their relatives are concerned or interested, financially or otherwise in the resolution set out at item No. 5 of the Notice.

The Board recommends the resolution set forth in item No. 5 of the Notice for approval of the Members as an Ordinary Resolution.

Notice

Item No. 6: Re-appointment of Eranti V. Sumithasri (DIN: 07087197) as an Independent Director

The Members of the Company at the 58th Annual General Meeting ('AGM') held on Tuesday, April 27, 2021, approved the appointment of Eranti V. Sumithasri (DIN: 07087197) as an Independent Director of the Company pursuant to Section 149 of the Act, read with the applicable Rules by the Board, effective from July 15, 2020, to hold office up to July 14, 2025.

As per Section 149 of the Act, an Independent Director may hold office for two terms of up to 5 (Five) consecutive years each. Eranti V. Sumithasri fulfills the requirements of an Independent Director as laid down under Section 149(6) of the Act, and Regulation 16(1)(b) of the Listing Regulations.

Eranti V. Sumithasri has Master's degree in Computer Science & Engineering from University of Connecticut, USA and Bachelor's degree in Computer Science from Visvesvaraya College of Engineering, India and has a vast experience in business leadership, technology, consulting and financial services industry.

Eranti V. Sumithasri joined the Board of the Company effective July 15, 2020.

Eranti V. Sumithasri will complete her first term of 5 (Five) years as an Independent Director on July 14, 2025.

At present, Eranti V. Sumithasri is a Chairperson of the Board of Directors and of the Stakeholders Relationship Committee of the Board of Directors of the Company. Eranti V. Sumithasri is also a member of Audit Committee, Nomination and Remuneration Committee and Risk Management Committee of the Board of Directors of the Company.

The Nomination and Remuneration Committee and the Board of Directors of the Company, after considering the performance evaluation of Eranti V. Sumithasri during her

first term of 5 (Five) years and considering her knowledge, financial acumen, business expertise, experience, time commitment and substantial contribution towards the overall growth of the Company, has recommend her re-appointment as a Non-Executive Independent Director for the second term of 5 (Five) consecutive years, subject to approval of Shareholders by way of a Special Resolution.

The Nomination and Remuneration Committee and the Board of Directors are of the view that Eranti V. Sumithasri possesses the requisite skills and capabilities, which would be of immense benefit to the Company, and hence, it is desirable to re-appoint her as a Non-Executive Independent Director of the Company.

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors has approved on February 27, 2025, for the re-appointment of Eranti V. Sumithasri as an Independent Director, not liable to retire by rotation, for a second term of 5 (Five) years effective July 15, 2025, up to July 14, 2030 (both days inclusive), subject to approval of the Members.

The Company has received notice from a Member, proposing her candidature for the office of Director under Section 160 of the Companies Act, 2013.

The Company has received the following declarations from Eranti V. Sumithasri with regard to the proposed re-appointment:

- i. Declaration to the effect that she meets the criteria of independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations.
- ii. Consent to act as a Director of the Company, in Form DIR-2, in terms of Section 152 of the Act;
- iii. Declaration (Form DIR-8) that she is not disqualified from being appointed as Director in terms of Section 164 of the Act.

- iv. Declaration that she is not debarred from holding the office of Director by virtue of any order of the SEBI or any other such authority.
- v. Confirmation that she is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact her ability to discharge duties as an Independent Director of the Company.
- vi. Confirmation that she had not been a partner of a firm that had transactions during the last three financial years with the Company or its subsidiaries amounting to 10 (Ten) percent or more of its gross turnover.

In the opinion of the Board and based on its evaluation, Eranti V. Sumithasri fulfils the conditions specified in the Act, and Rules made thereunder and Listing Regulations for her re-appointment as an Independent Director of the Company and she is independent of the Management of the Company.

The details of Eranti V. Sumithasri as required under the provisions of Regulation 36 (3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and provisions of SS-2 on General Meetings are disclosed under Annexure A to this Statement.

Except Eranti V. Sumithasri, none of the Directors or Key Managerial Personnel or Manager of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out in Item No. 6 of the Notice.

The Board recommends the Resolution under Item No. 6 of the Notice for approval of the Members as a Special Resolution.

Notice

Item No. 7: To approve Material Related Party Transactions with Schaeffler Technologies AG & Co. KG, Germany

In order to sustain quality standards, quantitative benefits, ease of customer reach, global representation and in the best interest of the Company and its Shareholders, material transactions of the Company pertaining to sale, purchase or supply of goods, materials & services have been undertaken since long with Schaeffler Group Company, i.e. Schaeffler Technologies AG & Co. KG, Germany. The Shareholders of the Company at their 60th Annual General Meeting held on April 18, 2023, had approved Material Related Party Transactions with Schaeffler Technologies AG & Co. KG, Germany, a Related Party of the Company for the year 2023 for ₹26,050 million and thereafter a year on year increase of 25% on total amount of transactions during the previous year, upto the year 2025. All material Related Party Transactions shall require prior approval of the Shareholders through resolution and no Related Party shall vote to approve such resolutions whether the entity is a Related Party to the particular transaction or not.

As per the amended definition of ‘Material Related Party Transaction’, the transactions with Schaeffler Technologies AG & Co. KG, Germany, would fall under the category of Material RPTs. Hence, it is proposed to obtain the Shareholders’ approval in the ensuing 62nd Annual General Meeting for the Material Related Party Transactions with Schaeffler Technologies AG & Co. KG, Germany for the projected amount of ₹38,500 million for the year 2026 and thereafter a year-on-year increase of 25% on the total amount of actual transactions during the immediate previous year, up to the year 2028.

(₹ in million)

Name of Related Party / Nature of Transaction (Fellow subsidiary/Affiliate)	Category of Transaction	2026 Projection	Method used for Arm's length
Schaeffler Technologies AG & Co.KG. Germany		38,500.0	
Purchases – Finished Goods, Raw materials, Components and spares	Purchases	26,000.0	Finished goods (Resale price method), Raw material, Components, Spares (Cost plus)
Fees for use of technology / trademark	Royalties (Technology & Trademark)	2,500.0	Transactional Net Margin Method (TNMM)
Sale of Finished Goods	Sales of Finished goods	6,500.0	Resale Price Method
Others services ¹	Services (IT, Technical, Marketing, HQ and RHQ)	2,000.0	Cost Plus Method/Actual cost
Purchase of Machines and Equipments	WDV (Subject to valuer certificate) / Cost Plus	1,500.0	Relocation/New

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.

Notice

Details of the proposed RPTs between the Company and Schaeffler Technologies AG & Co. KG, Germany including the information required to be disclosed in the Explanatory Statement in terms of SEBI CIRCULAR SEBI/HO/CFD/CMD1/CIR/P/2021/662 Dated November 22, 2021 -

Sl. No.	Description	Details of proposed RPTs between the Company and Schaeffler Technologies AG & Co. KG, Germany
Summary of information provided by the Management to the Audit Committee, Board and Shareholders for approval of the proposed RPTs.		
a.	Type, material terms, monetary value and particulars of the proposed RPTs.	The Company and Schaeffler Technologies AG & Co. KG, Germany have entered into/proposed to enter into the following RPTs during FY2026, for an aggregate value ₹38,500 million: – Purchases- Finished Goods, Raw materials, Components and spares – Fees for use of technology/trademark – Sale of Finished Goods – Other services – Purchase of machines and equipment
b.	Name of the Related Party and its relationship with the Company	Schaeffler Technologies AG & Co. KG, Germany, Fellow Subsidiary/Affiliate of the Company. Both the companies are Related Parties as on date of this Notice
c.	Tenure of the proposed transaction (particular tenure shall be specified)	FY 2026 to FY 2028
d.	Value of the proposed transactions	Material Related Party Transactions with Schaeffler Technologies AG & Co. KG, Germany for the projected amount of ₹38,500 million for the year 2026 and thereafter a year-on-year increase of 25% on the total amount of actual transactions during the immediate previous year, up to the year 2028.
e.	Percentage of the Company's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed RPTs	47% of consolidated turnover of year 2024.
f.	If the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary	Not applicable
g.	Justification for the proposed RPTs	The proposed transactions are in the interest of the business growth considering global contracts, access to market, availability of raw materials, access to technology, brand usage and technical support. The proposed transactions are in the ordinary course of business and following arm's length principles within the framework of Transfer Pricing guidelines.
h.	A copy of the valuation or other external party report, if any such report has been relied upon	The Company obtains Independent Auditor's Report on Arm's Length nature of Related Parties Transactions and place before the Audit Committee on half yearly basis.

Pursuant to provisions of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, all Material Related Party Transactions require prior approval of the Members through an Ordinary Resolution where none of the Related Parties can vote to approve such transactions whether the entity is a Related Party to the particular transaction or not. Therefore, approval of the Members of the Company is sought through an Ordinary Resolution. The aforesaid information was placed before Audit Committee and Board of Directors in the meeting held on February 27, 2025. The Audit Committee and Board of Directors have considered that these transactions are in Ordinary Course of Business, on Arm's Length basis and in the interest of the Company and accordingly, recommend to the Members for their approval by way of an Ordinary Resolution.

Notice

None of the Directors, Manager, Key Managerial Personnel of the Company and their Relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at item no. 7 of the Notice except to the extent of their directorship or shareholding or employment in the Company or in Schaeffler Technologies AG & Co. KG., Germany or any other Schaeffler Group Company, as the case may be, if any.

The Board recommends the Resolution under item no. 7 of the Notice for approval of the Members as an Ordinary Resolution.

By Order of the Board

Ashish Tiwari

VP-Legal & Company Secretary

Bengaluru

February 27, 2025

Schaeffler India Limited

Registered Office:

15th Floor, ASTP (Amar Sadanand Tech Park),
Baner, Pune, Maharashtra, India, 411 045

CIN : L29130PN1962PLC204515

Phone : +91-20-68198400

E-mail : investorsupport.in@schaeffler.com

Website : www.schaeffler.co.in

Notice

Annexure – A

Information on Directors seeking appointment/re-appointment at 62nd Annual General Meeting pursuant to Regulation 36 (3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to provisions of Secretarial Standard 2 on the General Meetings

Name	Andreas Schick	Eranti V. Sumithasri
Director Identification No.	09257160	07087197
Date of Birth/Age	April 27, 1970/54 Years	April 14, 1972 / 52 Years
Qualification	Automotive Engineering at the University of Munich	Master's degree in Computer Science & Engineering from University of Connecticut, USA, Bachelor's degree in Computer Science from Visvesvaraya College of Engineering, India. Eranti V. Sumithasri joined the Board of Schaeffler India effective from July 15, 2020 as Non-Executive Independent Director. She has 30+ years of experience in business leadership, technology, consulting and financial services industry. She has held various roles in technology companies: global line-of-service leadership, CXO collaboration, P&L ownership, large account management, business consulting and product development. She possesses multi-cultural experience of living and working in various countries outside India including Germany and USA.
Brief Profile and nature of expertise in specific functional area and experience	Andreas Schick was appointed as a Director on October 28, 2021. Mr. Andreas Schick has 30 years of experience in the field of technology and has worked with Schaeffler Group for more than two decades in different roles. He is a member of Executive Board of Schaeffler AG and Chief Operation Officer and shoulders the responsibility for Production, Supply Chain Management and Purchasing within the Schaeffler AG. He started his career as a Product Engineer and worked in different roles in Brazil, USA, China, and Singapore.	Eranti V. Sumithasri joined the Board of Schaeffler India effective from July 15, 2020 as Non-Executive Independent Director. She has 30+ years of experience in business leadership, technology, consulting and financial services industry. She has held various roles in technology companies: global line-of-service leadership, CXO collaboration, P&L ownership, large account management, business consulting and product development. She possesses multi-cultural experience of living and working in various countries outside India including Germany and USA.
Date of first appointment on the Board	October 28, 2021	July 15, 2020
Category	Non-Executive Non-Independent	Non-Executive Independent
Relationship with other Directors, Managers and KMP	Not related to any other Directors, Manager or KMP	Not related to any other Director, Manager or KMP
Current Remuneration (last drawn remuneration)	Not Applicable	Sitting Fees for attending Board/Committee Meetings held during the year 2024: ₹985,000; Profit related Commission for the year 2023: ₹6,850,000
Details of remuneration sought to be paid	Not Applicable	As per shareholders' approval passed at 53 rd Annual General Meeting held on April 27, 2016, Non-Executive Directors are paid 'Sitting Fees' for attending Board/Committee Meetings and 'Profit Related Commission' based on performance of the Company. Remuneration will be paid as per the said criteria to Eranti V. Sumithasri
Terms and Conditions of appointment/Terms of revised remuneration	He shall continue to be subject to terms and conditions of his appointment as Non-Executive Director.	As an Independent Director, she shall continue to be subject to terms and conditions of appointment of Independent Directors of the Company, which is available on the website of the Company – www.schaeffler.co.in .
Shareholding in the Company including shareholding as a beneficial owner	Nil	50 Equity Shares
No. of Meetings of the Board attended during the year 2024	4 out of 6 Board Meetings attended	6 out of 6 Board Meetings attended
Directorships – Listed Companies	Schaeffler India Limited	Schaeffler India Limited
Directorships – Non-listed Companies	Schaeffler AG. Bundesvereinigung Logistik VDA Produktionsausschuss SupplyOn AG, Germany Stegra AB	-
Committee Membership/Chairmanship	Risk Management Committee - Member Audit Committee - Member	Audit Committee – Member Risk Management Committee – Member Nomination and Remuneration Committee – Member Stakeholders Relationship Committee – Chairperson
Listed entities from which the person has resigned in the past three years	None	None
The skills and capabilities required for the role and the manner in which the proposed person meets such requirements	Not Applicable	As mentioned in the explanatory statement.

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