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Independent Auditor's Report on Annual Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To the Board of Directors of Schaeffler India Limited

Opinion

1. We have audited the accompanying annual financial results ('the Statement') of **Schaeffler India Limited** ('the Company') for the year ended **31 December 2021**, attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('Listing Regulations'), including relevant circulars issued by the SEBI from time to time.

2. In our opinion and to the best of our information and according to the explanations given to us, the Statement:

   (i) presents financial results in accordance with the requirements of Regulation 33 of the Listing Regulations; and

   (ii) gives a true and fair view in conformity with the applicable Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 ('the Act'), read with relevant rules issued thereunder, and other accounting principles generally accepted in India, of the net profit after tax and other comprehensive income and other financial information of the Company for the year ended 31 December 2021**.**

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing ('SAs') 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 Statement* 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 ('the 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 obtained by us, is sufficient and appropriate to provide a basis for our opinion.

Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurugram, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune

Walker Chandiok & Co LLP is registered with limited liability with identification number AAC-2085 and has its registered office at L-41, Connaught Circus, Outer Circle, New Delhi, 110001, India

Responsibilities of Management and Those Charged with Governance for the Statement

4. This Statement has been prepared on the basis of the annual audited financial statements and has been approved by the Company's Board of Directors. The Company's Board of Directors is responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit and other comprehensive income and other financial information of the Company in accordance with the accounting principles generally accepted in India, including Ind AS prescribed under Section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India, and in compliance with Regulation 33 of the Listing Regulations. 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 judgments 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 Statement that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

5. In preparing the Statement, the Board of Directors is 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.

6. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Statement

7. Our objectives are to obtain reasonable assurance about whether the Statement as a whole is 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, specified under section 143(10) of the Act, 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 this Statement.

8. As part of an audit in accordance with the Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Statement, 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 in place adequate internal financial controls with reference to financial statements 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 the management.

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- Conclude on the appropriateness of the management's 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 Statement 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.

- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.

9. 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.

10. 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.

Other Matters

11. The Statement includes the financial results for the quarter ended 31 December 2021, being the balancing figures between the audited figures in respect of the full financial year and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subject to limited review by us.

12. The audit of financial results for the corresponding quarter and year ended 31 December 2020 included in the Statement was carried out and reported by B S R & Co. LLP who have expressed unmodified opinion vide their audit report dated 16 February 2021, whose report have been furnished to us, and which has been relied upon by us for the purpose of our audit of the Statement. Our opinion is not modified in respect of this matter.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No:001076N/N500013

KHUSHROO B PANTHAKY
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Date: 2022.02.16 20:28:08 +05'30'

Khushroo B. Panthaky
Partner
Membership No:042423

UDIN:22042423ACVTBF3429

Place: Mumbai
Date: 16 February 2022

Chartered Accountants

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SCHAEFFLER INDIA LIMITED

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STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED DECEMBER 31, 2021

(Amount in ₹ million except per share data)

Sr. No.	Particulars	Quarter ended			Year-To-Date	
		Dec 31, 2021	Sep 30, 2021	Dec 31, 2020	Dec 31, 2021	Dec 31, 2020
		Unaudited (refer Note 2)	Unaudited	Unaudited (refer Note 2)	Audited	Audited
1	**Income**					
	(a) Revenue from operations	15,232.2	14,875.8	12,737.7	55,605.1	37,618.4
	(b) Other income	217.9	157.5	155.1	723.8	603.0
	Total Income	**15,450.1**	**15,033.3**	**12,892.8**	**56,328.9**	**38,221.4**
2	**Expenses**					
	(a) Cost of materials consumed	5,671.9	6,127.4	4,949.4	22,755.4	13,896.4
	(b) Purchases of stock-in- trade	3,498.5	3,979.3	3,292.0	14,200.2	8,912.3
	(c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	131.0	(802.5)	(324.4)	(2,331.7)	522.7
	(d) Employees benefits expense	994.6	997.1	948.3	3,952.2	3,535.5
	(e) Finance costs	8.7	9.9	24.7	36.7	52.4
	(f) Depreciation and amortisation expense	511.7	496.1	510.8	1,971.1	1,939.7
	(g) Other expenses	2,064.9	1,929.7	1,581.7	7,313.6	5,390.3
	Total Expenses	**12,881.3**	**12,737.0**	**10,982.5**	**47,897.5**	**34,249.3**
3	**Profit before tax (1 - 2)**	**2,568.8**	**2,296.3**	**1,910.3**	**8,431.4**	**3,972.1**
4	**Tax expense**					
	(i) Current tax	662.8	601.5	518.2	2,187.0	1,179.1
	(ii) Deferred tax charge / (credit)	(0.4)	(13.3)	(24.1)	(46.8)	(116.7)
5	**Profit for the period (3 - 4)**	**1,906.4**	**1,708.1**	**1,416.2**	**6,291.2**	**2,909.7**
6	**Other comprehensive income**					
	(i) Items that will not be reclassified to profit or loss	(55.5)	2.9	(34.5)	(31.9)	(45.8)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	13.9	(0.7)	8.7	8.0	11.5
	Total comprehensive income for the period (comprising profit and Other comprehensive income for the period) (5 + 6)	**1,864.8**	**1,710.3**	**1,390.4**	**6,267.3**	**2,875.4**
7	Paid-up equity share capital (face value of ₹ 10 per share)	312.6	312.6	312.6	312.6	312.6
8	Other equity	-	-	-	36,224.1	31,090.3
9	Earnings per equity share (of ₹ 10 each) (not annualised)					
	(a) Basic (in ₹)	61.0	54.6	45.3	201.3	93.1
	(b) Diluted (in ₹)	61.0	54.6	45.3	201.3	93.1

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BALANCE SHEET

Sr. No.	Particulars	As at Dec 31, 2021 Audited	As at Dec 31, 2020 Audited
A)	**ASSETS**		
1	**Non-current assets**		
a)	Property, plant and equipment	9,960.0	9,258.6
b)	Right of use assets	724.8	798.3
c)	Capital work-in-progress	892.3	1,604.1
d)	Other intangible assets	12.2	1.5
e)	Financial assets		
	(i) Loans	96.8	96.3
	(ii) Other financial assets	1,155.0	763.5
f)	Deferred tax assets (net)	399.8	363.2
g)	Non-current income-tax assets (net)	913.2	1,002.9
h)	Other non-current assets	650.4	481.4
	Total Non-current assets	**14,804.5**	**14,369.8**
2	**Current assets**		
a)	Inventories	10,864.9	7,136.3
b)	Financial assets		
	(i) Trade receivables	8,462.7	6,917.2
	(ii) Cash and cash equivalents	2,070.0	2,108.0
	(iii) Bank balances other than (ii) above	12,086.7	10,351.0
	(iv) Loans	36.2	49.9
	(v) Other financial assets	125.7	173.9
c)	Other current assets	512.0	524.2
	Total Current assets	**34,158.2**	**27,260.5**
	TOTAL ASSETS	**48,962.7**	**41,630.3**
B)	**EQUITY AND LIABILITIES**		
1	**Equity**		
a)	Equity share capital	312.6	312.6
b)	Other equity	36,224.1	31,090.3
	Total Equity	**36,536.7**	**31,402.9**
2	**Liabilities**		
	Non-current liabilities		
a)	Financial liabilities		
	(i) Lease liabilities	519.0	566.2
	(ii) Other financial liabilities	23.1	23.5
b)	Provisions	11.7	61.3
	Total Non-current liabilities	**553.8**	**651.0**
	Current liabilities		
a)	Financial liabilities		
	(i) Lease liabilities	88.0	84.7
	(ii) Trade payables		
	a) Total outstanding dues of micro enterprises and small enterprises	1,341.6	50.3
	b) Total outstanding dues of creditors other than micro enterprises and small enterprises	7,987.3	7,636.3
	(iii) Other financial liabilities	1,271.8	979.9
b)	Other current liabilities	313.2	214.8
c)	Provisions	665.9	597.9
d)	Current tax liabilities (net)	204.4	12.5
	Total Current liabilities	**11,872.2**	**9,576.4**
	Total Liabilities	**12,426.0**	**10,227.4**
	TOTAL EQUITY AND LIABILITIES	**48,962.7**	**41,630.3**

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Cash flow statement	Year ended Dec 31, 2021 Audited		Year ended Dec 31, 2020 Audited	
Cash flows from operating activities				
Net profit before tax		8,431.4		3,972.1
Adjustments:				
Depreciation and amortisation	1,971.1		1,939.7	
Finance costs	36.7		52.4	
Interest income	(489.4)		(562.9)	
(Profit) on sale of assets (net)	(0.4)		(0.1)	
Provisions no longer required written back	(123.5)		-	
Unrealised exchange (gain) (net)	(6.9)		(65.1)	
Bad debts written off	3.3		24.8	
		1,390.9		1,388.8
Operating cash flow before changes in working capital		**9,822.3**		**5,360.9**
(Increase) in inventories	(3,774.4)		(398.3)	
(Increase) in trade and other receivables	(1,609.2)		(655.3)	
Increase in trade and other payables	2,062.9		2,967.2	
Increase in provisions	40.3		601.7	
		(3,280.4)		2,515.3
Cash generated from operating activities		**6,541.9**		**7,876.2**
Income tax paid (net of refunds)		(1,895.2)		(1,384.3)
A Net cash from operating activities		**4,646.7**		**6,491.9**
Cash flows from investing activities				
Purchase of property, plant and equipment (tangible and intangible, capital work-in-progress, capital advance and capital creditors)	(1,826.3)		(2,376.9)	
Proceeds from sale of property, plant and equipment	0.4		0.2	
Proceeds from / (investment in) bank deposits (with original maturity of more than 3 months and remaining maturity of less than 12 months)	(2,127.2)		(2,528.6)	
Interest received	536.9		580.8	
B Net cash used in investing activities		**(3,416.2)**		**(4,324.5)**
Cash flows from financing activities				
Finance costs paid	(3.3)		(52.4)	
Payment of lease liability	(77.3)		(72.0)	
Dividends paid on equity shares	(1,187.9)		(1,094.1)	
C Net cash used in financing activities		**(1,268.5)**		**(1,218.5)**
Net (decrease) in cash and cash equivalents (A + B + C)		**(38.0)**		**948.9**
Cash and cash equivalents at the beginning of period		2,108.0		1,159.1
Cash and cash equivalents at the end of period		2,070.0		2,108.0
		(38.0)		**948.9**

The above cash flow statement has been prepared under the Indirect Method as set out in Ind AS 7 - Statement of Cash Flows notified pursuant to Section 133 of the Companies Act, 2013 ('the Act').

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Segmentwise revenues, results, assets and liabilities.

The Company has reported segment information under two segments i.e. 1) Mobility components and related solutions and 2) Others.

	Particulars	Quarter ended			Year-To-Date	
		Dec 31, 2021	Sep 30, 2021	Dec 31, 2020	Dec 31, 2021	Dec 31, 2020
		Unaudited (refer Note 2)	Unaudited	Unaudited (refer Note 2)	Audited	Audited
(A)	**Segment Revenue (Net revenue / income)**					
	(a) Mobility components and related solutions					
	Automotive Technologies	5,672.3	5,600.0	5,316.2	21,860.5	14,581.2
	Automotive Aftermarket	1,521.9	1,450.8	1,130.4	5,018.7	3,345.3
	Industrial	3,758.4	2,645.0	2,820.2	11,324.6	8,759.1
	Exports & Others#	1,815.6	1,293.7	1,161.0	5,646.1	3,378.2
	Sub total (a)	**12,768.2**	**10,989.5**	**10,427.8**	**43,849.9**	**30,063.8**
	(b) Others					
	Automotive Technologies	-	-	-	-	-
	Automotive Aftermarket	-	-	-	-	-
	Industrial	2,138.2	3,422.6	2,132.7	10,241.6	6,742.9
	Exports & Others#	325.8	463.7	177.2	1,513.6	811.7
	Sub total (b)	**2,464.0**	**3,886.3**	**2,309.9**	**11,755.2**	**7,554.6**
	(c) Total Revenue					
	Automotive Technologies	5,672.3	5,600.0	5,316.2	21,860.5	14,581.2
	Automotive Aftermarket	1,521.9	1,450.8	1,130.4	5,018.7	3,345.3
	Industrial	5,896.6	6,067.6	4,952.9	21,566.2	15,502.0
	Exports & Others#	2,141.4	1,757.4	1,338.2	7,159.7	4,189.9
	Revenue from operations (a+b)	**15,232.2**	**14,875.8**	**12,737.7**	**55,605.1**	**37,618.4**
(B)	**Segment Results (Profit before finance cost and tax)**					
	Mobility components and related solutions	1,983.7	1,470.2	1,348.6	5,837.8	2,422.4
	Others	375.9	678.5	431.3	1,906.5	999.1
	Total profit before finance costs and tax	**2,359.6**	**2,148.7**	**1,779.9**	**7,744.3**	**3,421.5**
	Less : Finance cost	8.7	9.9	24.7	36.7	52.4
	Less : Unallocable expenses	-	-	-	-	-
	Add : Unallocable Income	217.9	157.5	155.1	723.8	603.0
	Profit before tax	**2,568.8**	**2,296.3**	**1,910.3**	**8,431.4**	**3,972.1**
(C)	**Segment assets**					
	Mobility components and related solutions *	27,438.5	27,284.7	23,227.4	27,438.5	23,227.4
	Others	4,149.4	4,583.8	2,896.2	4,149.4	2,896.2
	Unallocated	17,374.8	15,582.7	15,506.7	17,374.8	15,506.7
	Total assets	**48,962.7**	**47,451.2**	**41,630.3**	**48,962.7**	**41,630.3**
(D)	**Segment liabilities**					
	Mobility components and related solutions	8,803.6	8,875.6	7,395.1	8,803.6	7,395.1
	Others	2,082.5	2,392.8	1,637.4	2,082.5	1,637.4
	Unallocated	1,539.9	1,509.9	1,194.9	1,539.9	1,194.9
	Total liabilities	**12,426.0**	**12,778.3**	**10,227.4**	**12,426.0**	**10,227.4**
(E)	**Net capital employed**	**36,536.7**	**34,672.9**	**31,402.9**	**36,536.7**	**31,402.9**

Export & Others mainly includes exports to group companies, scrap sales and other operating income

* Property, plant and equipment (PPE) of the Company is predominantly used for 'Mobility solutions and related components' and hence has been disclosed as a segment asset under that reportable segment.

Notes:

1 The above financial results for the quarter and year ended December 31, 2021 were reviewed by the Audit Committee at their meeting held on February 16, 2022 and approved by the Board of Directors at their meeting held on February 16, 2022.

2 The figures for the last quarter are the balancing figures between audited figures in respect of the full financial year and the published year-to-date figures up to the third quarter of the respective financial years. Also the figures up to the end of the third quarter were only reviewed and not subjected to audit.

3 Figures of previous periods have been regrouped/rearranged where ever considered necessary

4 In the current quarter, the Company operations are at normalcy and there is no impact of the pandemic on the Company's financials for the quarter and year ended December 31, 2021. The management is continuously and closely monitoring the current COVID-19 developments and possible effects that may result from the current pandemic on its financial condition, liquidity and operations and is actively working to minimize the impact of this unprecedented situation.

5 Pursuant to the approval of the shareholders accorded on December 19, 2021 vide postal ballot conducted by the Company, each equity share of face value of Rs.10/- per share was subdivided into 5 equity share of face value of Rs. 2/- per share with record date February 9, 2022.

6 The Board of Directors of the Company has recommended a dividend for the year ended December 31, 2021 at the rate of ₹ 16/-per equity share of face value Rs. 2/- each (2020:₹ 38/- per equity share of face value Rs.10/- each).

KHUSHROO B PANTHAKY
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For and on behalf of the Board

KADAM HARSHA GOPAL
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DN: cn=KADAM HARSHA GOPAL, c=IN, o=Personal, email=harskad@yahoo.co.in
Reason: I am approving this document
Date: 2022.02.16 19:55:55 +05'30'

Harsha Kadam
Managing Director
DIN: 07736005

February 16, 2022

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