

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

20/08/2020

Sub: Disclosure on Material Impact of COVID–19 Pandemic on Schaeffler India Limited

Phone: +91 8669513701

Dear Sirs,

Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated May 20, 2020, enclosed please find a disclosure on material impact of COVID–19 pandemic on the Company under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the content of which is self-explanatory.

Thanking you.

Yours faithfully,

For **Schaeffler India Limited**

Ashish Tiwari,

VP - Legal & Company Secretary

Encl.: As above

Update:

- On account of the spread of COVID-19, the Government of India had imposed a complete nation-wide lockdown on March 24, 2020 leading to shut down of the Company's manufacturing facilities and logistics operations. Since then the Government of India has progressively relaxed lockdown conditions and has allowed most of the industries and businesses to resume operations in a phased manner.
- The Company resumed the operations in May 2020 with limited manpower. There was an average production loss ~52 working days. The capacity utilization impacted due to low demand even after resuming operations in all plants. Several measures were taken to mitigate loss by controlling costs, managing liquidity and working capital effectively. Since the lock-down was in force for a significant period of the June 2020 quarter, the Company's operations were impacted however, management believes that the impact seems to be temporary in nature and the pandemic is not likely to have an impact on the recoverability of the carrying value of its assets as at June 30, 2020.
- COVID-19 Global pandemic impacted on the Company's global supply chain. It has scaled down the production due to low demand. The consequences and further course are still not foreseeable and long term impact of stimulus measures and policy changes are yet to unveil.
- The Revenue declined by -60.7% in June 2020 quarter (Q2 2020 vs. Q2 2019) resulted in -12.9% PBT margin, due lower production and under absorption of fixed cost. However, cost saving measures helped minimizing the losses. The Company has submitted its Unaudited Financial Results for the quarter and half year ended June 30, 2020 to the Stock Exchanges on July 24, 2020 and the same are available on the website of the Stock Exchanges and the website of the Company (www.schaeffler.co.in).
- The management is continuously and closely monitoring the 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. As the situation is still continuously evolving, the eventual impact may be different from the estimates made.