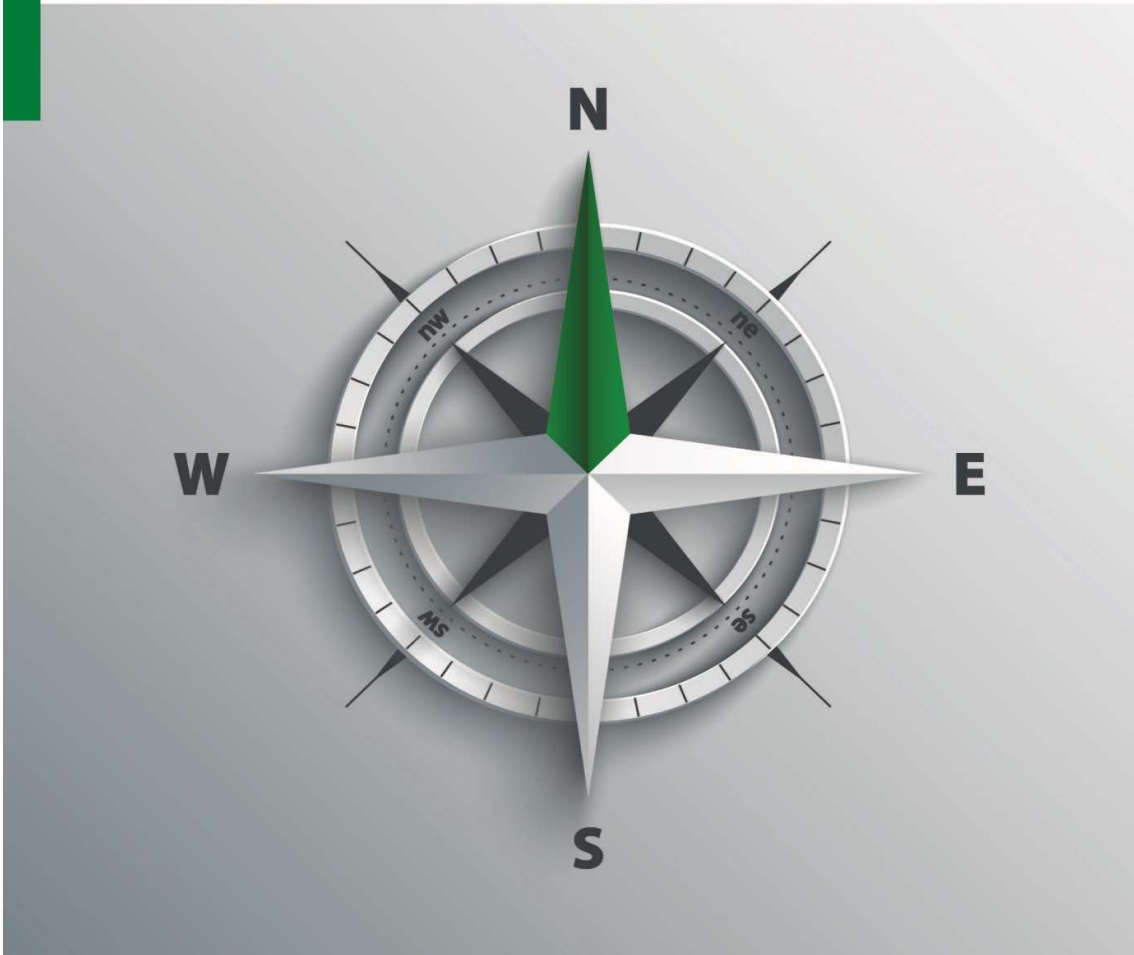


**SCHAEFFLER**

We pioneer motion  
**Shareholders' Handbook 3.0 - 2022**



**SCHAEFFLER INDIA LIMITED**

## DISCLAIMER

The disclaimer forms integral part of the "Shareholders' Handbook" ("Handbook") and is applicable to all the information given hereunder.

This Handbook is an effort of Schaeffler India Limited ("the Company") to educate its Shareholders about their rights as shareholders, standard procedures and documentation requirements for certain matters. The Handbook should be considered as an informal guideline only. The Handbook is intended, but not promised or guaranteed, to be correct, complete and up-to-date. The Company, its Directors or officers do not warrant that the information contained in this Handbook is complete and hereby disclaim(s) any liability to any person for any loss or damage caused by errors or omissions, whether such errors or omissions result from negligence, accident or any other unintentional cause. The Company, its Directors or officers further assume no liability for the interpretation and / or use of the information contained in this Handbook. Readers are requested to refer to the specific provisions of the Acts, rules and regulations for exact details and clarifications and are specifically informed that this Handbook does not purport to explain any laws or rules in force.

## ATTENTION SHAREHOLDERS

We refer to SEBI Circular No. SEBI/HO/MIRSD/MIRSD RTAMB/P/CIR/2021/655 dated November 3, 2021 read with clarification dated December 14, 2021 issued by SEBI that mandates all the listed companies to record the PAN, Address with PIN code, Email address, Mobile Number, Bank Account details, Specimen Signature and Nomination by holders of physical securities. This is applicable for all the security holders in physical mode.

The salient features and requirements of the circular are as follows:

- A) **Non - updation of KYC - Folios: wherein any ONE of the cited details/documents, (i.e PAN, Address with PIN code, Email address, Mobile Number, Bank Account details, Specimen Signature and Nomination) are not available on or after April 01, 2023, shall be frozen as per SEBI circular.**

### **Notes:**

- 1) The securities in the frozen folios shall be:
  - Eligible to lodge any grievance or avail service request from the RTA only after furnishing the complete documents / details as aforesaid.
  - Eligible for any payment including dividend, interest or redemption payment only through electronic mode upon complying with the above stated requirements.
- 2) 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 circulars are available on Company website as well as the website of Link Intime India Pvt. Ltd.  
  
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.

B) **Mandatory Linkage of PAN with Aadhaar** - As per the Central Board of Direct Taxes (CBDT), it is mandatory to link PAN with Aadhaar number by March 31, 2022 or any other date as may be specified by CBDT to avoid freezing of the folio. 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 Link Intime India Private Limited.

The communication in this regard has been already sent to the holders of physical securities on their registered address. Formats of the forms can also be downloaded from the website of R & T Agent – [Link Intime India Pvt Ltd](#)

**ISSUANCE OF SECURITIES IN DEMATERIALIZED FORM IN CASE OF INVESTOR SERVICE REQUESTS –**

We 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 dematerialized form in case of Investor Service Requests which states that henceforth listed companies shall issue the securities in dematerialized form only while processing the following service request:

- i. Issue of duplicate securities certificate;
- ii. Claim from Unclaimed Suspense Account;
- iii. Renewal / Exchange of securities certificate;
- iv. Endorsement;
- v. Sub-division / Splitting of securities certificate;
- vi. Consolidation of securities certificates/folios;
- vii. Transmission;
- viii. Transposition.

Investors holding securities in physical mode are advised to take a note of instructions mentioned in the said circular and get in touch with Link Intime India Private Limited, (RTA) of the Company for processing the above service requests. It is further informed that after verification they shall be issued a 'Letter of confirmation' in lieu of physical securities certificate(s) and this letter is valid only for a period of 120 days from the date of its issue within which the shareholder has to raise the demat request with the DP, in accordance with the circular.

**SIMPLIFICATION OF PROCEDURE AND STANDARDIZATION OF FORMATS OF DOCUMENTS FOR TRANSMISSION OF SECURITIES**

Please refer to the SEBI circular dated May 18, 2022 bearing Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/65 pursuant to simplification of procedure and standardization of formats of documents for transmission of securities.

**SIMPLIFICATION OF PROCEDURE AND STANDARDIZATION OF FORMATS OF DOCUMENTS FOR ISSUANCE OF DUPLICATE SECURITIES CERTIFICATES**

Please refer to the SEBI circular dated May 25, 2022 bearing Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/70 pursuant to simplification of procedure and standardization of formats of documents for issuance of duplicate securities certificates.

**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 the applicable circulars.**

### **IMPORTANT ANNOUNCEMENT FOR DEMAT –**

Kindly note that Regulation 40 (1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') has been amended and provides that transfer of securities shall not be processed unless the securities are held in dematerialized form with depository effective April 1, 2019. Accordingly, effective April 1, 2019 any securities (shares) held are transferable in demat form only.

However, the shares held in physical form shall not become invalid. Further, the shares held in physical form can be converted into Demat form at any time.

### **ESCALATION OF INVESTOR GRIEVANCES:**

The Shareholders can approach following persons for their queries, grievance or any assistance required.

<b>Contact Point</b>	<b>Contact Details</b>
<b>Registrar and Transfer Agent (RTA) of the Company</b>  <b><u>(Primary Contact)</u></b>	<b>Link Intime India Pvt. Ltd.</b>  <b>Vadodara Office of RTA:</b> B-102 & 103, Shangrila Complex, First Floor, Opp.HDFC Bank, Near Radhakrishna Char Rasta, Akota, Vadodara - 390020, (Gujarat), India Contact person: Mr. Alpesh Gandhi Email: vadodara@linkintime.co.in Phone: +91 265 - 6136000 <b>Head Office of RTA:</b> C 101, 247 park, L.B.S Marg, Vikhroli (West), Mumbai – 400083
<b>Registered Office &amp; Corporate Office of the Company</b>  <b><u>(Secondary Contact/1<sup>st</sup> Escalation)</u></b>	Address: 15 <sup>th</sup> Floor, (ASTP) Amar Sadanand Tech Park, Baner, Pune 411045, Maharashtra, India. Contact person: Ms. Sharvari Deshpande Phone: +91-20-6819 8448 Email: <a href="mailto:investorsupport.in@schaeffler.co.in">investorsupport.in@schaeffler.co.in</a>
<b>Compliance Officer of the Company</b>  <b><u>(Secondary Contact/2<sup>nd</sup> Escalation)</u></b>	Mr. Ashish Tiwari, VP-Legal & Company Secretary Phone: +91-20-6819 8448 Address: 15 <sup>th</sup> Floor, (ASTP), Amar Sadanand Tech Park, Baner, Pune 411045, Maharashtra, India.
<b>3<sup>rd</sup> Escalation</b>	Stakeholders Relationship Committee

## CORRESPONDANCE:

The Shareholders may send their correspondence by way of signed written letters or through Email. The correspondence may be addressed to the Company or to the RTA. Email communication only from registered email id shall be entertained.

The Shareholders are requested to note that for the purpose of safety of information of shareholders, **email communication from any un-registered email id shall not be entertained.**

To register email id with the Company –

- a. For Shares held in Demat Mode – Contact your Depository Participant
- b. For Shares held in Physical Mode – KYC Form / Form ISR-1 duly signed by Shareholder to be sent to RTA.

## SHAREHOLDERS' RIGHTS:

- To participate in, and to be sufficiently informed of, decisions concerning fundamental corporate changes.
- Opportunity to participate effectively and vote in general shareholder meetings.
- Being informed of the rules, including voting procedures that govern general shareholder meetings.
- Opportunity to ask questions to the Board of Directors, to place items on the agenda of general meetings, and to propose resolutions, subject to reasonable limitations.
- Effective shareholder participation in key corporate governance decisions, such as the nomination and election of members of Board of Directors.
- Exercise of ownership rights by all shareholders, including institutional investors.
- Adequate mechanism to address the grievances of the shareholders.
- Protection of minority shareholders from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly, and effective means of redress.

## FREQUENTLY ASKED QUESTIONS (FAQs)

### DEMATERIALIZATION / REMATERIALISATION OF SHARES

#### 1. What is Dematerialization?

Dematerialization (Demat) is the process by which securities held in physical form are cancelled and destroyed and the ownership thereof is entered into and retained in a fungible form in a depository by way of electronic balances.

It offers scope for paperless trading, whereby share transactions and transfers are processed electronically without involving any share certificate or transfer deed after the share certificates have been converted from physical form to electronic form.

Demat attempts to avoid the time consuming and complex process of getting shares transferred in the name of buyers as well its inherent problems of bad deliveries, delay in processing/fraudulent interception in postal transit, etc.

Further, it helps in maintaining and updating your details for all of your holdings with just one set of documents and application.

There are two Depositories in India – National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). There are Depository Participants (DP) registered with each Depository with whom you can open a demat account. The list of Depository Participants are available on following links:

<https://www.cdslindia.com/dp/dplist.aspx> and <https://nsdl.co.in/related/deprt.php>

#### 2. What is a Demat Account?

A demat account is like your Bank Account where you can hold all your shares and other securities in electronic form. Just like your bank statements, you get demat statements periodically where your holdings can be accessed. You may buy / sell / transfer your holding through your broker.

#### 3. How do I convert shares to demat form?

Open an account with a Depository Participant and get a unique Client ID number. Thereafter, one has to fill a Demat Request Form (DRF) provided by the DP and submit the same along with physical certificates, which one want to get dematerialize.

The complete process of dematerialization is outlined below:

- Submit Demat Request form (DRF) as given by the DP duly signed by all the registered holders with the names and signatures in the same order as appearing in the concerned certificate(s) and the Company records, along with requisite documentary proof and PAN details.
- Obtain acknowledge from DP on handing over the share certificate(s).
- Demat transfers are required to be completed in 21 days (excluding time for dispatch).
- Receive a confirmation statement of holdings from the DP. Statement of holdings is sent by the DPs from time to time.

#### **4. Can I dematerialize shares held jointly, in the same combination of names, but the sequence of names is different?**

DP shall provide “Transposition cum Demat” facility to help joint holders to dematerialize securities in different sequence of names. For this purpose, one has to fill the DRF and Transposition Form and should be submitted with DP.

#### **5. Can an investor open a single account for securities owned in different ownership patterns such as securities owned individually and securities owned along with others?**

No. The demat account must be opened in the same ownership pattern in which the securities are held in the physical form. E.g. if one share certificate is in his individual name and another certificate is jointly held with some other person, in such case two different accounts would need to be opened.

#### **6. What is Rematerialization? (Conversion of Demat Shares into physical shares)**

It is the process through which shares held in demat form are converted into physical form in the form of share certificate(s) in the same manner as Dematerialization is done.

#### **7. How do I convert demat shares to physical form?**

Procedure for Rematerialization of shares:

- Submit duly filled in Rematerialization Request form (RRF) to the concerned DP.
- DP intimates the relevant Depository of the Request through the system.
- DP submits RRF to the Company’s RTA.
- Depository confirms Rematerialization request to the Company’s RTA.
- The company’s RTA updates accounts and prints certificate(s) and informs the Depository.
- Depository updates the Beneficiary Account of the shareholder by deleting the shares so rematerialized. Share certificate(s) is dispatched to the shareholder.

## **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.

#### **1. Payment of Dividend through Electronic Payment System (ECS)**

It is strongly advised that you get your bank details registered with the Company or with your DP to receive dividend declared by the Company directly in to your Bank account. Kindly fill in the KYC form for registering / updating your Bank details. Please refer to SEBI Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/655 dated November 3, 2021 in this regard.

#### **2. What are the benefits of ECS (payment through electronic facilities)?**

Some of the major benefits are:

- a) Investor need not make frequent visits to his bank for depositing the physical warrants.
- b) Prompt credit to the bank account of the investor through electronic clearing.

- c) Fraudulent encashment of warrants is avoided.
- d) Exposure to delays / loss in postal service avoided.
- e) As there can be no loss in transit of warrants, issue of duplicate warrants is avoided.

### 3. How to avail of ECS Facility?

In case of shares held in physical form, kindly submit KYC form alongwith your bank details, IFS Code, account number and a cancelled cheque of that account (containing IFS code of the Bank, your name printed on cheque and your account number on it) to the RTA of the Company. Please refer to SEBI Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/655 dated November 3, 2021 in this regard.

In case of shares held in demat form, kindly contact your DP for registering your bank details in your demat account.

## UNCLAIMED / UNPAID DIVIDEND

### 1. What are the Statutory provisions governing unclaimed dividend?

As per provisions of the Companies Act, 2013 and rules made thereunder, the Company is required to keep unpaid/unclaimed dividend for a period of 7 years and thereafter, it is required to transfer the same to Investor Education and Protection Fund (IEPF) set up by the Central Government. The Shareholders can claim their unpaid/unclaimed dividend for past 7 years from the Company. Any person, whose unclaimed or unpaid dividend has been transferred by the company to IEPF, may claim their refunds to the IEPF authority. For claiming such amount, claimant needs to file form IEPF-5 alongwith requisite documents.

Weblink to Refund page of IEPF is: <http://www.iepf.gov.in/IEPFA/refund.html>

### 2. Where can the status of declared and unclaimed dividend be verified?

The Company has uploaded the details of declared and unpaid and unclaimed amounts lying with the Company upto the lasted AGM date on the website of the Company, which can be accessed by the shareholders. Alternatively, the Shareholder may contact the Company for inquiring about the status of their unclaimed dividend, if any by writing an email to [investorsupport.in@schaeffler.com](mailto:investorsupport.in@schaeffler.com).

## SHARES TRANSFERRED TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

### 1. Why my shares are transferred to IEPF?

As per provisions of the Companies Act, 2013 and rules made thereunder, the Company is required to transfer all shares in respect of which dividend has not been paid or claimed for 7 consecutive years or more, to IEPF. However, the Company shall inform the concerned shareholder regarding transfer of shares 3 months before the date of transfer of shares and also simultaneously publish a notice in the newspaper (generally ET-English, Pune edition and Prabhat-Marathi, Pune edition) informing the concerned that the names of such shareholders and their folio number or DP ID - Client ID are available on their website of the Company at [www.schaeffler.co.in](http://www.schaeffler.co.in). Shareholders are therefore advised to get their dividend warrants / DDs encashed/claim unpaid dividend warrants / DDs at the earliest, after complying with the requirements of SEBI Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/655 dated November 3, 2021.

### 2. How can I claim my Shares transferred to IEPF?



Any claimant of shares transferred as mentioned above shall be entitled to claim the transfer of shares from Investor Education and Protection Fund.

Weblink for details about claim the shares so transferred is: <http://www.iepf.gov.in/IEPFA/refund.html>

## LOSS OF SHARE CERTIFICATES

### 1. What is the procedure to obtain duplicate share certificate in case of loss of original share certificates?

Please refer to the SEBI circulars dated January 25, 2022 and May 25, 2022 pursuant to issuance of Securities in dematerialized form in case of Investor Service Requests and simplification of procedure and standardization of formats of documents for issuance of duplicate securities certificates.

## TRANSMISSION OF SHARES

### 1. What is the Procedure for transmission of Shares held in physical form?

Please refer to the SEBI circular dated May 18, 2022 pursuant to simplification of procedure and standardization of formats of documents for transmission of securities.

### 2. What is the Procedure for transmission of Shares held in demat form?

For transmission of shares held in demat form, the claimant has to contact Depository Participant of the shareholder where the demat account is held.

## SHARES TRANSFERRED TO UNCLAIMED SUSPENSE ACCOUNT

### 1. Why my shares are transferred to Unclaimed Suspense Account?

As per requirements of Listing Regulations, after following procedure of sending three reminders, undelivered Share Certificates lying with the Company, are required to be transferred to a demat account named 'Unclaimed Suspense Account' to be opened by the Company for the purpose. Accordingly, the Company has transferred the undelivered Share Certificates to Unclaimed Suspense Account and are held on behalf of respective shareholders.

### 2. What is the procedure to claim the Shares transferred to Unclaimed Suspense Account?

The Shareholders are requested to provide their claims in the prescribed claim form along with necessary supporting documents as mentioned in the said claim form to the RTA of the Company. Upon successful verification by the RTA and the Company, the Shares held in Unclaimed Suspense Account will be transferred to the Shareholder's demat account.

However, in case of Shares claimed by heirs of a deceased shareholder, the procedure for transmission of shares shall also be required to be completed.

## OTHER MISCELLANEOUS TOPICS:

### 1. Can there be multiple addresses for a single folio?

No. There can only be one registered address for one folio.

**2. In case of joint holdings, in the event of death of one shareholder, how do the surviving shareholder(s) get the shares in his/their names?**

The surviving shareholder(s) will have to submit a request in writing alongwith their KYC documents (self attested PAN Card, residence proof, Signature verification from Bank and Bank details with cancelled cheque), original or notarized copy of death certificate of the deceased shareholder and original Share Certificate(s) to the RTA. On receipt of requisite documents, RTA shall delete the name of shareholder from the share certificate(s) and register KYC details of surviving shareholders in the records of the Company and return the share certificate(s) to the surviving shareholder(s).

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